

Stock Code: 2455

全新光電科技股份有限公司
Visual Photonics Epitaxy Co., Ltd.

2022 General Shareholders' Meeting
Annual General Meeting

Date: 8 June 2022

Location: No. 15, Gongye 1st Road, Pingzhen District, Taoyuan City

Table of Contents

Page No.

I. Meeting Procedures -----	1
II. Meeting Agenda -----	2
III. Reported Matters -----	3
IV. Ratification Matters -----	4
V. Discussion -----	5
VI. Extemporaneous Motions -----	5

Attachments

I. Business Report -----	6
II. Audit Committee Report -----	11
III. Ethical Corporate Management Best-Practice Principles -----	12
IV. Procedures for Ethical Management and Guidelines for Conduct -----	17
V. Accountant Audit Report and Financial Statements -----	23
VI. Statement of Earning Allocation -----	33
VII. Comparison Table of the “Articles of Incorporation” Before and After the Amendment -----	34
VIII. Comparison Table of the “Procedure for Acquisition or Disposal of Assets” Before and After the Amendment -----	36

Appendix

I. Articles of Association -----	42
II. Procedure for Acquisition or Disposal of Assets -----	46
III. Rules of Shareholders Meetings -----	54
IV. Directors’ Shareholdings -----	58

Visual Photonics Epitaxy Co., Ltd.
2022 General Shareholders' Meeting Procedures

- I. Announcement to Commence Meeting
- II. Chairman's Speech
- III. Reported Matters
- IV. Ratification Matters
- V. Discussion
- VI. Extemporaneous Motions
- VII. Meeting Adjourned

Visual Photonics Epitaxy Co., Ltd.
2022 General Shareholders' Meeting Agenda

Time: 9 am (Wednesday) 8 June 2022

Location: No. 15, Gongye 1st Road, Pingzhen District, Taoyuan City

Method for convening the meeting: Convened in a tangible form.

- I. Announcement to Commence Meeting (number of shares represented announced)
- II. Chairman's Speech
- III. Reported Matters
 1. 2021 Business Report
 2. 2021 Audit Committee Audit Report
 3. 2021 Employee and Director Remuneration Distribution Report
 4. Establishment of the Company's Code of Ethical Operations and Procedure of Ethical Operations and Code of Conduct
- IV. Ratification Matters
 1. 2021 Business Report and Financial Statements
 2. 2021 Profit Distribution Proposal
- V. Discussion
 1. Motion for amendments to certain provisions of the "Articles of Incorporation"
 2. Motion for amendments to certain provisions of the "Procedure for Acquisition or Disposal of Assets"
- VI. Extemporary Motions
- VII. Meeting Adjourned

Reported Matters

- I. For the 2021 Business Report, please refer to Attachment I on pages 6~10 of the Meeting Handbook.
- II. For the 2021 Audit Committee Report, please refer to Attachment II on page 11 of the Meeting Handbook.
- III. Please review the 2021 Employee and Director Remuneration Distribution Report.

The Company's 2021 profit was NT\$1,238,443,238. According to the Articles of Association of the Company, NT\$148,613,189 is distributed as employee remuneration and NT\$37,153,297 is distributed as director remuneration. All distributions will be made in cash.

- IV. Please review the Company's "Ethical Corporate Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct".

For the "Ethical Corporate Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", please refer to Attachment III on pages 12~16 and Attachment IV on pages 17~22 of the Meeting Handbook.

Ratification Matters

Agenda 1 (Proposed by Board of Directors)

Proposal: The 2021 Business Report and Financial Statements are submitted for ratification.

Illustration:

1. The Company's 2021 Financial Statements were audited by PWC accountants Chou, Hsiao-Tzu and Lai, Chung-Hsi, and a clean audit report was issued, which was submitted together with the Business Report to the Audit Committee. The Audit committee has completed its audit and issued a written audit report.
2. For the Business Report, please refer to Attachment I on pages 6~10 of the Meeting Handbook. For the Accountant Audit Report and Financial Statements, please refer to Attachment V on pages 23~30 of the Meeting Handbook.
3. Submission for ratification.

Resolution:

Agenda 2 (Proposed by Board of Directors)

Proposal: The 2021 Statement of Earning Allocation is submitted for ratification.

Illustration:

1. For the Company's 2021 Statement of Earning Allocation, please refer to Attachment VI on page 31 of the Meeting Handbook.
2. Submission for ratification.

Resolution:

Discussion

1st Motion (proposed by the Board of Directors)

Summary: The motion for amendments to certain provisions of the “Articles of Incorporation” is submitted for discussion.

Remarks:

- I. In response to the amendments to the Company Act and the Company’s practical needs, the amendments to certain provisions of the “Articles of Incorporation” are proposed.
- II. For the Comparison Table of the “Articles of Incorporation” Before and After the Amendment, please refer to Attachment VII on pages 32~33 of the Meeting Handbook.
- III. The motion is submitted for discussion.

Resolution:

2nd Motion (proposed by the Board of Directors)

Summary: The motion for amendments to certain provisions of the “Procedure for Acquisition or Disposal of Assets” is submitted for discussion.

Remarks:

- I. Per the FSC’s order under Jin-Guan-Zhen-Fa-Zi No. 1110380465 dated January 28, 2022, the Company plans to amend certain provisions of the “Procedure for Acquisition or Disposal of Assets.”
- II. For the Comparison Table of the “Procedure for Acquisition or Disposal of Assets” Before and After the Amendment, please refer to Attachment VIII on pages 34~39 of the Meeting Handbook.
- III. The motion is submitted for discussion.

Resolution:

Extemporaneous Motions

Meeting Adjourned

Attachment I

Visual Photonics Epitaxy Co., Ltd.

Business Report



I. Business Results 2021

The Company's net operating revenue was NT\$3.609 billion, an increase by 36.43% from the previous year. The net income was NT\$855 million, an increase by 60.55% from the previous year.

The comparison of operating results 2021 and 2020:

Unit: NTD thousand

	2021	2020	Increase (decrease)	Increase (decrease) by %
Operating revenue	3,608,521	2,645,003	963,518	36.43%
Operating costs	2,088,808	1,530,599	558,209	36.47%
Gross profit	1,519,713	1,114,404	405,309	36.37%
Operating expenses	463,194	426,889	36,305	8.50%
Operating income	1,056,519	687,515	369,004	53.67%
Non-operating income and expenses	(3,842)	(40,212)	36,370	90.45%
Net income	855,081	532,588	322,493	60.55%

According to the IDC report, the smart phone shipment was 1.352 million pcs in 2021, growing by 5.7% from 2020. The Company's operating revenue growth is better than that of the smart phone market, primarily due to the growing market share of smart phone customers and successive release and shipment of Wifi and other new photoelectronic products. Looking forward to 2022, the Company's operations will be benefited by the industrial trends, such as a growing penetration rate of 5G smart phones, Wifi6/Wifi6e becoming the mainstream Wifi technology specifications and the continuing implementation of photoelectronics into the consumption-type and automotive sensor programs.

II. Outline of the business plan

1. Marketing plan

- (1) Improve the strength of the Company's products in technology, quality and mass production; increase the existing customers' procurement from the Company and develop potential high-growth markets and customers at the same time; raise the Company's market share and publicity in the industry by thinking about the market trend, satisfying customers' needs and helping customers with differentiation to improve their competitiveness.

- (2) Participate in the Design-in at the beginning of new product R&D at the customer end pro-actively to become the specifications maker and expand the gap with competitors, strengthen the competitiveness of products with leading technology and thus deepen the relationship with customers.
 - (3) Deepen the relationship with customers with technical services; adopt the product differentiated orientation policy based on the customers' need for design and process; help customers improve the product differentiation and process stability to form the sound partnership with the customer end.
2. Production and operating plan
- (1) Cost reduction

Execute the plan to reduce the procurement cost subject to the suppliers' characteristics; implement the concept about Lean Production to eliminate the waste potentially arising in the procedure; adjust the optimal production scheduling in response to changes in the order placed by customers; continue to analyze various costs, train colleagues to think about how to create the maximum output with limited resources in the routine operating activities to keep improving the work literacy; adjust the factory premises to be the most competitive cost structure transcending competitors, as the threshold that competitors are unlikely to reach.
 - (2) Quality improvement

Intensify colleagues' awareness toward quality by virtue of continuing education and training; keep improving the quality level, in order to practice the strategy to develop customers thoroughly with stable quality and build the competitive strengths of products by cutting the costs to be incurred by defective quality.
3. R&D plan
- (1) Microelectronic products: GaAs HBT/InP HBT/GaAs PHEMT/GaN on SiC/GaN on Si/GaN on Sapphire applied to PA, Switch and LNA of 5G mobile phones, Wifi and Infrastructure (Base Station and Small Cell).
 - (2) Photoelectronic products:
 - A. PD: 25G APD、50G PD、1.9-2.6 μ m long wavelength PD.
 - B. LD: Application of GaAs and InP FP/DFB LD for High Power, High Speed and LiDAR.
 - C. VCSEL: iTOF/dTOF, Multi-Junction VCSEL, long-wavelength VCSEL.
4. Financial Plan
- Continue to improve the cost structure and increase the gross margin; cut various operating expenses; assess the foreign exchange risk; increase the turnover of various assets; strictly assess the effect of fund utilization and control cash outflows; accelerate the cash inflows accumulated from operating activities; improve the cash holdings and efficiency of asset utilization; insofar as the Company's normal operation and stable

profit policy remain unaffected, cover the capital requirement with the cash inflow from operating activities as much as possible, in order to cut the funding cost and improve the profitability; make good use of the low-interest financial trend; borrow loans adequately; review the adequacy of capital scale; increase the ROE. Strive for the feasibility of various R&D credits pro-actively to increase EPS.

III. Future development strategies

The competition is fierce in each industry. Taking the wireless communication industry where the Company's microelectronic products are located as an example, whenever any flagship model is launched, it is the time to restart the competition trend in this industry. Therefore, the Company has to join the technology R&D of the next generation product specifications together with customers at the very beginning of the R&D, in order to strive for the chance to be the winner of the terminal product specifications and ensure that the Company's epi wafer products can be applied to each best-selling mobile phone, tablet and wearable device series and various innovative devices and infrastructure. Improving the characteristics of materials and yield rate, ensuring the product quality and keeping cutting costs down would be the key to maintain the long-term competitiveness in the industry. Based on the partnership in R&D, the Company helps customers shorten the time spent in R&D and strive for the opportunity to have the customers' products get the Design-Win from mobile phone manufacturers. Only if the Company becomes the first largest supplier, the Company may disperse the operating risk effectively and stand in the invincible position. In the era of 5G, IoT and Vehicle-to-Everything (V2X), the Company will introduce resources, work with customers to layout for the 5G mobile phones, base stations, small cells and Wifi6/Wifi6e-related new products and structures.

The Company will expand the width of optical communication customers, accelerate R&D of the new light sensor products and customers' certification, as the development strategy for photoelectronic products. The Company will also increase the photoelectronic products and customer portfolio to drive the growth of operating revenue and profit, cause the product portfolio and customer structure to develop toward a stabler orientation and thus create more diversified business opportunities. Meanwhile, the Company takes the chance to develop its business when the penetration rate of sensing elements in electronic consumables and LiDAR is increasing significantly, accelerate the R&D of application, certification and mass production of InP, GaAs and GaN, improve the yield rate, and expand the productivity to raise the market share in a timely manner to block the competitors.

