Common Stock Code : 9914

Merida Industry Co., Ltd.

Handbook

for the 2022 Annual Meeting of Shareholders

June 23, 2022

Merida Industry Co. Ltd.

2022 Annual Shareholders' Meeting

Convening Manner: Physical-Only Meeting
Date & Time: June 23 rd 2022 (THU) at 9:30AM
Location: No. 116, Meigang Rd., Meigang Vil., Dacun Township, Changhua
County 515, Taiwan (Meeting Room R02 on 4F of the Company's Merida Building)
Agenda:
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Matters for Report

- 1. Distribution Report of Employees' Compensation and Directors' Compensation for the 2021 Fiscal Year:
 - (1) Handled in accordance with Article 32 of the Company's Articles of Incorporation.
 - (2) The Company's profit before tax prior to deduction of employees' remuneration and directors' remuneration is NTD 6,445,001,337. The Company has set aside 6% of its profit at NTD 386,700,080 for employees' remuneration and 2.6% of its profit at NTD 167,570,035 for directors' remuneration, which shall be distributed in cash.

2. Business Report of 2021:

Merida Industry Co. Ltd. Business Report for the Year 2021

According to the statistics issued by Taiwan Bicycle Association (TBA), the total quantity and sales volume by the entire Taiwanese bicycle industry, electrical power assist bicycle "electrical bicycle") and conventional bicvcles (hereinafter (hereinafter "bicycle") increased YoY by 20.96% and 26.10%, respectively, which indicate the industry's strive for excellence and eventual figures breaking through the base period and gaining twodigit growth respectively in 2021 under the surge in demands by post-pandemic global market even disturbed by variants (deficiencies in materials, manpower, containers, shipments, etc.).

In 2021, the Company's premium bicycle marketed in selfowned brand showed gains in quantity of units sold and sales volume in China by 14% and 18% YoY, respectively; in the meantime, our Taiwanese plant focusing on supplying the premium bicycles to Europe and America was affected by various postpandemic uncertainties and experienced a deferred production and export albeit attaining ground-breaking figures in production and sales volumes surpassing the base period, ending the year with 12% increase YoY in number of electrical bicycles and 13% increase YoY for generic bicycles; the annual consolidated and parentcompany only [refers to Taiwanese plant] came in, respectively, 1.1359 million units and 0.7178 million units (incl. electrical bicycle at approx. 0.2563 million units), contributing to annual increase by 6.25% and 12.35% YoY; the annual consolidated and parentcompany only revenues were NTD 29.391 billion and 23.435 billion, respectively, indicating an annual increase of 8.57% and an annual increase of 15.85%. As the sales in global market in the year revealed a tendency of "sustained heat in sales and continued reduction of stocks at sales channels (pending restocking)", the annual consolidated performance within and out of the scope of group business may present spectacular figures with "both revenue and profit reaching the new height."

We appreciate the support by all our shareholders and directors, as well as the hard work and efforts of all employees. Facing growth momentum of self-owned brand channels derived from the demand for medium and high-end (gear-shifting) bicycles in the Chinese market post-pandemic, escalated demand for the electrical bicycles and maintained demand for bicycles in American, European and other markets, as well as the strong demand for restocking conventional or electrical bicycle at sales channels, the Company will actively dispatch bicycle and electrical bicycle production lines, perform significant addition of staffs, capture available resources in the industrial chain, and increase overall production capacity to fulfill surge of market orders and to strive to achieve operational goals, break through the base period, and surpass business outcomes one after another.

The consolidated and standalone operating conditions of the Company for the year 2021 are hereby reported as follows:

		Uni	it: 10,000 Units
Item	Forecast	Actual	Fill Rate
Consolidated	134	114	85.07%
Standalone	94	72	76.60%

(1) Implementation Results of the Business Plans

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(2) Implementation Conditions1. Consolidated

Unit: NTD Thousands, except for Sales Quantity in 10,000 Units

Year Item	2021	2020	YoY	
Sales	113.59	106.91	6.68	6.25%
Net Sales Revenue	\$29,391,183	\$27,072,342	2,318,841	8.57%
Operating Cost	25,304,229	23,285,132	2,019,097	8.67%
Operating Margin	4,086,954	3,787,210	299,744	7.91%
Realized (Unrealized) Gain on Sales	(186,834)	278,539	(465,373)	(167.08%)
Net Operating Margin	3,900,120	4,065,749	(165,629)	(4.07)%
Operating Expenses	2,310,744	2,181,527	129,217	5.92%
Net Operating Profit	1,589,376	1,884,222	(294,846)	(15.65%)
Non-Operating Income and (Expense)	4,615,377	3,356,595	1,258,782	37.50%
Net Profit before Tax	6,204,753	5,240,817	963,936	18.39%
Current Net Profit	4,788,170	4,112,147	676,023	16.44%

2. Standalone

Unit: NTD Thousands, except for Sales Quantity in 10,000 Units

		Dules Quali	itty III 10,000	emes
Year Item	2021	2020	YoY	
Sales	71.78	63.89	7.89	12.35%
Net Sales Revenue	\$23,434,868	20,229,413	3,205,455	15.85%
Operating Cost	21,324,979	18,422,627	2,902,352	15.75%
Operating Margin	2,109,889	1,806,786	303,103	16.78%
Realized (Unrealized) Gain on Sales	(186,227)	447,879	(634,106)	(141.58%)
Net Operating Margin	1,923,662	2,254,665	(331,003)	(14.68%)
Operating Expenses	947,720	860,246	87,474	10.17%
Net Operating Profit	975,942	1,394,419	(418,477)	(30.01%)
Non-Operating Income and (Expense)	4,914,788	3,636,725	1,278,063	35.14%
Net Profit before Tax	5,890,730	5,031,144	859,586	17.09%
Current Net Profit	4,649,502	3,993,317	656,185	16.43%

(3) Profitability Analysis

1. Consolidated

Item	2021	2020	YoY
Return on Assets	14.81%	15.01%	(1.33%)
Return on Equity	27.09%	26.37%	2.73%
Operating Profit to Paid-In Capital	53.16%	63.02%	(15.65%)
Profit before Tax to Paid-In Capital	207.53%	175.29%	18.39%
Profit Margin	16.29%	15.19%	7.24%
Earnings per Share (NTD)	15.55	13.36	16.39%

2. Standalone

Item	2021	2020	YoY
Return on Assets	15.92%	16.24%	(1.97%)
Return on Equity	27.52%	26.79%	2.72%
Operating Profit to Paid-In Capital	32.64%	46.64%	(30.02%)
Profit before Tax to Paid-In Capital	197.03%	168.27%	17.09%
Profit Margin	19.84%	19.74%	0.51%
Earnings per Share (NTD)	15.55	13.36	16.39%

(4) R&D Status

- 1 "All-Around Aero Bike REACTO Team-E" awarded "TAIPEI CYCLE d&i Gold Award", top accolade in the Taipei Cycle Show 2021.
- 2 "All-Around Aero Bike REACTO" awarded in the 29th (2021) Taiwan Excellence Silver Award.
- 3 "Cross & Down-Country Mountain Bike NINETY-SIX" awarded in the 29th Taiwan Excellence Award.
- 4 Road Bike SCULTURA 5 TEAM awarded "TAIPEI CYCLE d&i Gold Award", top accolade in the Taipei Cycle Show 2022.
- 5 "Electric (Assisted) Gravel Bike eSILEX+ 600" bestowed Taiwan Excellence Silver Award in the 30th (2022) Taiwan Excellence Award.