The digital transformation is happening. Various forward-looking technologies are emerging and complementing each other. The new high-tech product innovation speed is beyond the ordinary people's imagination. At this moment, many industrial giants and venture capitalists are focusing on the creation of new products which most of people have not yet found are needed by them. In consideration of the excellent characteristics of compound

semiconductors, it will inevitably be applied by specific new high-tech products. The Company, as a compound semiconductor epitaxy fab, will act open-mindedly and introduce resources in a timely manner and closely work with the existing and potential customers for early layout arrangement. Meanwhile, the Company will make good use of its 20 years of experience in the R&D of various microelectronic and photoelectronic products for two decades, control the characteristics of compound semiconductor materials, 6-inch epitaxy mass production capacity, and also ensure the quality to be outstanding and everlasting and have cost awareness to build a threshold that competitors are not likely to reach.

IV. Effect of external competition, laws and regulations and overall business environment

Following the integration of RF modules and photoelectronic components industries, the merger and acquisition movement at the customer end will reform the industrial competition pattern. The approach which the Company may take to deal with it is to strengthen its basic strengths. The Company will continue improving its strengths in quality, cost, delivery period and product R&D and develop the relationship with customers more extensively, upgrade the customers' strength in product characteristics with its R&D strength, become the best partner working with the customer end to develop the next generation products and serve as the major customers' largest supplier. Then, the Company may disperse the operating risk caused by changes in a single customer and also increase the market share steadily amid the changes in the industrial competition trend.

The global supply chain and production layout were changed due to the impact posed by COVID-19 and the China-US trade. The delayed supply and interrupted logistic system might result in duplicate order. As an upstream position in the supply chain, the Company will continue to judge whether or not a bullwhip effect arises in the supply chain in order to adjust the Company's internal production and marketing strategies resiliently to deal with the changes in the demand. The changes in production layout also drive the booming local manufacturing in Taiwan. Industrial parks and science parks have successively suffered the problem about labor shortage. The Company insists on training talents as the first priority and utilizes the diversified recruitment channels including campus recruitment and cooperation plans pro-actively to mitigate the difficulty in talent recruitment that might affect the Company's development and operations.

Given that the road safety requirements are getting much stricter in various countries and the increasing penetration rate and level of the ADAS drive the increase in quantity of sensing elements and the need for upgrading the technology level, various sensor programs have their strength and weakness at the same time. Generally, it is advised that various sensing technologies shall be applied alternatively. In addition to the traditional European, US-based and Japan-based car suppliers, the Mainland China-based car suppliers act more positively toward the ADAS. The samples of LiDAR which the Company has researched and developed permanently were also submitted to customers. The Company expects to be a part of the car

makers' supply chain at the beginning of significant growth of the ADAS industry. So far, the Company's epi foundry product has successfully played a part of the mass production design.

According to the "Global Risk Report 2020" released by the World Economic Forum, the environmental risk has become a difficult issue to be dealt with by the world. Lots of world-renowned brands have started to demand that their supply chains shall plan carbon reduction and show some physical achievements for it. Taiwan Government also values TWSE/TPEX-listed companies' ESG operations increasingly. For example, the Financial Supervisory Commission (FSC) expands the qualifications of TWSE/TPEX-listed companies required to practice ESG. As the upstream dealer in the world-renowned brand suppliers, the Company already has the regulations related to ESG in place. So far, the Company has started to boost the implementation of ESG.

The bottleneck of supply chain and increasing energy and chemical fertilizer price and wage cost drove the global inflation in 2021. The inflation caused increases in the cost of materials. The Company will continue to bargain with vendors and introduce alternative materials and also adjust the pricing strategy toward customers in a timely manner. Generally, the global governments and academic sector believe that the inflation will remain but will not worsen in 2022. The Fed starts to consider dealing with the situation by virtue of the interest rate rising and QE tapering. Considering that the other countries might take the same movement, the easy money policy might be mitigated accordingly. The Company's Financial Dept. will evaluate the necessary response policy when the interest rate rising cycle begins in Taiwan. The inflation and funding crunch are considered as disadvantages to the consumers' disposable income. The Company will keep a close watch on the overall economic indicators and plan the future stable growth with care.

Chairman:
Chen Chien-Liang



General Manager:
Huang Chao-Hsing



Accounting Manager:
Chiang Chi-Ching



Attachment II

Visual Photonics Epitaxy Co., Ltd.

Audit Committee Report

The Board of Directors of the Company sent the 2021 business report, an earnings distribution proposal and the financial statements (including balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flow) audited and certified by Chou, Hsiao-Tzu and Lai, Chung-Hsi, CPAs at PwC Taiwan, to the Audit Committee. The committee has completed the review of said documents and found no discrepancies therein and hereby issued a report in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

The 2022 Annual General Meeting of Shareholders of Visual Photonics Epitaxy Co., Ltd.

Audit Committee of Visual Photonics Epitaxy Co., Ltd.

Convener of the Audit Committee: 

March 10, 2022

Attachment III

Name of Document: Ethical Corporate Management Best-Practice Principles
Prepared on March 10, 2022
Prepared by President Office

Version: A
Page No.: 1/5

- Article 1 (Purpose and Scope of Application)
These Principles are adopted to assist the Company to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices. These Principles are applicable to the Company and its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received and other institutions or juristic persons with substantial control over the Company (hereinafter referred to as the "business group").
- Article 2. (Prohibition of Unethical Conduct)
When engaging in commercial activities, the directors, supervisors, managers, employees and mandataries of the Company or persons having substantial control over the Company (hereinafter referred to as "substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits nor commit unethical acts including breach of ethics, illegal acts or breach of fiduciary duty (hereinafter referred to as "unethical conduct") for purposes of acquiring or maintaining benefits.
The parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.
- Article 3 (Patterns of Benefit)
The "benefits" referred to herein mean any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Notwithstanding, benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.
- Article 4. (Compliance)
The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.
- Article 5 (Policy)
The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish good corporate governance and risk control and management mechanism to create an operating environment for sustainable development.
- Article 6 (Prevention Programs)
The Company shall in its ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as "prevention programs"), including operating procedures, guidelines and training.
When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its business group is operating.
In the course of developing the prevention programs, the Company is advised to negotiate with staff, labor unions members, important trading counterparts or other stakeholders.
- Article 7 (Scope of Prevention Program)
The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

- Article 7 It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:
- I. Offering and acceptance of bribes.
 - II. Illegal political donations.
 - III. Improper charitable donations or sponsorship.
 - IV. Offering or acceptance of unreasonable presents or hospitality or other improper benefits.
 - V. Misappropriation of trade secrets and infringement upon trademark rights, patent rights, copyrights and other intellectual property rights.
 - VI. Engaging in unfair competitive practices.
 - VII. Damage directly or indirectly caused to the rights or interests, health or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision or sale of products and services.
- Article 8 (Commitment and Execution)
The shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.
The Company and its business group shall clearly specify in their rules and external documents and on the Company's website the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and shall carry out the policies in its internal management and in commercial activities.
The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in Paragraph 1 and Paragraph 2 and retain said information properly.
- Article 9 (Ethical Management Commercial Activities)
The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.
Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients or other trading counterparts and whether or not it is involved in unethical conduct and shall avoid any dealings with persons so involved.
When entering into contracts with its agents, suppliers, clients or other trading counterparts, the Company shall include in such contractual terms requiring compliance with ethical corporate management policy and that in the event the trading counterparts are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.
- Article 10 (Prohibition of Offering and Acceptance of Bribes)
When conducting business, the Company and its directors, managers, employees, mandataries and substantial controllers, may not directly or indirectly offer, promise to offer, request or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants or other stakeholders.
- Article 11 (Prohibition of Illegal Political Donations)
When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries and substantial controllers, shall comply with the Political Donations Act and the Company's own relevant internal operating procedures and shall not make such donations in exchange for commercial gains or business advantages.
- Article 12 (Prohibition of Improper Charitable Donations or Sponsorship)
When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries and substantial controllers shall comply with relevant laws and regulations and the Company's internal operating procedures and shall not surreptitiously engage in bribery.

- Article 13. (Prohibition of Offering or Acceptance of Unreasonable Presents or Hospitality or Other Improper Benefits)
The Company and its directors, managers, employees, mandataries and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationships or influence commercial transactions.
- Article 14. (Prohibition of Infringement upon Intellectual Property Rights)
The Company and its directors, managers, employees, mandataries and substantial controllers shall observe applicable laws and regulations, the Company's internal operating procedures and contractual provisions concerning intellectual property and may not use, disclose, dispose of or damage intellectual property rights or otherwise infringe upon intellectual property rights without the prior consent of the intellectual property rights holder.
- Article 15. (Prohibition of Engagement in Unfair Competitive Practices)
The Company shall engage in business activities in accordance with applicable competition laws and regulations and may not fix prices, make rigged bids, establish output restrictions or quotas or share or divide markets by allocating customers, suppliers, territories or lines of commerce.
- Article 16. (Prevention of Products or Services from Damaging Stakeholders)
In the course of research and development, procurement, manufacture, provision or sale of products and services, the Company and its directors, managers, employees, mandataries and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about and safety of the Company's products and services. The Company shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders and carry out the policy in its operations, with a view to preventing its products and services from directly or indirectly damaging the rights and interests, health and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.
- Article 17. (Organization and Responsibilities)
The directors, managers, employees, mandataries and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments to ensure thorough implementation of its ethical corporate management policies.
To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis (at least once a year):
- I. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
 - II. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
 - III. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
 - IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
 - V. Developing a whistle-blowing system and ensuring its operating effectiveness.
 - VI. Assisting the Board of Directors and management in auditing and assessing whether or not the prevention measures taken for the purpose of implementing ethical management are effectively operating and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
- Article 18. (Compliance in Performance of Job Duty)
The Company and its directors, managers, employees, mandataries and substantial controllers shall comply with the laws and regulations and the prevention programs when conducting business.

Article 19 (Recusal for Conflict of Interest)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor and manage risks possibly resulting from unethical conduct and shall also offer appropriate means for directors, managers and other stakeholders attending or present at the Board meetings to voluntarily explain whether or not their interests would potentially conflict with those of the Company.

When a proposal at a given Board of Directors' meeting concerns the personal interest of or the interest of the juristic person represented by any of the directors, managers and other stakeholders attending or present at the Board meeting of the Company, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in the discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, managers, employees, mandataries and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 (Accounting and Internal Control)

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts and conduct reviews regularly to ensure that the design and enforcement of the systems are showing results.

The Company's internal audit unit shall, based on the results of risk assessment on involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc. and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit and may engage professionals to assist, if necessary.

The results of audit referred to in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the Board of Directors.

Article 21 (Operating Procedure and Guidelines for Conduct)

The Company shall establish operating procedures and guidelines for conduct in accordance with Article 6 herein to guide directors, managers, employees and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

- I. Standards for determining whether or not improper benefits have been offered or accepted.
- II. Procedures for offering legitimate political donations.
- III. Procedures and the standard rates for offering charitable donations or sponsorship.
- IV. Rules governing recusal for work-related conflicts of interests and how they should be reported and handled.
- V. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
- VI. Regulations and procedures for dealing with suppliers, customers and business trading counterparts suspected of unethical conduct.
- VII. Handling procedures for violations of these Principles.
- VIII. Disciplinary measures on offenders.