Chairman: Tseng Song-Zhu Manager: Tseng Song-Zhu Accounting Manager: Liu Ming-Gen

3. Final Accounts and Financial Statements of 2021 Reviewed by the Audit Committee:

Audit Committee Review Report

The Board of Directors has compiled and submitted the Company's parent-company only and consolidated financial statements audited and attested by CPAs Jiang, Shu-Jing and Zheng, Dong-Yun of Deloitte & Touche Taiwan, with audit report issued. The aforesaid financial statements and 2021 Business Report have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with applicable provisions in Securities and Exchange Act and Company Act, I hereby submit this report.

То

2022 Annual Shareholders' Meeting

Merida Industry Co. Ltd.

Convener of the Audit Committee: Chen, Shui-Jin

Chen Shui-jin

March 23, 2022

4. Endorsement and Guarantee to Others:

As of December 31, 2021, the Company's endorsement and guarantee to others is as follows:

Endorsed Entities	Maximum Amount of Endorsement & Guarantee to a Single Enterprise	Ending Endorsement & Guarantee Balance	Actual Disbursement	Maximum Amount for Endorsement & Guarantee	Nature of Guarantee
MERIDA BICYCLES		EUR 500	-		Banker's Letter of Credit Guarantee
LIMITED (UK)	\$5,326,575	GBP 6,000	-		Short-Term Loan Guarantee
MERIDA &		EUR 2,500	EUR 2,100	\$8,877,625	Banker's Letter of Credit Guarantee
CENTURION GERMANY GMBH	5,326,575	EUR 3,500	EUR 1,150		Short-Term Loan Guarantee
(DE)	(DE)		EUR 19,200		Mid-to-Long-Term Loan Guarantee
MERIDA BICYCLE (JIANGSU) CO., LTD.	5,326,575	RMB 210,000	RMB 98,180		Mid-to-Long-Term Loan Guarantee

Unit: NTD and Foreign Currency in Thousands

Proposed Resolutions

- Case 1: Business Report of 2021 and Parent-Company Only and Consolidated Financial Statements. (Proposed by the Board)
- Explanation: The Company's Business Report of 2021 and Parent-Company Only and Consolidated Financial Statements have been reviewed and adopted in the 5th Meeting of the Company's 2nd Audit Committee and have been adopted by resolution in the Company's second Board of Directors meeting in 2022. Business Report is attached in pages 3~6 of this Meeting Agenda, and Parent-Company Only and Consolidated Financial Statements are attached in pages 10~29 of this Meeting Agenda. For your ratification:

Resolution:

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Merida Industry Co., Ltd.

Opinion

We have audited the accompanying financial statements of Merida Industry Co., Ltd. (the Corporation), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of 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 Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Corporation's financial statements for the year ended December 31, 2021 is as follows:

Revenue Recognition

The Corporation's sales revenue mainly comes from the manufacture and sale of bicycles, e-bikes, and bicycle components. As export revenue from the sale of e-bikes for the year ended December 31, 2021 accounted for a significant proportion of sales revenue, recognition of sales revenue from the sale of e-bikes has been identified as a key audit matter. For the accounting policies on the recognition of sales revenue, refer to Note 4.

Our audit procedures performed in respect of revenue recognition included the following:

- 1. We understood and evaluated the design and appropriateness of implementation of the internal controls related to the recognition of sales revenue and the operating procedures and risks related to revenue collection, and tested the continuous effectiveness of its related procedures during the year.
- 2. We obtained the sales revenue sales receipts from the export of e-bikes, sampled the orders, and subsequently recognized the documents and receipt vouchers related to sales revenue to verify the occurrence of the sales revenue recognized.

Other Matter

We did not audit the financial statements of some of the investees accounted for using the equity method as of and for the years ended December 31, 2021 and 2020, but such financial statements were audited by other auditors, whose reports have been furnished to us. The balance of the investments accounted for using the equity method was NT\$17,065,507 thousand and NT\$13,544,791 thousand, accounting for 53% and 51% of the Corporation's total assets as of December 31, 2021 and 2020, respectively. The share of profit of associates was NT\$4,336,070 thousand and NT\$3,359,564 thousand, accounting for 74% and 67% of the Corporation's total net income before tax for the years ended December 31, 2021 and 2020, respectively.

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 Preparation of Financial Reports by Securities Issuers, 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 Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation 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.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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 for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Shu-Chin Chiang and Done-Yuin Tseng.

Deloitte & Touche Taipei, Taiwan Republic of China

March 23, 2022

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	December 31,		December 31, 2	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and $6(1)$)	\$ 1,502,477	5	\$ 1,528,092	6
Financial assets at fair value through profit or loss - current (Notes 4 and 6(2))	644,638	2	1,563,734	6
Notes receivable (Notes 4 and 6(15))	16,696	-	6,954	-
Trade receivables (Notes 4, $6(3)$ and $6(15)$)	80,906	-	142,585	1
Trade receivables from related parties (Notes 4, $6(3)$, $6(15)$ and 7)	1,680,325	6	1,685,153	6
Other receivables (Notes 4 and 7)	92,457	-	149,154	1
Inventories (Notes 4, 5 and 6(4))	5,211,267	16	2,780,043	11
Other current assets	543,288	2	38,291	
Total current assets	9,772,054	31	7,894,006	31
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 6(5))	92,620	-	92,620	-
Investments accounted for using the equity method (Notes 4 and 6(6))	20,960,030	65	17,323,550	65
Property, plant and equipment (Notes 4 and 6(7))	971,424	3	1,003,876	4
Right-of-use assets (Notes 4 and 6(8))	2,459	-	3,529	-
Investment properties (Notes 4 and 6(9))	34,739	-	34,836	-
Intangible assets (Notes 4 and 6(10))	13,202	-	13,390	-
Deferred tax assets (Notes 4 and 6(17))	134,832	1	76,068	-
Prepayments for equipment	55,073	-	26,066	-
Refundable deposits (Note 4)	4,391		2,976	
Total non-current assets	22,268,770	69	18,576,911	69
TOTAL	<u>\$ 32,040,824</u>	<u> 100 </u>	<u>\$ 26,470,917</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bank loans (Note 6(11))	\$ 2,165,706	7	\$ 1,161,358	4
Contract liabilities - current (Notes 4, 6(15) and 7)	2,413,939	8	160,028	4
Trade payables	3,941,737	12	4,583,041	18
Trade payables to related parties (Note 7)	73,118	-	112,664	-
Other payables (Note 6(12))	796,120	2	705,254	3
Current tax liabilities (Notes 4 and 6(17))	328,947	1	108,191	-
Lease liabilities - current (Notes 4 and 6(8))	1,370	-	2,870	-
Other current liabilities	14,871		3,636	
Total current liabilities	9,735,808	30	6,837,042	26
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 6(17))	4,346,780	14	3,423,416	13
Lease liabilities-non-current (Notes 4 and 6(8))	1,029	-	567	-
Net defined benefit liabilities (Notes 4 and 6(13))	160,637	1	108,391	-
Guarantee deposits received	267	-	267	-
Credit balance of investments accounted for using the equity method (Notes 4 and 6(6))	41,053		67,098	
Total non-current liabilities	4,549,766	15	3,599,739	13
Total liabilities	14,285,574	45	10,436,781	39
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	2,989,838	9	2,989,838	11
Capital surplus	_,,0,,000	,	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Share premium from issuance of ordinary shares	416,290	1	416,290	2
Retained earnings	0.105.005	10	0 200 022	10
Legal reserve	3,135,227	10	2,732,977	10
Special reserve	1,674,362	5	1,163,048	4
Unappropriated earnings Other equity	12,004,319	38	10,406,346	40
Other equity	(2,464,786)	<u>(8</u>)	(1,674,363)	<u>(6</u>)
Total equity	17,755,250	55	16,034,136	61
TOTAL	<u>\$ 32,040,824</u>	<u>100</u>	<u>\$ 26,470,917</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 23, 2022))

STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
SALES (Notes 4, 6(15) and 7)	\$ 23,434,868	100	\$ 20,229,413	100
COST OF GOODS SOLD (Notes 6(4), 6(16) and 7)	21,324,979	91	18,422,627	91
GROSS PROFIT	2,109,889	9	1,806,786	9
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	(186,227)	<u>(1</u>)	447,879	2
REALIZED GROSS PROFIT	1,923,662	8	2,254,665	<u> 11</u>
OPERATING EXPENSES (Notes 6(16) and 7) Selling and marketing expenses General and administrative expenses	514,301 <u>433,419</u>	2 2	499,060 <u>361,186</u>	2 2
Total operating expenses	947,720	4	860,246	4
PROFIT FROM OPERATIONS	975,942	4	1,394,419	7
NON-OPERATING INCOME AND EXPENSES Interest income (Notes 4 and 7) Technical service and royalty income (Note 7) Other income Net foreign exchange gains (losses) (Notes 4 and 13)	20,409 79,556 65,837 155,223	- - 1	27,928 66,165 78,596 (106,578)	
Gain on fair value changes of financial assets at fair value through profit or loss (Note 4) Share of profit of subsidiaries and associates	(5,639)	-	23,743	-
(Notes 4 and 6(6)) Interest expense Other expenses (Note 6(16))	4,644,140 (10,491) (34,247)	20	3,580,526 (4,586) (29,069)	18 - -
Total non-operating income and expenses	4,914,788	21	3,636,725	17
PROFIT BEFORE INCOME TAX	5,890,730	25	5,031,144	24
INCOME TAX EXPENSE (Notes 4 and 6(17))	1,241,228	5	1,037,827	5
NET PROFIT FOR THE YEAR	4,649,502	20	3,993,317	19

(Continued)

STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31						
		2021			2020		
		Amount	%	I	Amount	%	
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)							
Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit plans (Note 6(13))	\$	(56,347)	-	\$	37,111	-	
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 6(17))		11,269			(7,422)	<u> </u>	
Items that may be reclassified subsequently to profit or loss:		(45,078)			29,689		
Exchange differences on translating the financial statements of foreign operations Share of the other comprehensive income (loss) of		(582,662)	(2)		(640,438)	(3)	
associates (Note 6(6))		(207,761) (790,423)	$\underline{(1)}$		<u>129,124</u> (511,314)	<u>1</u> (2)	
Other comprehensive loss for the year, net of income tax		(835,501)	(4)		(481,625)	_(3)	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$</u>	3,814,001	<u> 16</u>	<u>\$</u>	3,511,692	<u> 16</u>	
EARNINGS PER SHARE (Note 6(18)) Basic Diluted	<u>\$</u> \$	<u> </u>		<u>\$</u> \$	<u>13.36</u> 13.27		

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 23, 2022))

(Concluded)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Common	Capital Surplus Share Premium Common from Issuance		tained Earnings (Note 6(14))
	Shares (Note 6(14))	of Common Share (Note 6(14))	Legal Reserve	Special Reserve	Unappropriated Earnings
BALANCE AT JANUARY 1, 2020	<u>\$ 2,989,838</u>	<u>\$ 416,290</u>	<u>\$ 2,482,733</u>	<u>\$ 769,489</u>	<u>\$ 8,283,384</u>
Appropriation of 2019 earnings Legal reserve Special reserve Cash dividends distributed by the Corporation		 		393,559	(250,244) (393,559) (1,255,732)
Difference between carrying amount and consideration on the actual acquisition or disposal of equity interests in subsidiaries	<u>-</u>	<u>-</u> _	<u>-</u>	<u> </u>	(509)
Net profit for the year ended December 31, 2020	-	-	-	-	3,993,317
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	<u>-</u>		<u>-</u>	<u> </u>	29,689
Total comprehensive income (loss) for the year ended December 31, 2020	<u>-</u> _			<u> </u>	4,023,006
BALANCE AT DECEMBER 31, 2020	2,989,838	416,290	2,732,977	1,163,048	10,406,346
Appropriation of 2020 earnings Legal reserve Special reserve Cash dividends distributed by the Corporation			402,250	511,314	(402,250) (511,314) (2,092,887)
Net profit for the year ended December 31, 2021	-	-	-	-	4,649,502
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	_	_	<u>-</u>	<u>-</u>	(45.078)
Total comprehensive income (loss) for the year ended December 31, 2021	<u>-</u> _	<u>-</u>	<u> </u>	<u> </u>	4,604,424
BALANCE AT DECEMBER 31, 2021	<u>\$ 2,989,838</u>	<u>\$ 416,290</u>	<u>\$ 3,135,227</u>	<u>\$ 1,674,362</u>	<u>\$ 12,004,319</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated March 23, 2022)

Other Equity (Note 4) Exchange Differences on Translating the Financial Statements of Foreign Operations	Total
<u>\$ (1,163,049</u>)	<u>\$ 13,778,685</u>
	(1,255,732)
<u>-</u>	(509) 3,993,317
<u>(511,314</u>) (511,314) (1,674,363)	(481,625) 3,511,692 16,034,136
<u>(790,423</u>) <u>(790,423</u>) <u>\$ (2,464,786</u>)	(835,501) 3,814,001 \$ 17,755,250

STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 5,800,720	\$ 5.021.144
	\$ 5,890,730	\$ 5,031,144
Adjustments for:	70.010	((000
Depreciation expenses	70,812	66,808 749
Amortization expenses	3,038 413	
Expected credit losses recognized (reversal) on trade receivables	415	(3,678)
Net loss (gain) on fair value changes of financial assets at fair value	5 (20	(22.742)
through profit or loss	5,639	(23,743)
Interest expense	10,491	4,586
Interest income	(20,409)	(27,928)
Dividend income	(1,854)	(1,389)
Share of profit of associates	(4,644,140)	(3,580,526)
Loss on disposal of property, plant and equipment	129	48
Write-down of inventories	53,093	3,786
Unrealized (realized) loss on transactions with associates	186,227	(447,879)
Unrealized net gain on foreign currency exchange	(8,319)	(9,061)
Changes in operating assets and liabilities		(
Financial assets at fair value through profit or loss	913,457	(461,182)
Notes receivable	(9,742)	1,751
Trade receivables	62,362	1,496,445
Other receivables	(4,680)	(20,908)
Inventories	(2,484,317)	(1,404,067)
Other current assets	(504,997)	(35,635)
Contract liabilities	2,253,911	126,112
Trade payables	(669,379)	411,424
Other payables	90,629	192,071
Other current liabilities	11,235	157
Net defined benefit liabilities	(4,101)	(49,705)
Cash generated from operations	1,200,228	1,269,380
Interest received	19,109	40,898
Dividends received	6,819	11,254
Interest paid	(10,254)	(4,504)
Income tax paid	(144,265)	(389,870)
Net cash generated from operating activities	1,071,637	927,158
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of associates	-	(29,043)
Payments for property, plant and equipment	(25,019)	(15,957)
Proceeds from disposal of property, plant and equipment	(20,017)	(10,507)
Increase in refundable deposits	(1,415)	-
Decrease in other receivables from related parties	62,339	89,107
Payments for intangible assets	(2,008)	(14,000)
	(2,000)	(Continued)
		(Continued)

STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31		
	2021	2020	
Payments for investments properties Increase in prepayments for equipment	\$ (485) (39,161)	\$ - (32,720)	
Net cash used in investing activities	(5,749)	(2,606)	
CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term bank loans Repayment of the principal portion of lease liabilities Dividends paid to owners of the Corporation	1,004,928 (3,544) (2,092,887)	326,298 (4,134) (1,255,732)	
Net cash used in financing activities	(1,091,503)	(933,568)	
NET DECREASE IN CASH	(25,615)	(9,016)	
CASH AT THE BEGINNING OF THE YEAR	1,528,092	1,537,108	
CASH AT THE END OF THE YEAR	<u>\$ 1,502,477</u>	<u>\$ 1,528,092</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 23, 2022) (Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Merida Industry Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Merida Industry Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2021 is as follows:

Revenue Recognition

The Group's sales revenue mainly comes from the manufacture and sale of bicycles, e-bikes, and bicycle components. As export revenue from the sale of e-bikes for the year ended December 31, 2021 accounted for a significant proportion of sales revenue, recognition of sales revenue from the sale of e-bikes has been identified as a key audit matter. For the accounting policies on the recognition of sales revenue, refer to Note 4.

Our audit procedures performed in respect of revenue recognition included the following:

- 1. We understood and evaluated the design and appropriateness of implementation of the internal controls related to the recognition of sales revenue and the operating procedures and risks related to revenue collection, and tested the continuous effectiveness of its related procedures during the year.
- 2. We obtained the sales revenue receipts from the export of e-bikes, sampled the orders, and subsequently recognized the documents and receipt vouchers related to sales revenue to verify the occurrence of the sales revenue recognized.

Other Matter

We did not audit the financial statements of some of the investees accounted for using the equity method as of and for the years ended December 31, 2021 and 2020, but such financial statements were audited by other auditors, whose reports have been furnished to us. The balance of the investments accounted for using the equity method was NT\$17,065,507 thousand and NT\$13,544,791 thousand, accounting for 48% and 46% of the Group's consolidated total assets as of December 31, 2021 and 2020, respectively. The share of profit of associates was NT\$4,336,070 thousand and NT\$3,359,564 thousand, accounting for 70% and 64% of the Group's consolidated net income before tax for the years ended December 31, 2021 and 2020, respectively.

We have also audited the parent company only financial statements of Merida Industry Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted 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 consolidated financial statements.

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

- 1. Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Shu-Chin Chiang and Done-Yuin Tseng.