Article 22 (Education, Training and Performance Evaluation)

The Company's Chairman, president, or senior management shall communicate the importance of corporate ethics to its directors, employees and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries and substantial controllers and invite the Companies' commercial trading counterparts, so that they understand the Company's determination, policy and prevention programs to implement ethical corporate management and the consequences of committing unethical conduct.

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- The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.
- Article 23 (Whistle-Blowing System)
The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:
- I. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.
 - II. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each case shall be adopted.
 - III. Follow-up measures to be adopted depending on the severity of the circumstances after investigation on cases reported is completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
 - IV. Documentation and maintenance of case acceptance, investigation processes, investigation results and production of relevant documents.
 - V. Confidentiality of the identity of whistle-blowers and the content of reported cases and an undertaking regarding anonymous reporting.
 - VI. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
 - VII. Whistle-blowing incentive measures.
- When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.
- Article 24 (Disciplinary and Appeal System)
The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the Ethical Corporate Management Best-Practice Principles and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation and the actions taken in response.
- Article 25 (Disclosure of Information)
The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data and the effectiveness of promotion on the Company's website, annual reports and prospectuses and shall disclose its Ethical Corporate Management Best-Practice Principles on the Market Observation Post System "MOPS."
- Article 26 (Review and Amendments to Ethical Corporate Management Policy and Measures)
The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.
- Article 27 (Enforcement)
The Principles shall be submitted to the Board of Directors for resolution after being approved by the Audit Committee and then to a shareholders' meeting for approval. The same shall apply where the Principles are amended.
When the Company submits its Ethical Corporate Management Best-Practice Principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director who cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the date of Board meeting, unless there is some legitimate reason to do otherwise and the opinion shall be specified in the minutes of the Board of Directors meeting.

Attachment IV

Name of Document: Procedures for Ethical Management and Guidelines for Conduct

Prepared on March 10, 2022

Prepared by the President's Office

Version: A

Page No.: 1/6

- Article 1 (Purpose and Scope of Application)
The Company engages in commercial activities following the principles of fairness, honesty, faithfulness and transparency and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter referred to as "Procedures and Guidelines") are adopted pursuant to the provisions of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed Companies" and the applicable laws and regulations of the places where the Company and its business group operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties. The Operating Procedure and Guidelines for Conduct are applicable to the Company and its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received and the business group including any institutions or juristic persons with substantial control over the Company.
- Article 2. (Applicable Subjects)
The term "personnel of the Company" refers to any director, manager, employee, mandataries or substantial controllers, of the Company and its business group.
Any provision, promise, request or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.
- Article 3 (Unethical Conduct)
The "unethical conduct" referred to herein shall mean that any personnel of the Company, in the course of performance of their duties, directly or indirectly provides, promises, requests or accepts improper benefits or commits a breach of ethics, unlawful act or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
The parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.
- Article 4. (Patterns of Benefits)
The term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining or any other item of value in whatever form or name.
- Article 5 (Dedicated Unit and Responsibilities)
The Company shall designate the President Office as the dedicated unit (hereinafter referred to as the "Dedicated Unit") under the Board of Directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:
- I. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
 - II. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
 - III. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
 - IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
 - V. Developing a whistle-blowing system and ensuring its operating effectiveness.

- VI. Assisting the Board of Directors and management in auditing and assessing whether or not the prevention measures taken for the purpose of implementing ethical management are effectively operating and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
- VII. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement, etc.

Article 6 (Prohibition of Provision or Acceptance of Improper Benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Company's "Ethical Corporate Management Best-Practice Principles" and the Procedures and Guidelines and the relevant procedures shall have been carried out:

- I. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention or custom during domestic (or foreign) visits, reception of guests, promotion of business and communication and coordination.
- II. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes or developing relationships.
- III. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations and the time period for the event or visit have been specified in advance.
- IV. Attendance at folk festivals that are open to and invite the attendance of the general public.
- V. Rewards, emergency assistance, condolence payments or honorariums from the management.
- VI. Money, property, or other benefits with a market value of NT\$10,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT\$10,000 or less given by another party to the majority of the personnel of the Company, provided that the total market value of the property offered to the same counterpart or coming from the same source within a single fiscal year shall be limited to NT\$80,000.
- VII. Property with a market value of NT\$10,000 or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation or severance or the injury, illness or death of the recipient or the recipient's spouse or lineal relatives.
- VIII. Other conduct that complies with the Company's requirements.

Article 7 (Procedures for Handling the Acceptance of Improper Benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 herein by a third party, the matter shall be handled in accordance with the following procedures:

- I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit and the dedicated unit of the Company shall be notified if necessary.
- II. If a conflict of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit and shall report this to his or her immediate supervisor and notify the Company's dedicated unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the dedicated unit for handling.

"The relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

- I. When the two parties have commercial dealings, a relationship of direction and supervision or subsidies (or rewards) for expenses.
- II. When a contracting, trading or other contractual relationship is being sought, is in progress or has been established.
- III. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The Company's dedicated unit shall make a proposal, based on the nature and value of the benefit under Paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the Chairman.

- Article 8 (Prohibition of and Handling Procedure for Facilitating Payments)
The Company shall neither provide nor promise any facilitating payment.
If any personnel of the Company provide or promise a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the dedicated unit.
Upon receipt of the report under the preceding paragraph, the dedicated unit shall take immediate action and undertake a review on relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the dedicated unit shall also immediately report to the relevant judicial agency.
- Article 9 (Procedures for Handling Political Donations)
Political donations by the Company shall be made in accordance with the following provisions, reported to the Chairman for approval, with a notification given to the dedicated unit:
- I. It shall be ascertained that the political donations are in compliance with the laws and regulations governing political donations in the country in which the recipient is located, including the maximum amount and the form in which a donations may be made.
 - II. A written record of the decision-making process shall be kept.
 - III. Account entries shall be made for all political donations in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
 - IV. In making political donations, commercial dealings, applications for permits, or processing of any other matters involving the interests of the Company with the related government agencies shall be avoided.
- Article 10 (Procedures for Handling Charitable Donations or Sponsorships)
Charitable donations or sponsorships by the Company shall be made in accordance with the following provisions, reported to the Chairman for approval, with a notification given to the dedicated unit:
- I. The donations or sponsorship shall be in compliance with the laws and regulations of the country where the Company is doing business.
 - II. A written record of the decision-making process shall be kept.
 - III. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
 - IV. The returns received as a result of any sponsorship shall be specific and reasonable and the subject of the sponsorship may not be a counterpart of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
 - V. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the donation.
- Article 11 (Recusal for Conflict of Interest)
When the agenda of a given Board of Directors' meeting concerns the personal interest of or the interest of the juristic person represented by, any of the Company's directors, managers and other stakeholders attending or present at the Board meeting of the Company, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as a proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.
Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.
If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the dedicated unit and the immediate supervisor shall provide the personnel with proper instructions.
No personnel of the Company may use the Company's resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

- Article 12 (Special Unit in Charge of Confidentiality Regime and its Responsibilities)
The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.
All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works and other intellectual properties of the Company of which they have learned nor may they inquire about or collect any trade secrets, trademarks, patents and other intellectual properties of the Company unrelated to their individual duties.
- Article 13. (Prohibition of Engagement in Unfair Competition Practices)
The Company shall engage in business activities in accordance with The Fair Trade Act and applicable competition laws and regulations and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories or lines of commerce.
- Article 14. (Prevention of Products or Services from Damaging Stakeholders)
The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe, and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about and safety of the products and services in the course of their research and development, procurement, manufacture, provision or sale of products and services.
The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health and safety of consumers or other stakeholders.
Where there are media reports or sufficient facts to determine that the Company's products or services are likely to pose any hazards to the safety and health of consumers or other stakeholders, the Company shall verify the facts and present a review and improvement plan.
The Company's dedicated unit shall report the event as in the preceding paragraph, actions taken and subsequent reviews and corrective measures taken to the Board of Directors.
- Article 15. (Prohibition against Insider Trading and Non-Disclosure Agreements)
All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.
Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and transfer of shares, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result thereof and that they may not use such information without the prior consent of the Company.
- Article 16 (Compliance and Announcement of Ethical Management Policies)
The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.
The Company shall disclose its ethical management policy in its internal rules, annual reports on its official websites, and in other promotional materials and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers and other business-related institutions and personnel fully aware of its ethical management philosophy and regulations.
- Article 17 (Ethical Management Evaluation Prior to Development of Commercial Relationships)
Before developing a commercial relationship with another party, such as an agent, supplier, customer or other counterparts in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether or not the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterpart with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- I. The enterprise's nationality, location of business operations, organizational structure and management policy and place where it will make payment.
- II. Whether or not the enterprise has adopted an ethical management policy and the status of its implementation.
- III. Whether or not the enterprise's business operations are located in a country with a high risk of corruption.
- IV. Whether or not the business operated by the enterprise is in an industry with a high risk of bribery.
- V. The long-term business condition and degree of goodwill of the enterprise.
- VI. Consultation with the enterprise's business partners on their opinion of the enterprise.
- VII. Whether or not the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 (Statement of Ethical Management Policy to Counterparts in Commercial Dealings)

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterpart about the Company's ethical management policy and related rules and shall clearly refuse to provide, promise, request or accept, directly or indirectly, any improper benefits in whatever form or name.

Article 19 (Avoidance of Commercial Dealings with Unethical Operators)

All personnel of the Company shall avoid business transactions with an agent, supplier, customer or other counterpart in commercial interactions who is involved in unethical conduct. When the counterpart or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterpart and blacklist it for any further business interactions in order to effectively implement the Company's ethical management policies.

Article 20 (Stipulation of Terms of Ethical Management in Contracts)

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall include the ethical management policy of the Company into the terms and conditions of the contract, stipulating at the least the following matters:

- I. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party the damages per the contract and may also deduct the full amount of the damages from the contract price payable.
- II. Where a party is discovered to have engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- III. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 (Handling of Unethical Conduct by personnel of the Company)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the intranet or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports.

A whistleblower shall at least furnish the following information:

- I. the whistleblower's name and ID number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where he/she can be reached.
- II. the informed party's name or other information sufficient to distinguish his/her identifying features.
- III. Specific facts available for investigation.

The Company's personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

The Company's dedicated unit shall observe the following procedure in handling whistleblowing matters:

- I. An information shall be reported to the department head if involving the rank and file, and to an independent director if involving a director or a senior executive.
- II. The Company's dedicated unit and the department head or personnel being reported to in the preceding sub-paragraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
- III. If the informed person is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to a judicial agency for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
- IV. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained in an electronic form. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- V. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
- VI. The Company's dedicated unit shall report the whistle-blowing case, actions taken and subsequent reviews and corrective measures taken to the Board of Directors.