Deloitte & Touche Taipei, Taiwan Republic of China

March 23, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS Ansmut % Ansmut % CORRENT Case A and C(1) 5 5.964.866 11 5 5.937.82 1 Table optividers (News 4 and C(1)) 5 1.937.12 1.4 1.937.12 1.4 Table optividers (News 4 and C(1)) 1.937.12 <th></th> <th>December 31, 2</th> <th>2021</th> <th>December 31, 2</th> <th>020</th>		December 31, 2	2021	December 31, 2	020
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None acceluable: Once 4. and e(15): 16,777 - 6.554 - Trade recervices (Notes 4. 4.3, 6.15, 6.15 and 5) 15,20,272 2 22,21,19 2 Trade recervices (Notes 4. 4.3, 6.15, 6.15) and 7) 15,20,272 2 149,20,201 1 Trade recervices (Notes 4.17) 772,123 2 149,20,81 1 Once concervices (Notes 4.17) 772,123 2 149,20,81 1 Total concert assets 15,002,002 13 12,588,203 13 NON-CURRENT Notes 4.16,07,201 3,400 - 3,400 - Financial sasts at fair value fronging chords (Notes 4.and 6.7) 17,273,022 40 3,802,164 7 Property: plant ad continent Notes 4.60,7,201 3,430 - 3,802,16 7 2,685,572 9 1 Intradights asset (Note 4.10,10) 3,473 1 3,423,25 - 2,695,272 1 1,692,002 - 2,425,652 1 1,692,693 - 3,433,53 - 5,643,463,663,617 1,224,693,656 - 1,212,143,453,1	1 · · · · · · · · · · · · · · · · · · ·				
Tude receivables (Note 4, 43, 0, 15) and 8) 5300.27 2 62, 1,19 2 Tude receivables (Note 4, 43, 0, 12) and 7) 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13 2 400,001 1,12,13,12 400,001 1,12,13,12 400,001 1,12,13,12 400,001 1,12,13,12 400,001 1,12,13,12 400,001 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,12 1,12,13,13 1,12,14,13,13 1,12,14,13 1			-		-
Tode cercivable from relaced parties (Notes 4, 6(3), 6(15) and 7) 15,40,77 4 1,256,669 4 Deter receivable from relaced parties (Notes 4, 6(3), 6(15) and 8) 7,26,153 -2 4,900,001 1 Data curve assets -15,022,023 -3 -12,585,027 -3 NON-CREENT SASETS -30,00 - -3,000 - Rights of the search (Notes 4, 6(3), and 8) -2,248,937 -2,265,572 -9 Rights of the search (Notes 4, 6(3), and 8) -2,248,937 -2,265,572 -9 Rights of the search (Notes 4, 6(3), and 8) -2,248,937 -2,265,572 -9 Deterret assets -2,243,937 -3,353,238 1 Investment properties (Note 4, and (70) -3,453,00 - -3,353,288 1 Deterret assets -2,243,25 -2 -2,723,78 - - 2,043,635 -52 1,209,2540 -52 TOTAL -2,353,829,92 100 -2,263,24,72 100 - 2,043,435 - - CORRENT LLABILITIES -2,20,23,41,72 10,00 <		,	2		2
Other receivable.(Notes 4 and 7) 11.5.70 - 88.017 - Internations(Notes 4, 64(6) and 7) 7.72.8125 2 4.900.001 17 Other current assets (Note 6170) 7.72.8125 2 4.900.001 17 Total current assets 1.60.232 .43 1.2.388.032 .43 NON-CURRENT ASSETS 1.00					
Internet, S. (Marci, A. S., (d.) and (d.) 7,72,73,123 2 4,990,001 17 Total current assets 15,022,093 43 1,258,093 43 NON-CURRINT ASSETS 3,400 - 3,400 - Financial assets of thi value frough other comprehensive income - non-current (Notes 4 and 6(5)) 3,400 - 3,400 - Property Joint and exprement (Notes 4 and 6(7)) 17,373,022 49 13,828,215 47 2,805,937 1 2,809,937 1 2,839,937 - 3,436 - 1 1,8328,215 47 2,805,937 1 1,8328,215 47 2,805,937 1 1,8328,215 - 5,739 1 1,8328,215 - 5,739 1 1,838,221 - 7,608 - 2,859,337 1 1,848,22 - 5,739 1 1,729,738 - 2,869,337 1,701,459 5,739 1,702,7549 1,729,731 - 2,869,317 1,701 2,211,31 - 5,869 1,729,731 3,984,99 6 5,739 <td></td> <td></td> <td></td> <td></td> <td>-</td>					-
Other current assets (Note 5(17)) 17.1.228 .2 .1.01.31 Total current assets (Note 5(17)) 1.502.007 .43 .1.2586.037 .43 Financial assets (Inter assets) 1.502.007 .43 .1.2586.037 .43 Financial assets (Inter assets) 2.300 .5 .3.400 .			22	,	17
Total current assets				, ,	1
NO-CURRENT ASSETS Image: Comprehensive income - non-current (Notes 4 and 6(5)) 3.400 - 3.400 - Financial assets af thir value through other comprehensive income - non-current (Notes 4 and 6(7)) 2.932.36 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 2.932.37 1 1 2.932.37 1 0.992.36 1 2.924.33 2 7.708.98 5.53.99 1 0.992.36 5.77 1.702.35.90 5.77 1 0.902.35.77 1.000 1 3.83.05 1 3.603.93 0 \$ 2.9483.277 1.00 1.000 2.9483.277 1.00 1.000 2.9483.277 1.00 1.000 2.9483.277 1.00 1.000 2.9483.277 1.00 1.000.28 1.000.28 1.000.28 1.000.28 1.000.28 1.000.28 <		15 000 000			
Financial assets af fir value through other comprehensive income - one-current (Notes 4 and 6(5)) 3.400 - 3.400 - Invessment accurrent (Notes 4 and 6(7)) 2.488.572 9 7.238.22.16 47 Property, plant and capiny mother (Notes 4 and 6(1)) 3.4739 - 3.4336 - Investment accurrent (Notes 4 and 6(10)) 3.4739 - 3.4336 - Defored ta seaset (Notes 4 and 6(10)) 3.4338 - 2.6133 - 2.6033 - Defored ta seaset (Notes 4, 614) and 6(10) 2.3558.940 100 \$ 2.0486.552 5 - 1.009.100 \$ 2.0486.572 1.009.540 5 7.009.8 - 1.000 \$ 2.0486.55 55 - 1.000.8 - 1.000 \$ 2.0486.55 55 - 1.000.8 1.000 \$ 2.0486.55 55 - 1.000.8	Total current assets	15,022,093	43	12,588,937	43
Investments accounted for using the quity method (Nones 4 and 6(7)) 17,33,222 49 13,322,216 47 Property, Edu and equipment (Notes 4, 6(8)) and 8(0) 34,739 2,489,995 7 2,685,732 9 Interstinue properts (Note 4 and 6(10)) 34,739 34,749 34,749 34,749 34,749		2 400		2 400	
Property, plant and equipment (Note 4, 6(5), and 8) 2,489,995 7 2,485,972 9 Right of Use assets (Note 4 and 6(70)) 34,739 - 34,386 - Interagible assets (Note 4 and 6(17)) 134,853 - 36,385 - Other properties (Note 4 and 6(17)) 134,853 - 76,668 - Other properties (Note 4 and 6(17)) 641,853 - 26,943 - Other properties (Note 4 and 6(17)) 24,113 - - 26,943 - Total non-current assets - 24,013 - - 26,043 - TOTAL \$2,35,008,049 100 \$2,96,2477 100 CURRENT LIABILITIES - - 26,043,17 100 Short-term bask loans (Notes 4, 6(1) and 8) \$2,153,329 7 160,028 1 Courrent liabilities - current (Notes 7, 107 20,225, 257 10,012,028 1 Notes payable and frade payables \$1,634,949 6 2,453,939 7 160,028 1 Current inshithilities			-		-
Right-of-size assets (Notes 4 and 60%) 307,236 1 355,238 1 Inversing typerprise Notes 4 and 60(%) 347,39 - 56,309 - Deferred its assets (Note 4 and 60(%) 134,836 - 76,008 - Deferred its assets (Notes 4 and 617) 134,832 - 76,008 - Deferred its assets (Notes 4 and 617) 134,832 - 76,008 - Other non-current assets 20,4113 - 26,002 - 28,778 - Total non-current assets 20,486,855 52 17,093,549 57 TOTAL \$2,3508,949 100 \$2,968,2477 100 LABILITIES AND EQUITY - 241,309 7 160,028 1 CURRENT LIABILITIES - 241,309 7 160,028 1 Notes payables to related parties (Note 71) 20,235 - 58,689 - Current labilities - current (Notes 4, 0(5) and 7) 23,257 - 36,049,99 4 Current tas fabilities (Note 61,2) - 12,126,240 3 16,144,99 1 17,1422 1		, , ,			
Investment properties (Note 4 and 6(10)) 34,739 - 34,838 - 56,399 - 56,399 - 56,399 - 56,399 - 56,399 - 56,399 - 76,068 - 76,068 - 76,068 - 76,068 - 22,173 - 70,012,012,013,013,013,013,013,013,013,013,013,013			/		9
Intragible asset (Note 4) 48,599 - 56,399 - Defror fit a server (Notes 4 and 6(17)) 134,832 - 70,068 - Other non-current assets 20,486,856 52 12,092,540 537 Total non-current assets 20,486,856 52 12,092,540 537 TOTAL \$2,5508,949 100 \$2,2682,477 100 CURRENT LIABILITIES Short-term bank loans (Notes 4, 6(11) and 8) CURRENT LIABILITIES Short-term bank loans (Notes 4, 6(11) and 7) Notes payable and trade payables to related parties (Note 7) CURRENT LIABILITIES Short-term bank loans (Notes 4, 6(11) and 7) Notes payable and trade payables to related parties (Note 7) Current ta Kindilities (Notes 4, 4,017) Current ta Kindilities (Notes 4, 4,070) Add (2) Current ta Kindilities (Notes 4, 6(13) and 7) Current ta Kindilities (Notes 4, 6(13) and 7) Current ta Kindilities (Notes 4, 4,070) Current ta Kindilities (Notes 4, 6(13) Curent ta Kinditie			1	-	1
Deferred tax assets (Notes 4 and 6(17)) 144.832 - 76.068 - Prepayments for equipment 68.920 - 26.913 - Other non-current assets 20.486.855 57 17.093.540 57 TOTAL \$35.568.949 100 \$2.9,682.477 100 ILINELITIES AND EQUTY CURRENT LABILITIES Short-term bank bank (Notes 4, 6(11) and 8) \$2.7,99,115 8 \$1.634,949 6 Contract labilities - current (Notes 4, 6(12) and 7) 24.413,939 7 1600.28 11 Notes paybles to related parties (Note 7) 24.139.93 7 160.028 11 Current tabilities - current (Notes 4, 6(11) and 8) 104.243 11 17.422 1 Lease labilities - current (Notes 4, 6(11) and 8) 104.276 38.099 4 11.347.439 11 17.422 1 Lease labilities - current (Notes 4, 6(11) and 8) 104.276 38.099 1 11.427.63 1 17.352 - Total current labilities - current (Notes 4 and 6(7))					-
Prepayments for capingnent 68,920 - 23,778 - Other non-current assets 224,86,585 57 17,09,549 -57 Total non-current assets 224,86,585 57 17,09,549 -57 TOTAL \$2,35,08,949 100 \$2,9,682,477 100 LIBELITIES AND EQUIPY \$1,534,999 6 \$2,99,115 \$\$ \$1,634,949 6 Contract liabilities - current (Notes 4, 6(1) and 8) \$2,799,115 \$\$ \$1,634,949 6 Contract liabilities - current (Notes 4, 6(1) and 7) 24,313,999 7 160,028 1 Note payable and trade payables 4,341,804 12 4,996,651 17 Trade payable to trade payables 11,242,033 1 171,422 1 Current to Kalinities (Notes 4, 40(1)) 412,6240 3 1,044,989 4 Current to Kalinities (Notes 4, 40(1)) 412,6243 1 171,422 1 Lease liabilities - current (Notes 4 and 6(7)) 444,678 12 3,017 - Other current liabilities (Notes			-	,	-
Other non-current assets 24.113 26.943 Toal non-current assets 20.486.855 .57 17.09.3549 .57 TOTAL \$ 3.5.08.949 100 \$ 2.0.62.477 100 LIABILITIES AND EQUITY \$ 3.5.08.949 100 \$ 2.0.62.477 100 CURRENT LIABILITIES \$ 1.034.949 6 \$ 1.034.949 7 160.028 11 Norte synthek hous (Notes 4, 611) and 8) 2.413.939 7 1.600.28 1 7 Toda points liabilities - current (Notes 4, 617) 4.34.14.084 12 4.966.651 17 Trade psynhes to related parties (Note 67) 1.126.240 3 1.034.989 4 Current tax liabilities - current (Notes 4, 617) 1.126.240 3 1.034.989 4 Current portion of long-term bank loans (Notes 4, 6(11) and 8) 3.1034.787 41.716 - Current portion of long-term bank loans (Notes 4, 6(11) and 8) 42.2108 - 71.332 - Non-CURRENT LIABILITIES 3.0017 - 42.016 - 71.032.031 <td></td> <td></td> <td>-</td> <td>,</td> <td>-</td>			-	,	-
Total non-current assets 20.486.856 57 17.073.40 57 TOTAL \$.35.098.99 .00 \$.29.682.472 .00 LILLITES AND EQUITS 2.41.030 7 1.00.224 .00 CURRENT LIABILITIES \$.2.799,115 8 \$.1.634.949 6 .2.41.3303 7 1.00.224 .1 Notes payboles to related parties (Note 7) .2.2.33 .2.43.834 1.4.2.493 .1 1.00.224 .1 Current fabrilities - current (Notes 4, 6(11) and 8) .1.2.493 .1 1.1.2.422 .1 Current fabrilities - current (Notes 4, 6(11) and 8) .2.2.2.2.1 .2			-		-
TOTAL S_35508.99 J00 S_29.68.2.477 J00 LABLITIES AND EQUITS	Other non-current assets				
LABELITIES AND EQUITY CURRENT LABILITIES Short-term bank loans (Notes 4, 6(1)) and 8) \$ 2,799,115 8 \$ 1,634,949 6 Contract liabilities - current (Notes 4, 6(1)) and 7) 2,413,939 7 160,028 1 Notes payables to related parties (Note 7) 29,235 - 58,689 - Other payables (Note 6(12)) 1,126,240 3 1,084,989 4 Current tax liabilities (Notes 4 and 6(7)) 412,2493 1 171,422 1 Lease liabilities - current (Notes 4 and 6(7)) 38,177 - 41,716 - Current portion of long-term bank loans (Notes 4, 6(11) and 8) 104,276 - 71,352 - Total current liabilities -71,352 - - 71,352 - Total current liabilities -71,352 - - 71,352 - Total current liabilities -71,352 - - 71,352 - Long-term bank loans (Notes 4, 6(11) and 8) 99,7057 3 994,190 3 - 92,276 - Long-term bank loans (Notes 4, 6(13)) - - 32,416 12 - - 108,391 - -	Total non-current assets	20,486,856	57	17,093,540	57
CURRENT LIABILITIES S 1.0349.49 6 Contract mank loans (Notes 4, 6(1) and 8) 2.413.393 7 160.028 1 Notes payable and trade payables 4.341.804 12 4.996.651 17 Trade payables to related parise (Note 7, 01) 12.02.324 3 1.048.4989 4 Current tabibilities - current (Notes 4 and 6(7)) 1.126.240 3 1.048.4989 4 Current tabibilities - current (Notes 4 and 6(7)) 38.177 41.1716 - 33.177 - 41.716 - - 71.332 _ - - 71.332 _ - - 71.332 _ - 71.332 _ - 70000 - 71.332 _ - 701.276 - 33.017 - 701.322 _ - 70000 3 - 70000 3 - 71.332 _ - 71.332 _ - 70000 3 - 70000 3 - - 700000 3 -	TOTAL	<u>\$ 35,508,949</u>	100	<u>\$ 29,682,477</u>	_100