Article 22 (Handling of Unethical Conduct by Others Toward the Company)

If any personnel of the Company discover that another party has engaged in unethical conduct towards the Company and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities. Where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23 (Internal Awareness Sessions and Establishment of a System for Rewards, Penalties, and Complaints and Related Disciplinary Measures)

The Company's dedicated unit shall organize the awareness session once per year and arrange for the Chairman, president, or senior management to communicate the importance of ethics to its directors, employees and mandataries.

The Company shall link the policies of ethical corporate management to its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 (Enforcement)

The Procedures and Guidelines shall be submitted to the Board of Directors for resolution after being approved by the Audit Committee and then to a shareholders' meeting for approval. The same shall apply where the Procedures and Guidelines are amended.

When the Company submits its Procedures for Ethical Management and Guidelines for Conduct to the Board of Directors for discussion, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors' meeting. An independent director that cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the date of Board meeting, unless there is some legitimate reason to do otherwise and the opinion shall be specified in the minutes of the Board of Directors' meeting.

Attachment V**INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE**

To the Board of Directors and Shareholders of VISUAL PHOTONICS EPITAXY CO., LTD.

Opinion

We have audited the accompanying balance sheets of Visual Photonics Epitaxy Co., Ltd. as at December 31, 2021 and 2020, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Visual Photonics Epitaxy Co., Ltd. as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for Visual Photonics Epitaxy Co., Ltd.'s financial statements of the current period are stated as follows:

Appropriateness of cut-off of warehouse operating revenue**Description**

For accounting policy of revenue recognition, please refer to Note 4(21).

The types of sale is separated into direct delivery from factory and warehouse operating revenue. The warehouse operating revenue involves shipping the goods to the warehouse in the USA or others first, then customer pick-up the goods. When the control of goods are transferred, and revenue is recognized. Visual Photonics Epitaxy Co., Ltd.'s revenue is recognized in accordance with statements provided by sales customers or online shipping system information.

Due to the multi-location of the warehouses and the different frequency of each custodian providing their statements, the revenue recognition procedure is complex and involves reconciliation of mutual payments. Visual Photonics Epitaxy Co., Ltd.'s daily transaction quantity is voluminous and the transaction amount around the balance sheet date is significant to the financial statements,

therefore, we determined that the appropriateness of cut-off of warehouse operating revenue as one of the key audit matters for this fiscal year.

How our audit addressed the matter

Our key audit procedures performed in respect to the above matter included:

1. Obtained an understanding and tested the timing of sales revenue recognition procedures between Visual Photonics Epitaxy Co., Ltd. and the customers to verify the effectiveness of the internal control for warehouse operating revenue recognition.
2. Performed cut-off test on the transactions of warehouse operating revenue around the period of balance sheet date, including verifying the supporting documents of warehouse custodian, the movement of accounted inventory, and related records of cost of goods sold generated to evaluate the timing appropriateness of warehouse operating revenue recognition.
3. Perform confirmation or physical inventory count observation to confirm the inventory quantities and agreed the results to accounting records. In addition, inspected the reason for the difference between the confirmation replies or physical inventory count observation and accounting records and tested the reconciling items made by management in order to confirm whether the significant differences have been adjusted.

Valuation of inventory

Description

For description of accounting policy on inventory valuation, please refer to Note 4(9). For accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For description of allowance for inventory valuation losses, please refer to Note 6(3).

As of December 31, 2021, Visual Photonics Epitaxy Co., Ltd.'s inventories and allowance for inventory valuation losses amounted to NT \$471,405 thousand and NT \$55,936 thousand, respectively.

Visual Photonics Epitaxy Co., Ltd.'s inventories are mainly optoelectronics semiconductor Epi wafer products. Since the industry involves rapidly changing technology and are affected by the communications industry, there is higher risk of incurring inventory valuation losses. Visual Photonics Epitaxy Co., Ltd.'s inventories are measured at the lower of cost and net realisable value, if the price change does not have the expected net realizable value, it may affect the net realizable value estimation result of the inventory evaluation.

Visual Photonics Epitaxy Co., Ltd.'s determination of net realisable value for obsolete or slow-moving inventories involves subjective judgement resulting in a high degree of estimation uncertainty. Considering the inventories and the allowance for inventory valuation losses are material to its financial statements, we determined that the estimates of the allowance for inventory valuation losses as one of the key audit matters for this fiscal year.

How our audit addressed the matter

Our key audit procedures performed in respect to the above matter included:

1. Assessed the reasonableness and the consistency of provision policies on allowance for inventory valuation losses and procedures based on our understanding of Visual Photonics Epitaxy Co., Ltd.'s operation and industry, including the classification of inventory for determining net realizable value.
2. Obtained an understanding of the Visual Photonics Epitaxy Co., Ltd.'s warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.
3. Selected samples to check the inventory clearance and historical data of inventory discount in order to evaluate the reasonableness of allowance of inventory valuation losses.

4. Tested the appropriateness of the estimated basis that Visual Photonics Epitaxy Co., Ltd. adopted to evaluate net realizable value, selected a sample of individual inventory data like inventory selling and accuracy of purchase price, and recalculate and evaluate the reasonableness of allowance for inventory valuation losses which were determined by management.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chou, Hsiao-Tzu

Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2022

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

VISUAL PHOTONICS EPITAXY CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,210,205	25	\$ 1,066,356	25
1150	Notes receivable, net	6(2)	416	-	432	-
1170	Accounts receivable, net	6(2)	584,451	12	463,482	11
1200	Other receivables		637	-	2,695	-
130X	Inventories	6(3)	415,469	8	372,296	9
1410	Prepayments		91,055	2	67,047	1
11XX	Current Assets		<u>2,302,233</u>	<u>47</u>	<u>1,972,308</u>	<u>46</u>
Non-current assets						
1600	Property, plant and equipment	6(4) and 8	2,405,171	50	2,318,762	54
1755	Right-of-use assets	6(5)	535	-	937	-
1780	Intangible assets		5,327	-	4,110	-
1840	Deferred income tax assets	6(18)	8,533	-	13,931	-
1915	Prepayments for business facilities	6(4)	127,942	3	7,732	-
1920	Guarantee deposits paid		67	-	67	-
1975	Net defined benefit asset, non-current	6(9)	777	-	753	-
15XX	Non-current assets		<u>2,548,352</u>	<u>53</u>	<u>2,346,292</u>	<u>54</u>
1XXX	Total assets		<u>\$ 4,850,585</u>	<u>100</u>	<u>\$ 4,318,600</u>	<u>100</u>

(Continued)

VISUAL PHOTONICS EPITAXY CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(6) and 8	\$ 480,000	10	\$ 380,000	9
2130	Current contract liabilities	6(13)	18,416	-	17,359	1
2170	Accounts payable		372,493	8	317,432	7
2200	Other payables	6(7)	356,083	7	221,472	5
2230	Current income tax liabilities	6(18)	139,530	3	74,096	2
2280	Current lease liabilities	6(5)	378	-	886	-
2300	Other current liabilities		5,447	-	5,425	-
21XX	Current Liabilities		<u>1,372,347</u>	<u>28</u>	<u>1,016,670</u>	<u>24</u>
Non-current liabilities						
2540	Long-term borrowings	6(8) and 8	200,000	4	400,000	9
2570	Deferred income tax liabilities	6(18)	164	-	150	-
2580	Non-current lease liabilities	6(5)	160	-	61	-
25XX	Non-current liabilities		<u>200,324</u>	<u>4</u>	<u>400,211</u>	<u>9</u>
2XXX	Total Liabilities		<u>1,572,671</u>	<u>32</u>	<u>1,416,881</u>	<u>33</u>
Equity attributable to owners of parent						
Share capital						
3110	Ordinary shares	6(10)	1,849,059	38	1,849,059	43
Capital surplus						
3200	Capital surplus	6(11)	16,736	-	16,736	-
Retained earnings						
3310	Legal reserve	6(12)	555,416	12	502,110	12
3350	Unappropriated retained earnings		856,703	18	533,814	12
3500	Treasury stocks	6(10)	-	-	-	-
3XXX	Total equity		<u>3,277,914</u>	<u>68</u>	<u>2,901,719</u>	<u>67</u>
Significant commitments and contingent liabilities 9						
Significant events after the balance sheet date 11						
3X2X	Total liabilities and equity		<u>\$ 4,850,585</u>	<u>100</u>	<u>\$ 4,318,600</u>	<u>100</u>

VISUAL PHOTONICS EPITAXY CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(13)	\$ 3,608,521	100	\$ 2,645,003	100
5000	Operating costs	6(3)(16)(17)	(2,088,808)	(58)	(1,530,599)	(58)
5900	Net operating margin		<u>1,519,713</u>	<u>42</u>	<u>1,114,404</u>	<u>42</u>
	Operating expenses	6(16)(17)				
6100	Selling expenses		(19,552)	(1)	(11,883)	(1)
6200	General and administrative expenses		(161,981)	(4)	(114,052)	(4)
6300	Research and development expenses		(281,661)	(8)	(299,346)	(11)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	-	-	(1,608)	-
6000	Total operating expenses		(463,194)	(13)	(426,889)	(16)
6900	Operating profit		<u>1,056,519</u>	<u>29</u>	<u>687,515</u>	<u>26</u>
	Non-operating income and expenses					
7100	Interest income		1,572	-	3,049	-
7010	Other income		4,930	-	1,541	-
7020	Other gains and losses	6(14)	(3,667)	-	(37,315)	(2)
7050	Finance costs	6(15)	(6,677)	-	(7,487)	-
7000	Total non-operating income and expenses		(3,842)	-	(40,212)	(2)
7900	Profit before income tax		<u>1,052,677</u>	<u>29</u>	<u>647,303</u>	<u>24</u>
7950	Income tax expense	6(18)	(197,596)	(5)	(114,715)	(4)
8200	Profit for the period		<u>\$ 855,081</u>	<u>24</u>	<u>\$ 532,588</u>	<u>20</u>
8311	Gains on remeasurements of defined benefit plans	6(9)	\$ 26	-	\$ 589	-
8349	Income tax related to components of other comprehensive loss that will not be reclassified to profit or loss	6(18)	(6)	-	(118)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>20</u>	-	<u>471</u>	-
8300	Total other comprehensive (loss) income for the year		<u>\$ 20</u>	-	<u>\$ 471</u>	-
8500	Total comprehensive income for the period		<u>\$ 855,101</u>	<u>24</u>	<u>\$ 533,059</u>	<u>20</u>
9750	Total basic earnings per share	6(19)	<u>\$ 4.62</u>		<u>\$ 2.88</u>	
9850	Total diluted earnings per share	6(19)	<u>\$ 4.60</u>		<u>\$ 2.86</u>	