Short-erm bank loans (Notes 4, 6(1) and 8) \$ 2,799,115 8 \$ 1,634,949 6 Contract liabilities - current (Notes 4, 6(1) and 7) 4,341,804 12 4,996,651 17 Trade payables on trade payables 4,341,804 12 4,996,651 17 Trade payables (Notes 7, 6(1)) 1,126,240 3 1,084,989 4 Current tabilities (Notes 4 and 6(7)) 412,493 1,71,422 1 171,422 1 1,126,240 3 1,084,989 4 Current tabilities - current (Notes 4 and 6(7)) 412,493 1,71,422 1 - 1,1352 - - - 1,331,7 - 41,716 - - 71,352 - - - - 1,342,413 31 8,252,813 29 NON-CURRENT LIABLITIES	LIABILITIES AND EQUITY				
Contract liabilities - current (Notes 4, 6(15) and 7) 2,413,939 7 160,028 1 Notes payables and trade payables 3,418,404 12 4,956,651 17 Trade payables to related parties (Note 7) 29,235 - 58,689 - Other payables (Note 6(12)) 11,26,240 3 104,498 4 Current tax liabilities - current (Notes 4, 6(11) and 8) 104,276 - 33,017 - 41,7439 3 . 8,252,813 2.2 Other current liabilities	CURRENT LIABILITIES				
Contract liabilities - current (Notes 4, 6(15) and 7) 2,413,939 7 160,028 1 Notes payables and trade payables 3,434,804 12 4,966,651 17 Trade payables to related parties (Note 7) 12,62,40 3 10,84,898 4 Current tax liabilities - current (Notes 4, 6(17)) 13,177 41,716 - Current partion of long-term bank loans (Notes 4, 6(11) and 8) 104,276 - 33,017 Other current liabilities		\$ 2,799,115	8	\$ 1,634,949	6
Notes payable and trade payables 4,341,804 12 4,996,651 17 Trade payables to related parities (Note 7) 29,235 - 58,689 - Other payables (Note 6(12)) 1,126,240 3 1,084,989 4 Current tax liabilities (Notes 4 and 6(7)) 1,126,240 3 1,071,422 1 Lease liabilities - current (Notes 4 and 6(7)) 38,177 - 43,716 - Other current liabilities 82,160 - 71,352 - - Total current liabilities 11,347,439 31 8,252,813 29 NON-CURRENT LIABILITIES 11,347,439 31 8,252,813 29 Long-term bank loans (Notes 4, 6(11) and 8) 997,057 3 994,190 3 Deferred tax ibilities (Notes 4 and 6(7)) 4,346,780 12 3,423,416 12 Lease liabilities (Notes 4 and 6(13)) 160,637 11 08,391 - 30,104 - Guarantee deposits received 26,514 - 30,104 - - 30,104 - Total liabilities 0.5,589,786 16 4,649,077 <t< td=""><td></td><td></td><td></td><td></td><td>1</td></t<>					1
Trade payables to related parties (Note 7) 29.235 - \$8.689 - Other payables (Note (12)) 1.126.240 3 1034.989 4 Current tax liabilities (Notes 4 and 6(17)) 38.177 - 41.716 - Current priorin of long-term bank loans (Notes 4, 6(11) and 8) 104.276 - 33.017 - Other payables to relative statistics - 71.352 -			12	,	17
Other payables (Note 6(12)) 1,126,240 3 1,084,989 4 Current tai bilities (Notes 4 and 6(7)) 11,142,21 1 Lease liabilities (Notes 4 and 6(7)) 38,177 - 41,716 - Current portion of long-term bank loans (Notes 4, 6(11) and 8) 104,276 - 33,017 - Other current liabilities					-
Current tax liabilities (Notes 4 and 6(17)) $412,493$ 1 $11,422$ 1 Laxes liabilities (Notes 4 and 6(9)) $38,177$ - $41,716$ - Current porion of long-term bank loans (Notes 4, 6(11) and 8) $104,276$ - $33,017$ - Other current liabilities $113,47,439$ 31 $8.252,813$ 29 NON-CURRENT LIABILITIES - $71,352$ - Long-term bank loans (Notes 4, 6(17)) $43,46,780$ 12 $3,423,416$ 12 Lease liabilities - non-current (Notes 4 and 6(17)) $43,46,780$ 12 $3,423,416$ 12 Lease liabilities - non-current (Notes 4 and 6(13)) $160,637$ 1 $108,391$ - Guarantee deposits received $26,514$ - $30,104$ - Total inabilities $16,937,225$ 47 $12,901,890$ 44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION $2,989,838$ 9 $2,989,838$ 9 $2,989,838$ 9 $2,989,838$ 10 Capital surplus $31,352,27$ 9 $2,732,977$ 9 $2,732,977$ 9 $2,$			3		4
Lease liabilities - current (Notes 4 and 6(9)) 33,177 . 41,716 . Current portion of long-term bank loans (Notes 4, 6(11) and 8) 104,276 . 33,017 . Other current liabilities			1		1
Current portion of long-term bank loans (Notes 4, 6(11) and 8) 104.276 . $33,017$. Other current liabilities 82.160 . 71.352 Total current liabilities $11.347.432$ 31 $8.252.813$ 29 NON-CURRENT LLABILITIES $11.347.432$ 31 $8.252.813$ 29 Long-term bank loans (Notes 4, 6(12) and 8) 997.057 3 994.190 3 Defered tax liabilities (Notes 4 and 6(17)) $4.346,780$ 12 $3.423,416$ 12 Lease liabilities (Notes 4 and 6(13)) 160.637 108.037 108.037 108.037 108.037 108.037 108.037 108.037 108.037 $11.347.439$ 44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION $25.589.786$ 16 $4.649.077$ 15 Total inabilities $16.937.225$ 47 $12.901.890$ 44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION $2.989.838$ 9 $2.989.838$ 10 Capital surplus Share premiums from issuance of ordinary shares 416.290 1 416.290 1 <			-		-
Other current liabilities 82,160 - 71,352 - Total current liabilities 11,347,439 31 8,252,813 29 NON-CURRENT LIABILITIES 997,057 3 994,190 3 Deferred tax liabilities (Notes 4 and 6(17)) 4,346,780 12 3,423,416 12 Lease liabilities (Notes 4 and 6(17)) 4,346,780 12 3,423,416 12 Guarantee deposits received 26,514 - 30,104 - Total non-current Notes 4 and 6(13)) 108,391 - - 160,637 1 108,391 - Current liabilities 5,589,786 16 4,649,077 15 - 30,104 - Total non-current liabilities 5,589,786 16 4,649,077 15 Total non-current liabilities 2,989,838 9 2,989,838 10 Ordinary shares 2,989,838 9 2,989,838 10 Capital surplus 31,35,227 9 2,732,977 9 Special reserve			-		-
NON-CURRENT LIABILITIES 997,057 3 994,190 3 Lease liabilities (Notes 4 and 6(17)) 4,346,780 12 3,423,416 12 Lease liabilities (Notes 4 and 6(13)) 158,798 - 92,976 - Net defined benefit liabilities (Notes 4 and 6(13)) 160,637 1 108,391 - Guarantee deposits received 26,514 - 30,104 - Total non-current liabilities 55,89,786 16 4,649,077 15 Total non-current liabilities 16,937,225 47 12,2901,890 44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION 2,989,838 9 2,989,838 10 Capital surplus 3,135,227 9 2,732,977 9 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 3,135,446 34 Unappropriated carnings 12,004,319 34 10,406,344 34 Unappropriated carnings 12,004,319 34 10,406,344 35					
Long-term bank loans (Notes 4, 6(11) and 8) 997,057 3 994,190 3 Deferred tax liabilities (Notes 4 and 6(17)) 4,346,780 12 3,423,416 12 Lease liabilities (Notes 4 and 6(13)) 18,6798 - 92,976 - 92,976 - 92,976 - 92,976 - 92,976 - 92,976 - 92,976 - 92,976 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 92,076 - 3,423,416 12 - - 30,104 - - - 30,104 - - - 30,104 - - - 30,104 - - 30,104 - - 30,104 - - 30,104 - - 30,104 - - 30,104 - - 30,104 - - 30,104	Total current liabilities	11,347,439	31	8,252,813	29