VISUAL PHOTONICS EPITAXY CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital Reserves		Retained Earnings			Total equity	
		Share capital - common stock	Total capital surplus, additional paid-in capital	Treasury stock transactions	Legal reserve	Total unappropriated retained earnings (accumulated deficit)		Treasury stocks
<u>2020</u>								
Balance at January 1, 2020		\$ 1,849,059	\$ 10,229	\$ 6,462	\$ 450,724	\$ 514,405	\$ -	\$ 2,830,879
Profit for the year		-	-	-	-	532,588	-	532,588
Other comprehensive income		-	-	-	-	471	-	471
Total comprehensive income		-	-	-	-	533,059	-	533,059
Appropriation and distribution of retained earnings								
Legal reserve	6(12)	-	-	-	51,386	(51,386)	-	-
Cash dividends	6(12)	-	-	-	-	(462,264)	-	(462,264)
Purchase of treasury shares	6(10)	-	-	-	-	-	(126)	(126)
Treasury shares reissued to employees	6(10)	-	-	45	-	-	126	171
Balance at December 31, 2020		\$ 1,849,059	\$ 10,229	\$ 6,507	\$ 502,110	\$ 533,814	\$ -	\$ 2,901,719
<u>2021</u>								
Balance at January 1, 2021		\$ 1,849,059	\$ 10,229	\$ 6,507	\$ 502,110	\$ 533,814	\$ -	\$ 2,901,719
Profit for the year		-	-	-	-	855,081	-	855,081
Other comprehensive income		-	-	-	-	20	-	20
Total comprehensive income		-	-	-	-	855,101	-	855,101
Appropriation and distribution of retained earnings								
Legal reserve	6(12)	-	-	-	53,306	(53,306)	-	-
Cash dividends	6(12)	-	-	-	-	(478,906)	-	(478,906)
Balance at December 31, 2021		\$ 1,849,059	\$ 10,229	\$ 6,507	\$ 555,416	\$ 856,703	\$ -	\$ 3,277,914

VISUAL PHOTONICS EPITAXY CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,052,677	\$ 647,303
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right-of-use assets)	6(4)(5)(16)	270,977	284,482
Amortization expense	6(16)	1,340	810
Expected credit loss	12(2)	-	1,608
Interest expense	6(15)	6,677	7,487
Interest income		(1,572)	(3,049)
Unrealized foreign exchange (profit) loss		(15,735)	8,192
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		16	-
Accounts receivable		(120,969)	48,509
Other receivables		2,058	(1,560)
Inventories		(43,173)	(42,143)
Prepayments		(24,008)	(1,752)
Other non-current liabilities		2	(3)
Changes in operating liabilities			
Current contract liabilities		1,057	10,423
Accounts payable		55,061	13,827
Other payables		125,956	2,553
Other current liabilities		22	159
Cash inflow generated from operations		<u>1,310,386</u>	<u>976,846</u>
Interest received		1,572	3,049
Interest paid		(6,677)	(7,487)
Income taxes paid		(126,756)	(121,182)
Net cash flows from operating activities		<u>1,178,525</u>	<u>851,226</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(20)	(346,894)	(86,194)
Acquisition of intangible assets		(2,557)	(2,112)
Increase in prepayments for business facilities		(120,410)	(8,928)
Net cash flows used in investing activities		<u>(469,861)</u>	<u>(97,234)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(21)	100,000	-
Decrease in short-term borrowings	6(21)	-	(90,000)
Proceeds from long-term debt	6(21)	1,280,000	1,500,000
Repayments of long-term debt	6(21)	(1,480,000)	(1,500,000)
Payments of lease liabilities	6(21)	(1,644)	(1,774)
Cash dividends paid	6(12)(21)	(478,906)	(462,264)
Purchase of treasury shares	6(10)	-	(126)
Treasury shares reissued to employees	6(10)	-	171
Net cash flows used in financing activities		<u>(580,550)</u>	<u>(553,993)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>15,735</u>	<u>(8,192)</u>
Net increase in cash and cash equivalents		143,849	191,807
Cash and cash equivalents at beginning of year	6(1)	1,066,356	874,549
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,210,205</u>	<u>\$ 1,066,356</u>

Attachment VI

Visual Photonics Epitaxy Co., Ltd. Statement of Earning Allocation

2021



Unit: NT\$1,000

Item	Amount
Undistributed earnings at the beginning of the period	\$ 1,601,193
Plus: Adjustment of retained earnings for 2021	20,949
Undistributed earnings after adjustment	\$ 1,622,142
Plus: Profit and loss for 2021	855,081,302
Less: Provision for legal reserve	85,510,225
Distributable earnings	\$ 771,193,219
Distribution	
Shareholder dividends - cash (NT\$4.00 per share)	\$ 739,623,672
Undistributed earnings at the end of the period	\$ 31,569,547

Remarks:

- (1) The adjustment of retained earnings for 2021 refers to the actuarial gains on defined benefit plan and income tax related to elements of other comprehensive income.
- (2) It is proposed to authorize the Board of Directors to set the record dates for dividends payment and distribution of cash dividends once the motion for distribution of cash dividends is resolved at the annual general meeting.
- (3) In the event that the dividend payment ratio is changed due to any subsequent changes to the number of outstanding shares caused by changes in the Company's capital stock, it is proposed to authorize the Board of Directors to deal with the situation with full power.
- (4) According to Ministry of Finance letter under Tai-Cai-Shui No. 871941343 dated April 30, 1998, the earning allocation shall apply the specific identification method. Under the Company's earning allocation policy, the earnings 2021 shall be allocated as the first priority. In the event of any deficits, the distributable earnings accumulated in the past years shall be allocated under the first-in first-out policy, subject to the order of the year in which the earnings are generated.
- (5) The Company's motion for the 2021 earning allocation adopts the principle that the amount of cash dividends will be rounded off to the nearest dollar and fractional amounts of less than NT\$1 will be summed up and allocated based on the size of decimals in descending order and shareholders' account number in ascending order until the total amount of cash dividends is allocated.

Chairman:
Chen Chien-Liang



General Manager:
Huang Chao-Hsing



Accounting Manager:
Chiang Chi-Ching



Attachment VII

Visual Photonics Epitaxy Co., Ltd.

Comparison Table of the “Articles of Incorporation” Before and After the Amendment

Article No.	Provisions before Amendments	Provisions after Amendments	Remarks:
Article 7	<p>The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of at least <u>three directors</u>, subject to <u>certification by the</u> competent authority or any of its approved institutes.</p> <p>The Company may issue shares exempted from the requirements about printing of stock certificates and shall register the shares with the centralized securities depository institutions.</p>	<p>The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of <u>directors representing the Company, subject to certification by the bank which is competent to certify shares under the laws.</u></p> <p>The Company may issue shares exempted from the requirements about printing of stock certificates and shall register the shares with the centralized securities depository institutions.</p>	Amended pursuant to the laws and regulations.
Article 9	<p>The shareholders’ meeting is classified into two types, the annual general meeting and the special shareholders’ meeting. The annual general meeting shall be convened once per year within six months after the end of each fiscal year. The special shareholders’ meeting shall be convened according to the laws whenever necessary.</p>	<p>The shareholders’ meeting is classified into two types, the annual general meeting and the special shareholders’ meeting. The annual general meeting shall be convened once per year within six months after the end of each fiscal year. The special shareholders’ meeting shall be convened according to the laws whenever necessary.</p> <p><u>A shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	Amended pursuant to the laws and regulations.
Article 15.	<p>The Company shall have 9~11 directors with a term of office of three years, who shall be elected by the shareholders from the list of candidates for director via a candidate nomination system and they shall be eligible for re-election. In the event of any vacancies in the directors, the relevant requirements provided under the Company Act shall apply.</p> <p>According to Article 14-2 of the Securities and Exchange Act, the Company shall appoint 3 independent directors from the directors referred to in the preceding paragraph.</p> <p>The independent directors’ exercise of job duty and other compliance matters shall be governed by the related laws and regulations.</p>	<p>The Company shall have 9~11 directors with a term of office of three years, who shall be elected by the shareholders from the list of candidates for director via a candidate nomination system and they shall be eligible for re-election. In the event of any vacancies in the directors, the relevant requirements provided under the Company Act shall apply.</p> <p>According to Article 14-2 of the Securities and Exchange Act, the Company shall appoint 3 independent directors <u>or more</u> from the directors referred to in the preceding paragraph.</p> <p>The independent directors’ exercise of job duty and other compliance matters shall be governed by the related laws and regulations.</p>	In response to the Company’s practical needs.
Article 21.	<p>If the Company makes a profit for the year, it shall allocate 5% to 15% of the profit as employee compensation and no more than 3% as directors’ remuneration. However, when the Company still has cumulative deficit, it shall reserve an amount to compensate for it first and then appropriate amounts as employee compensation and directors’ remuneration in accordance with the aforementioned percentages.</p> <p>Employee compensation is decided by the Board of Directors to be paid in stock or</p>	<p>If the Company makes a profit for the year, it shall allocate 5% to 15% of the profit as employee compensation and no more than 3% as directors’ remuneration. However, when the Company still has cumulative deficit, it shall reserve an amount to compensate for it first and then appropriate amounts as employee compensation and directors’ remuneration in accordance with the aforementioned percentages.</p> <p>Employee compensation is decided by the Board of Directors to be paid in stock or</p>	In response to the Company’s practical needs.

Article No.	Provisions before Amendments	Provisions after Amendments	Remarks:
	<p>cash via resolution and the recipients may include employees of subsidiaries who meet certain criteria. Employee compensation and directors' remuneration distribution proposal shall be submitted to the shareholders' meeting for reporting.</p> <p><u>Before the Company's Audit Committee is established, the remuneration to supervisors shall be distributed based on the ratio defined in Paragraph 1.</u></p>	<p>cash via resolution and the recipients may include employees of subsidiaries who meet certain criteria. Employee compensation and directors' remuneration distribution proposal shall be submitted to the shareholders' meeting for reporting.</p>	
Article 23.	<p>These Articles were enacted on November 1, 1996.</p> <p style="text-align: center;">⋮</p> <p>19th amendments hereto were made on June 8, 2017.</p>	<p>These Articles were enacted on November 1, 1996.</p> <p style="text-align: center;">⋮</p> <p>19th amendments hereto were made on June 8, 2017.</p> <p><u>20th amendments hereto were made on June 8, 2022.</u></p>	Add the date and frequency of amendments.

Attachment VIII

Visual Photonics Epitaxy Co., Ltd.

Comparison Table of the “Procedure for Acquisition or Disposal of Assets” Before and After the Amendment

Article No.	Provisions before Amendments	Provisions after Amendments	Reasons for Amendments
Article 9	<p>Criteria for public announcement and report In the event that any of the following circumstances are met by the Company’s acquisition and disposal of assets, the Company shall publicly announce and report the relevant information in appropriate format on the website designated by Financial Supervisory Commission (FSC) within 2 days after action has been taken depending on the nature of the assets:</p> <p>(I~V omitted)</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five sub-paragraphs, 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>(I) Trading of domestic government bonds.</p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The following are omitted.</p>	<p>Criteria for public announcement and report In the event that any of the following circumstances are met by the Company’s acquisition and disposal of assets, the Company shall publicly announce and report the relevant information in appropriate format on the website designated by Financial Supervisory Commission (FSC) within 2 days after action has been taken depending on the nature of the assets:</p> <p>(I~V omitted)</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five sub-paragraphs, 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>(I) Trading of domestic government bonds, <u>or international bonds issued by a foreign central government with a sovereign rating not lower than the sovereign rating of the ROC.</u></p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The following are omitted.</p>	Amended pursuant to the laws and regulations.

Article No.	Provisions before Amendments	Provisions after Amendments	Reasons for Amendments
Article 13.	<p>In acquiring or disposing of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I~II omitted)</p>	<p>In acquiring or disposing of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I~II omitted)</p>	Amended pursuant to the laws and regulations.
Article 13.	<p>III. Where any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount exceeds 20% of the transaction amount.</p> <p>(II) The appraisal values presented by more than two professional appraisal firms showed variation of more than 10% of the transaction amount.</p> <p>IV. The date on which the professional appraisal firms issued the appraisal reports shall not fall beyond 3 months from the contract execution date. If the announced present value in the same period is applicable and is falling within 6 months, the original appraisal firms shall present a statement of opinion.</p>	<p>III. Where any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount exceeds 20% of the transaction amount.</p> <p>(II) The appraisal values presented by more than two professional appraisal firms showed variation of more than 10% of the transaction amount.</p> <p>IV. The date on which the professional appraisal firms issued the appraisal reports shall not fall beyond 3 months from the contract execution date. If the announced present value in the same period is applicable and is falling within 6 months, the original appraisal firms shall present a statement of opinion.</p>	Amended pursuant to the laws and regulations.
Article 14.	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,	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,	Amended pursuant to the laws and regulations.

Article No.	Provisions before Amendments	Provisions after Amendments	Reasons for Amendments
	<p>certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use an expert's report as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p>	<p>certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p>	
Article 15.	<p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof, or membership certificates, and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price, <u>and the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership certificates, and the transaction amount reaches 20 percent or more of the paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	Amended pursuant to the laws and regulations.
Article 17	<p>Those professional appraisers and their officers, certified public accounts, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall satisfy the following requirements:</p> <ol style="list-style-type: none"> I. Never received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, Company Act, Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act or 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 the completion of service of the sentence, since expiration of the period of a suspended sentence or since a pardon was received. II. May not be a related party or <i>de facto</i> related party of any party to the transaction. III. If the Company is required to obtain 	<p>Those professional appraisers and their officers, certified public accounts, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall satisfy the following requirements:</p> <ol style="list-style-type: none"> I. Never received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, Company Act, Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act or 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 the completion of service of the sentence, since expiration of the period of a suspended sentence or since a pardon was received. II. May not be a related party or <i>de facto</i> related party of any party to the transaction. III. If the Company is required to obtain 	Amended pursuant to the laws and regulations.

Article No.	Provisions before Amendments	Provisions after Amendments	Reasons for Amendments
	<p>appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or <i>de facto</i> related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience and independence.</p> <p>II. <u>When 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>III. They shall undertake an item-by-item evaluation on <u>comprehensiveness, accuracy</u> and reasonableness of the sources of data used, parameters and information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u> and that they have complied with applicable laws and regulations.</p>	<p>appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or <i>de facto</i> related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline standards of affiliated associations and</u> the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience and independence.</p> <p>II. <u>When carrying out 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>III. They shall undertake an item-by-item evaluation on <u>adequacy and reasonableness</u> of the sources of data used, parameters and information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is adequate and <u>reasonable</u> and that they have complied with applicable laws and regulations.</p>	
Article 19	<p>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 a majority of the Audit Committee members and resolved upon approval by the Board of Directors:</p>	<p>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 a majority of the Audit Committee members and resolved upon approval by the Board of Directors:</p>	Amended pursuant to the laws and regulations.

Article No.	Provisions before Amendments	Provisions after Amendments	Reasons for Amendments
Article 19	<p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>II. The reason for choosing a related party as the trading counterpart.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal on the reasonableness of the preliminary transaction terms in accordance with Article 20 and Article 21 herein.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original trading counterpart, and trading counterpart's relationship to the Company and the related party.</p> <p>V. The projection of cash flows from the month the agreement is made in one year ahead with assessment of the necessity of the transaction and the reasonableness of capital utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained according to the preceding article.</p> <p>VII. Restrictions and other important covenants for the transaction concerned.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Paragraph 2 of Article 29 herein and "within the preceding year" as used refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by Audit Committee <u>and</u> the Board of Directors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 7 delegate the Board Chairman to decide such matters when the transaction is within NT\$10 million and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of right-of-use assets of the real property held for business use.</p> <p>When the Company appoints independent directors pursuant to the laws and a matter is submitted for discussion by the Board of</p>	<p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>II. The reason for choosing a related party as the trading counterpart.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal on the reasonableness of the preliminary transaction terms in accordance with Article 20 and Article 21 herein.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original trading counterpart, and trading counterpart's relationship to the Company and the related party.</p> <p>V. The projection of cash flows from the month the agreement is made in one year ahead with assessment of the necessity of the transaction and the reasonableness of capital utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained according to the preceding article.</p> <p>VII. Restrictions and other important covenants for the transaction concerned.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 7 delegate the Board Chairman to decide such matters when the transaction is within NT\$10 million and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of right-of-use assets of the real property held for business use.</p> <p>When the Company appoints independent directors pursuant to the laws and a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, 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 Board of Directors' meeting minutes.</p> <p><u>When transactions pursuant to Paragraph 1 to be conducted between the Company and its</u></p>	

Article No.	Provisions before Amendments	Provisions after Amendments	Reasons for Amendments
	<p>Directors pursuant to Paragraph 1, 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 Board of Directors' meeting minutes.</p>	<p><u>subsidiary, which is not a domestic public company and the transaction amount reaches 10 percent or more of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the matters prescribed in Paragraph 1 have been approved by the shareholders' meeting; However, this requirement does not apply to transactions between the Company and its parent or subsidiaries or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in <u>Paragraph 1 and the preceding paragraph</u> shall be done in accordance with Paragraph 2 of Article 9 herein, and "within the preceding year" as used refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by Audit Committee and also <u>by</u> the Board of Directors <u>and shareholders' meeting</u> need not be counted toward the transaction amount.</p>	

Appendix I

Visual Photonics Epitaxy Co., Ltd.

Articles of Association

Chapter 1 General

- Article 1 The Company is organized in accordance with the Company Act and is called Visual Photonics Epitaxy Co., Ltd.
- Article 2 The Company operates the following businesses:
1. CC01080 Electronic parts and components manufacturing business.
 2. F119010 Electronic materials wholesale business.
 3. ZZ99999 Other businesses that are not prohibited or restricted by law, other than businesses requiring approvals.
- Article 2-1 The Company may give guarantees as required for business in accordance with its Procedure for Endorsements and Guarantees.
- Article 2-2 The Company may make investments and the total investment amount is not subject to the limit of 40% paid-in capital under Article 13 of the Company Act, provided that it shall be subject to approval by the board of directors.
- Article 3 The Company has its headquarters in Taoyuan City, Taiwan Province and may set up domestic and overseas branch offices as required in accordance with board resolutions and approvals by the competent authority.
- Article 4 The Company makes public announcements in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 5 The Company's total capital is NT\$3,000,000,000, divided into 300,000,000 shares at NT\$10 per share, which may be issued through multiple issuances.
- Among the total capital under the first paragraph, NT\$150,000,000 is reserved, divided into 15,000,000 shares at NT\$10 per share, for the exercise of warrants by holders of warrants issued by the Company (including employee stock options, warrants attached to corporate bonds and other warrants issued in accordance with the law). The board of directors is authorized to issue such shares through multiple issuances by board resolutions.
- Article 6 Deleted
- Article 7 All of the Company's shares are registered shares and shall be affixed with the signatures or seals of at least 3 directors and issued following certification by the concerned authority or the issuance registration authority approved by the concerned authority.
- No share certificate needs to be issued for shares issued by the Company and registration shall be made with a centralized securities custodian institution.
- Article 7-1 The Company processes shareholder affairs in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the concerned authority.
- Article 8 Share transfer registration is suspended during a period of 60 days before any general shareholders' meeting, 30 days before any special shareholders' meeting and 5 days before the record date for the distribution of dividends, bonus or other benefits decided upon by the Company.

Chapter 3 Shareholders' Meeting

- Article 9 Shareholders' meetings are divided into general shareholders' meetings and special shareholders' meetings. General shareholders' meetings are held in accordance with the law once a year within 6 months from the end of each accounting year. Special shareholders' meetings are convened as required in accordance with the law.
- Article 9-1 The meeting date, location and agenda shall be notified to each shareholder and publicly announced 30 days before a general shareholders' meeting and 15 days before a special shareholders' meeting.
Notice to convene shareholders' meetings may be given electronically with the consent of the counterparties. For shareholders with less than 1,000 registered shares, a public announcement may be made in lieu of a meeting notice.
- Article 10 Any shareholder who cannot attend a shareholders' meeting may issue a proxy printed by the Company, specifying the scope of authorization and affixed with a signature or seal, appointing a representative to attend the meeting on behalf of the shareholder, subject to the rules in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the securities competent authority.
- Article 11 For all shares held by the Company's shareholders, each share is entitled to one voting right unless there is any of the following events:
1. Special shares with no voting rights or restricted voting rights in accordance with sub-paragraph 3, Article 157 of the Company Act.
 2. Shares with no voting right in accordance with the second paragraph, Article 179 of the Company Act.
- Article 12 Unless otherwise provided by applicable laws, resolutions of shareholders' meetings shall be approved by shareholders representing the majority of voting rights represented in a meeting that is attended by shareholders representing the majority of all outstanding shares.
- Article 13 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board of directors. If the chairman is absent, the chairman shall appoint one person to chair the meeting. If the chairman does not make such appointment, the directors shall appoint one person from among themselves. If a shareholders' meeting is convened by a person other than the board of directors, the person who convened the meeting shall chair the meeting. If the meeting is convened by two or more persons, such persons shall appoint one person from among themselves to chair the meeting.
- Article 14 Resolutions of shareholders' meetings shall be recorded in the minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting. The minutes may be distributed through public announcements.

Chapter 4 Directors and Audit Committee

- Article 15 The Company has 9 to 11 directors, to be elected through candidate nomination. The shareholders shall elect the directors from a list of director candidates to serve for a term of 3 years. The same person may be re-elected upon expiry of his/her term. Any vacancy shall be handled in accordance with applicable provisions of the Company Act.
In accordance with Article 14-2 of the Securities and Exchange Act, among the number of directors of the Company under the previous paragraph, there shall be 3 independent directors.
The exercise of duties by the independent directors and other compliance matters shall be in accordance with the applicable laws.
- Article 15-1 The Company has an audit committee in accordance with Article 14-4 of the Securities and Exchange Commission. The audit committee is composed of all independent directors,

among which one shall be the chairman of the committee and at least one shall have accounting or financial expertise.

Article 15-2 Deleted

Article 16 The directors make up the board of directors. One chairman shall be elected by the directors from among themselves through the approval of the majority of directors attending a meeting that is attended by 2/3 or more of the directors. The chairman represents the Company.

The Company may have one vice chairman, to be approved by the majority of directors attending a meeting that is attended by 2/3 or more of the directors.

If the chairman is on leave or cannot perform his duties due to any reasons, the delegation shall be in accordance with Article 208 of the Company Act.

To convene a board meeting, a notice with agenda shall be given to each director 7 days in advance, provided that a meeting may be convened at any time in case of an emergency. Notice for board meetings may be issued in writing, by email or by fax.

Unless otherwise provided for by the Company Act, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of all directors.

Directors shall attend board meetings in person. Any director who cannot attend a meeting may issue a proxy, specifying the scope of authorization in accordance with the agenda, to appoint another director to attend the meeting on his behalf, provided that each person shall not act as the representative of more than one director. Any director attending a meeting by video conference shall be deemed to have attended the meeting in person.

Article 17 Deleted

Article 18 The board of directors is authorized to determine director remuneration based on domestic and overseas industry levels.

The Company may purchase liability insurance for directors and key employees.

Chapter 5 Officers

Article 19 The Company may have one general manager and several deputy general managers to handle activities of the Company in accordance with the guidelines established by the board of directors. The general manager shall be hired or dismissed by the majority of all directors. Deputy general managers shall be proposed by the general manager and hired or dismissed by the chairman of the board of directors in accordance with the law and filed with the board of directors for reference.

Chapter 6 Accounting

Article 20 At the end of each accounting year of the Company, the board of directors shall prepare (1) business report, (2) financial statements and (3) profit distribution or loss compensation proposal and submit them to the general shareholders' meeting for ratification in accordance with the legal procedure.

Article 21 If the Company has profit in a year, 5% to 15% shall be allocated as employee remuneration and no more than 3% shall be provisioned as director remuneration. However, if the Company still has accumulated losses, the amount to compensate the losses shall be reserved before the allocation for employee remuneration and director remuneration are made in accordance with the above ratios.

Employee remuneration shall be paid in stock or in cash, as determined by a board resolution. The recipients may include employees of subsidiaries who meet certain conditions.

The employee remuneration and director remuneration distribution proposal shall be reported to the shareholders' meeting.

Before the Company establishes an audit committee, supervisor remuneration shall be distributed in accordance with the ratio under the first paragraph.

Article 21-1 If the general annual closing of the Company shows an after-tax net profit in the current period, accumulated losses shall first be compensated for and 10% shall be provisioned as legal reserve, unless the accumulated legal reserve has reached the total amount of the Company's paid-in capital. After a special reserve is provisioned or recycled in accordance with the law or the rules of the competent authority, the remaining amount, together with accumulated distributable profit from undistributed profit from previous years, shall be subject to a distribution proposal to be made by the board of directors, which shall be submitted for shareholder resolution and distribution.

The Company currently is in a growth stage of industry development, with expanded production plans and funding requirements in the next few years. In order to stabilize market competitive status and based on future funding requirements and long-term financial plans for continued expansion capital scale, the Company's dividends will be distributed and adjusted based on its profitability status in order to maintain stable increase of profit per share. Among such dividends, cash dividends shall not be lower than 10% of the shareholder bonus distributed in the year. The board of directors is authorized to prepare a distribution plan with actual distribution ratios based on the Company's capital status and capital budget and such distribution plan shall be submitted to the shareholders' meeting for approval.

Article 22 Anything that is not fully stipulated in these Articles of Association shall be in accordance with the Company Act and other applicable laws.

Article 23 These Articles of Association were established on 1 November 1996.

The first amendment was made on 11 May 1998.

The second amendment was made on 9 October 1998.

The third amendment was made on 28 January 2000.

The fourth amendment was made on 22 June 2000.

The fifth amendment was made on 13 March 2001.

The sixth amendment was made on 30 May 2002.

The seventh amendment was made on 6 June 2003.

The eighth amendment was made on 15 June 2004.

The ninth amendment was made on 10 June 2005.

The tenth amendment was made on 14 June 2006.

The eleventh amendment was made on 19 June 2008.

The twelfth amendment was made on 16 June 2009.

The thirteenth amendment was made on 17 June 2010.

The fourteenth amendment was made on 10 June 2011.

The fifteenth amendment was made on 27 June 2012.

The sixteenth amendment was made on 12 June 2014.

The seventeenth amendment was made on 9 June 2015.

The eighteenth amendment was made on 21 June 2016.

The nineteenth amendment was made on 8 June 2017.

Visual Photonics Epitaxy Co., Ltd.

Chairman: Chen, Jian-Lian



Appendix II

Name of Document: Procedure for Acquisition or Disposal of Assets

Prepared on June 12, 2019

Prepared by Financial Dept.

Version: F

Page No.: 1/8

Chapter I. General Provisions

- Article 1 Purpose
The Procedure is enacted in order to protect assets and implement the information disclosure. Any matters not covered herein shall be governed by related laws and regulations.
- Article 2. Legal Basis
The Procedure is enacted in accordance with Article 36-1 of the Securities and Exchange Act, and related requirements under the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by Financial Supervisory Commission (hereinafter referred to as "FSC").
- Article 3 The scope of assets referred to herein is stated as following:
- I Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities and asset-backed securities.
 - II Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
 - III Membership certificates.
 - IV Patents, copyrights, trademarks, franchise rights and other intangible assets.
 - V Right-of-use assets.
 - VI Claims of financial institutions (including receivables, bills purchased and discounted, loans and overdue receivables).
 - VII Derivatives.
 - VIII Assets acquired or disposed of in connection with mergers, demergers, acquisitions or transfer of shares in accordance with the law.
 - IX Other major assets.
- Article 4. The definitions herein are stated as follows:
- I Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variables; 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-sale service contracts, long-term leasing contracts and long-term purchase (sales) contracts.
 - II Assets acquired or disposed through mergers, demergers, acquisitions or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts or to the transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Act.
 - III Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 - IV Professional appraiser: refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
 - V Date of occurrence: date of execution of contract, date of payment, date of consignment trade, date of transfer, dates of boards of directors' resolutions or other dates 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.
 - VI Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
 - VII 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.
 - VIII Over-the-counter venue (hereinafter referred to as "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.
 - IX The "latest financial statements" mean the Company's financial statements disclosed by the Company to the public and audited, certified or reviewed by a CPA prior to acquisition or disposal of assets.

Chapter II. Procedures

Article 5 Evaluation Procedure

- I. The Company shall, prior to acquisition or disposal of equity not traded in securities exchanges or OTC markets, shall take into account the net worth per share, profitability, future development, market interest rate, coupon interest rate of bond, debtor's credit and the transaction price prevailing at that moment to determine the transaction price.
- II. The transaction price for the Company's acquisition or disposal of securities traded in securities exchanges or OTC markets shall be decided upon based on the market quotation.
- III. The transaction for acquisition or disposal of the other assets referred to in the preceding two sub-paragraphs shall be conducted in either of the manners including price inquiry, price comparison, price negotiation or tender solicitation and with reference to the announced current value, assessed value and actual transaction price of adjacent real property. If it is required to be announced publicly and reported pursuant to the Procedure, the professional appraiser's appraisal report shall also be taken into account.

Article 6 Operating Procedure for Acquisition or Disposal of Assets

- I. The Company's acquisition or disposal of assets shall be subject to the evaluation conducted by the undertaking unit based on the causes of the acquisition or disposal, subject matters, trading counterparts, transfer pricing, collection and payments and reference price and subject to the decision rendered by the responsible unit per the level of authority referred to in Article 7 and then executed by the management department. The related matters shall be handled in accordance with the operating procedures required under the Company's internal control system, and the Procedure.
- II. The Company's unit responsible for executing the investment in securities is Financial Division. The execution units dedicated to real property and equipment refer to the requesting department and related responsible units. The acquisition or disposal of any assets other than securities investment, real property and equipment shall be executed upon evaluation conducted by the related execution units.
- III. If any director expresses dissent against the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Procedure or other laws or regulations, and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.
- IV. When the Company submits the report on acquisition or disposal of assets for discussion by the Board of Directors, 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 Board of Directors' meeting minutes.
- V. Any of the Company's transactions involving major assets or derivatives shall be approved by a majority of the whole Audit Committee members, and submitted to the Board of Directors for a resolution, and Paragraphs 4 and 5 of Article 31 herein shall apply *mutatis mutandis*.
- VI. The operations related to acquisition or disposal of assets shall be handled in accordance with the operating procedures required under the Company's internal control system, and the Procedure. The Company's related personnel who violate the Procedure or the Company's internal control requirements about acquisition or disposal of assets shall be punished in accordance with the Company's reward and punishment requirements, subject to the circumstances.

Article 7 Level of authority applicable to acquisition or disposal of the Company's assets

Item	Amount	Responsible units			
		Board of Directors	Chairman	President	Responsible Authorities
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		Resolved	Under review	Under review	Under review
Real property		Resolved	Under review	Under review	Under review
Membership certificates, intangible assets, claims and equipment of financial institution	Less than NT\$10 million (inclusive)			Resolved	Under review
	More than NT\$10 million (exclusive)	Verified and recorded	Resolved	Under review	Under review
Acquisition of real property from related parties		Resolved	Under review	Under review	Under review
Merger, demerger, acquisition or transfer of shares		Resolved	Under review	Under review	Under review

Article 8 The limit of investment by the Company and each of its subsidiaries in real property not for business use and the right-of-use assets thereof, and securities.

- I. The aggregate amount of the acquisition of real property and the right-of-use assets thereof shall not exceed 15% of the net worth in the latest financial statements.
- II. The aggregate amount of investment in securities shall not exceed 50% of the net worth in the latest financial statements.
- III. The amount of investment in securities shall not exceed 30% of the net worth in the latest financial statements individually.

Article 9 Criteria for public announcement and report

In the event that any of the following circumstances are met by the Company's acquisition and disposal of assets, the Company shall publicly announce and report the relevant information in appropriate format on the website designated by Financial Supervisory Commission (FSC) within 2 days after action has been taken depending on the nature of the assets:

- I. 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.
- II. Mergers, demergers, acquisitions or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedure.
- IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the trading party is not a related party and the transaction amount meets any of the following criteria:
 - (1) where the Company's paid-in capital is less than NT\$10 billion and the transaction amount reaches NT\$500 million or more.
 - (2) where the Company's paid-in capital is more than NT\$10 billion and the transaction amount reaches NT\$1 billion or more.
- V. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale and furthermore the trading counterpart is not a related party and the amount the Company expects to invest in the transaction reaches NT\$500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five sub-paragraphs, 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:
 - (1) Trading of domestic government bonds.
 - (2) Trading of bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterpart within the preceding year.
- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedure need not be counted toward the transaction amount.

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.

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.

Upon acquisition or disposal of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and the opinions of any CPA, attorney and securities underwriter at the Company, where they shall be retained for 5 years, unless otherwise provided by other laws.

Article 10 Time limit for public announcement and report

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, the Company shall publicly announce and report the relevant information on the website designated by FSC within 2 days counting inclusively from the date of occurrence of the event:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- III. Change to the originally publicly announced and reported information.

Article 11 The Company's control procedure for subsidiaries' acquisition or disposal of assets

- I. The Company shall urge its subsidiaries to enact and amend their own "procedures for acquisition or disposal of assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
- II. Any of the Company's subsidiaries shall follow its own "procedure for acquisition or disposal of assets" when acquiring or disposing of assets.
- III. Information required to be publicly announced and reported in accordance with the Procedure on acquisitions and disposals of assets by the Company's subsidiary that is not itself a domestic public company be reported by the Company.
- IV. The threshold on the paid-in capital or total assets to be announced publicly and reported by a subsidiary shall be subject to the Company's paid-in capital or total assets.

Article 11-1 For the calculation of 10 percent of total assets under, 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.

Article 12 Disclosures of Financial Statements

Where the Company's acquisition or disposal of assets satisfies the criteria for public announcement and report referred to in Article 9 herein and the trading counterpart is a de facto related party, the contents of the announcement shall be disclosed in the notes to the financial statements and reported at a shareholders' meeting.

Article 13. In acquiring or disposing of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- I. Where due to special circumstances it is necessary to give a limited price, specified price or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there are any subsequent changes to the terms and conditions of the transaction.
- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (I) The discrepancy between the appraisal result and the transaction amount exceeds 20% of the transaction amount.
 - (II) The appraisal values presented by more than two professional appraisal firms showed variation of more than 10% of the transaction amount.
- IV. The date on which the professional appraisal firms issued the appraisal reports shall not fall beyond 3 months from the contract execution date. If the announced present value in the same period is applicable and is falling within 6 months, the original appraisal firms shall present a statement of opinion.

Article 14. 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. If the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use an expert's report as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

- Article 15. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership certificates, and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price, and the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
- Article 15-1 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Paragraph 2 of Article 29 herein, and "within the preceding year" as used refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained pursuant to the Procedure need not be counted toward the transaction amount.
- Article 16 Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- Article 17 Those professional appraisers and their officers, certified public accounts, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall satisfy the following requirements:
- I. Never received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, Company Act, Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act or 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 the completion of service of the sentence, since expiration of the period of a suspended sentence or since a pardon was received.
 - II. May not be a related party or *de facto* related party of any party to the transaction.
 - III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or *de facto* related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:
 - I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience and independence.
 - II. 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.
 - III. They shall undertake an item-by-item evaluation on comprehensiveness, accuracy and reasonableness of the sources of data used, parameters and information, as the basis for issuance of the appraisal report or the opinion.
 - IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion and that they have evaluated and found that the information used is reasonable and accurate and that they have complied with the applicable laws and regulations.

Chapter III. Transactions with Related Party

- Article 18 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 pursuant to said requirements, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion as required. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 15-1 herein. When judging whether or not a trading counterpart is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- Article 19 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 a majority of the Audit Committee members and resolved upon approval by the Board of Directors:
- I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - II. The reason for choosing a related party as the trading counterpart.
 - III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal on the reasonableness of the preliminary transaction terms in accordance with Article 20 and Article 21 herein.
 - IV. The date and price at which the related party originally acquired the real property, the original trading counterpart, and trading counterpart's relationship to the Company and the related party.
 - V. The projection of cash flows from the month the agreement is made in one year ahead with assessment of the necessity of the transaction and the reasonableness of capital utilization.
 - VI. An appraisal report from a professional appraiser or a CPA's opinion obtained according to the preceding article.
 - VII. Restrictions and other important covenants for the transaction concerned.

The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Paragraph 2 of Article 29 herein, and "within the preceding year" as used refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by Audit Committee and the Board of Directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 7 delegate the Board Chairman to decide such matters when the transaction is within NT\$10 million and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:

- I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- II. Acquisition or disposal of right-of-use assets of the real property held for business use.

When the Company appoints independent directors pursuant to the laws and a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, 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 Board of Directors' meeting minutes.

Article 20 When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:

- I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The "necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the assets; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparts.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

When acquiring 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 preceding two paragraphs, the Company shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 19 herein, and the preceding three paragraphs do not apply:

- I. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- II. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
- III. The real property is acquired through signing of a joint development contract with the related party or through engaging a related party to build real property, either on the Company's own land or on rented land.
- IV. The right-of-use assets of real property for business use are acquired by the Company with its subsidiaries or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 21 When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 22 herein. 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:

- I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (I) Where undeveloped land is appraised in accordance with the means in the preceding Article and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (II) Completed transactions by non-related parties within the preceding year involving other floors of the same property or neighboring 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.
- II. Where the Company, after 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 non-related parties within the preceding year.

The completed transactions involving neighboring land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by non-related 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.

- Article 22 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 articles are uniformly lower than the transaction price, the following steps shall be taken:
- I. A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property and the right-of-use assets thereof transaction price and the appraised cost and may not be distributed or used for capital increase or issuance of bonus shares. Where the investor who uses the equity method to account for its investment in the Company is a public company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside *pro rata* in a proportion consistent with the share of the public company's equity stake in Company.
 - II. The independent directors shall comply with Article 218 of the Company Act.
 - III. Actions taken pursuant to the preceding two sub-paragraphs shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- The Company, after having set aside a special reserve under the preceding paragraph, may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made or the *status quo ante* has been restored or there is other evidence confirming that there was nothing unreasonable about the transaction and the FSC has given its consent.
- When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Chapter IV. Engagement in Derivatives Trading

- Article 23 When engaging in derivatives trading, the Company shall comply with the Company's "Procedure for Derivatives Trading" and pay strict attention to control of risk management and auditing matters to practice the internal control system.

Chapter V. Merger, Demerger, Acquisition and Transfer of Shares

- Article 24 When conducting a merger, demerger, acquisition or transfer of shares, the Company, prior to convening the Board of Directors' meeting 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 said opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- When participating in a merger, demerger, acquisition or transfer of shares, the Company shall prepare a public report to shareholders detailing the important contractual contents and matters relevant to the merger, demerger or acquisition prior to the shareholders' meeting and include it along with the expert's opinion referred to in the preceding sub-paragraph when sending shareholders the notification of the shareholders' meeting for reference in deciding whether or not to approve the merger, demerger or acquisition. Provided, where any other laws exempt the Company from convening a shareholders' meeting to approve the merger, demerger or acquisition, this restriction shall not apply. Where the shareholders' meeting of any one of the companies participating in a merger, demerger or acquisition fails to convene or pass a resolution 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 measure and the preliminary date of the next shareholders' meeting.
- Article 25 The Company shall convene a Board of Directors' meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger or acquisition, unless otherwise provided by the laws or the FSC is notified in advance of the extraordinary circumstances and grants its consent.
- When participating in a transfer of shares, the Company shall convene a Board of Directors' meeting on the day of the transaction, unless otherwise provided by the laws or the FSC is notified in advance of extraordinary circumstances and grants its consent.
- When participating in a merger, demerger, acquisition or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:
- I. Personnel profile: including the occupational titles, names and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition or transfer of another company's shares prior to disclosure of the information.
 - II. Dates of material events: including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract and the convening of a Board of Directors' meeting.
 - III. Important documents and minutes: including merger, demerger, acquisition and share transfer plans, any letter of intent or memorandum of understanding, materials contracts and minutes of Board of Directors' meetings.
- When participating in a merger, demerger, acquisition or transfer of another company's shares, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in the sub-paragraphs 1 and 2 of the preceding paragraph to the FSC for recordation.
- Where any of the companies participating in a merger, demerger, acquisition or transfer of another company's shares together with the Company is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and Paragraph 3 and Paragraph 4 herein shall apply.

- Article 26 When participating in a merger, demerger, acquisition or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition or transfer of shares:
- I. Cash capital increase, issuance of convertible corporate bonds, issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants or other equity securities.
 - II. An action, such as a disposal of major assets, that affects the Company's financial operations.
 - III. An event, such as a major disaster or major change in technology, that affects shareholders' equity or share price.
 - IV. An adjustment where any of the companies participating in the merger, demerger, acquisition or transfer of shares from another company, buys back treasury stock pursuant to laws.
 - V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition or transfer of shares.
 - VI. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- Article 27 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition or transfer of shares.
- Article 28 The contract for participation by the Company in a merger, demerger, acquisition or transfer of shares, shall record the rights and obligations of the companies participating in the merger, demerger, acquisition or transfer of shares, and also record the following:
- I. Handling of breach of contract.
 - II. Principles for the handling of equity securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - IV. The manner of handling changes in the number of participating entities or companies.
 - V. Preliminary progress schedule for plan execution and anticipated completion date.
 - VI. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.
- Article 29 Where, after public disclosure of the information upon the Company's participation 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 its 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.

Chapter VI. Supplementary Provisions

Article 30 Deleted.

Article 31 Enactment and Amendment

The Procedure shall be submitted to the Board of Directors for resolution after being approved by the Audit Committee and then to a shareholders' meeting for approval. The same shall apply where the Procedure is amended.

When the Company submits the Procedure for Acquisition or Disposal of Assets for discussion by the Board of Directors, 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 Board of Directors' meeting minutes.

The Company's enactment of or amendments to the Procedure, if any, shall be subject to approval of a majority of all Audit Committee members and submitted to the Board of Directors for resolution.

If the approval of a majority of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedure 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" referred to Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Appendix III

Document Name: Rules of Shareholders Meetings

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Page 1/4

- Article 1 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, regulations or the articles of incorporation, shall be as provided for in these Rules.
- Article 3 Unless otherwise provided by law or regulations, 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) 30 days before the date of a regular shareholders' meeting or 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 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 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 the 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.
- 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 matters under Article 185, paragraph 1 of the Company Act 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. The essential contents may be placed on the website designated by the securities competent authority or the Corporation and the website shall be specified in the notice.
- 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. However, if a shareholder proposes a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, the board of directors can still include it in the agenda. When the circumstances of any sub-paragraph 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.
- Prior to the book closure date before a regular shareholders' meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically 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 the 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 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 five 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 or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation two 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 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 This Corporation shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance and other matters for attention.
The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
Shareholders and their proxies (hereinafter referred to collectively as "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
This Corporation shall furnish the attending shareholders 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.
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 at the meeting.
- Article 7 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 is also 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.
When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
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 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting and the voting and vote counting procedures.
The recorded materials of the preceding paragraph shall be retained for at least 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 Attendance at shareholders' meetings shall be calculated based on the 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 non-voting shares and number of shares represented by shareholders attending the meeting.
However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If 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 one month.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may re-submit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 10 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 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 not have 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 violations.

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 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 three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed as non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders' 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; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

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

After 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, two 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 for 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, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.
- 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 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the 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 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 Gre Tai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.
- Article 17 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 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 five 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 affected in the same manner.

Appendix IV

Visual Photonics Epitaxy Co., Ltd.
2022 General Shareholders' Meeting
Directors' Shareholdings

1. The Company's paid-in capital is NT\$1,849,059,180 and has 184,905,918 shares outstanding.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by all directors is 11,094,355 shares. (Note)
3. As of the record date for this shareholders' meeting (10 April 2022), the Shareholders' Registry records individual and all directors' shareholdings as follows: (meeting the threshold required by Article 26 of the Securities and Exchange Act).

Title	Name	No. of Shares Held	Shareholding Ratio
Chairman	Chen, Jian-Lian	2,098,112	1.13%
Director	Chen, Mao-Chang	2,066,216	1.12%
Director	REN TAI Investment Co., LTD. Representative: Yeh, Cherng-Maw Representative: Wu, Chun Yi Representative: Shih, Chih-Hsun	3,113,000	1.68%
Director	Huang, Chao-Hsing	1,406,090	0.76%
Director	Lai Yu, Hsiu-Ming	1,750,000	0.95%
Director	Golden Top Investment Inc.	800,000	0.43%
Independent Director	Huang, Moan-Sheng	0	0.00%
Independent Director	Lin, Hao-Hsiung	0	0.00%
Independent Director	Wang, Chia-Hsiang	0	0.00%
Total		11,233,418	6.07%

Note: According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios of Public Companies", if there are 2 or more independent directors, shareholding ratio required of all directors excluding the independent directors is lowered to 80%.

MEMO