Deferred tax liabilities (Notes 4 and 6(17))4,346,780123,423,41612Lease liabilities - non-current (Notes 4 and 6(9))58,798-92,976-Net defined benefit liabilities (Notes 4 and 6(13))160,6371108,391-Guarantee deposits received $26,514$ - $30,104$ -Total non-current liabilities $5,589,786$.16 $4,649,077$.15Total non-current liabilities $16,937,225$.47 $12,901,890$.44EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION Ordinary shares $2,989,838$ 9 $2,989,838$ 10Capital surplus Share premiums from issuance of ordinary shares $416,290$ 1 $416,290$ 1Retained earnings Legal reserve $3,135,227$ 9 $2,732,977$ 9Special reserve Unappropriated earnings $1,674,362$ 5 $1,163,048$ 4Unappropriated earnings Other equity $12,004,319$ 34 $10,406,346$ 35 Other equity $17,755,250$ 51 $16,034,136$ 53 NON-CONTROLLING INTERESTS $2,764,511$ 3 3 $16,780,587$ 56	NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 6(9)) $58,798$ $ 92,976$ $-$ Net defined benefit liabilities (Notes 4 and 6(13)) $160,637$ 1 $108,391$ $-$ Guarantee deposits received $26,514$ $ 30,104$ $-$ Total non-current liabilities $5.589,786$ 16 $4.649,077$ 15 Total non-current liabilities $16,937,225$ 47 $12,901,890$ 44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION Ordinary shares $2,989,838$ 9 $2,989,838$ 10 Capital surplus Share premiums from issuance of ordinary shares $416,290$ 1 $416,290$ 1 Retained earnings Legal reserve $3,135,227$ 9 $2,732,977$ 9 Special reserve $3,135,227$ 9 $2,732,977$ 9 Special reserve $1,674,362$ 5 $1,163,048$ 4 Unappropriated earnings Other equity $12,004,319$ 34 $10,406,346$ 35 Other equity $17,755,250$ 51 $16,034,136$ 53 NON-CONTROLLING INTERESTS $816,474$ 2 $746,451$ 3 Total equity $18,571,724$ 53 $16,780,587$ 56	Long-term bank loans (Notes 4, 6(11) and 8)	997,057	3	994,190	3
Net defined benefit liabilities (Notes 4 and 6(13)) 108,391 - Guarantee deposits received 26,514 - 30,104 - Total non-current liabilities 5,589,786 16 4,649,077 15 Total liabilities 16,937,225 47 12,901,890 44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION 2,989,838 9 2,989,838 10 Ordinary shares 2,989,838 9 2,989,838 10 Share premiums from issuance of ordinary shares 416,290 1 416,290 1 Retained earnings 2,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 1,64,362 5 1,163,048 4 Unappropriated earnings (7) (1.674,363 (6) Other equity 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2<	Deferred tax liabilities (Notes 4 and $6(17)$)	4,346,780	12	3,423,416	12
Guarantee deposits received 26,514 30,104 Total non-current liabilities 5,589,786 16 4,649,077 15 Total liabilities 16,937,225 47 12,901,890 44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION Ordinary shares 2,989,838 9 2,989,838 10 Capital surplus 416,290 1 416,290 1 416,290 1 Share premiums from issuance of ordinary shares 3,135,227 9 2,732,977 9 9 Legal reserve 3,135,227 9 2,732,977 9 9 3,164,280 1 Unappropriated earnings 12,004,319 34 10,406,346 35 4 10,204,319 34 10,406,346 4 Unappropriated earnings (1,674,362) 51 16,034,136 35 .60 Total equity attributable to owners of the Corporation 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2 746,451 .3 .3 .5 Total equity 188,571,724 53 16,780,587 </td <td>Lease liabilities - non-current (Notes 4 and 6(9))</td> <td>58,798</td> <td>-</td> <td>92,976</td> <td>-</td>	Lease liabilities - non-current (Notes 4 and 6(9))	58,798	-	92,976	-
Total non-current liabilities	Net defined benefit liabilities (Notes 4 and 6(13))	160,637	1	108,391	-
Total liabilities 16,937,225 .47 12,901,890 .44 EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION Ordinary shares 2,989,838 9 2,989,838 10 Capital surplus Share premiums from issuance of ordinary shares 1416,290 1 416,290 1 Retained earnings Legal reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 1,674,362 5 1,163,048 43 Unappropriated earnings 	Guarantee deposits received	26,514		30,104	
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION Ordinary shares 2,989,838 9 2,989,838 10 Capital surplus Share premiums from issuance of ordinary shares 416,290 1 416,290 1 Retained earnings Legal reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 1,674,362 5 1,163,048 4 Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity	Total non-current liabilities	5,589,786	16	4,649,077	15
Ordinary shares 2,989,838 9 2,989,838 10 Capital surplus 3hare premiums from issuance of ordinary shares 416,290 1 416,290 1 Retained earnings 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 1,674,362 5 1,163,048 4 Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity	Total liabilities	16,937,225	47	12,901,890	44
Capital surplus Share premiums from issuance of ordinary shares 416,290 1 416,290 1 Retained earnings Legal reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 1,674,362 5 1,163,048 4 Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity 12,004,319 34 10,406,346 35 Total equity attributable to owners of the Corporation 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2 746,451 3 Total equity 18,571,724 53 16,780,587 56					
Share premiums from issuance of ordinary shares 416,290 1 416,290 1 Retained earnings 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 1,674,362 5 1,163,048 4 Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity		2,989,838	9	2,989,838	10
Retained earnings 3,135,227 9 2,732,977 9 Special reserve 3,135,227 9 2,732,977 9 Special reserve 1,674,362 5 1,163,048 4 Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity (2,464,786) (7) (1.674,363) (6) Total equity attributable to owners of the Corporation 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2 746,451 3 Total equity 18,571,724 53 16,780,587 56					
Legal reserve 3,135,227 9 2,732,977 9 Special reserve 1,674,362 5 1,163,048 4 Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity (2,464,786) (7) (1.674,363) (6) Total equity attributable to owners of the Corporation 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2 746,451 3 Total equity 18,571,724 53 16,780,587 56		416,290	1	416,290	1
Special reserve 1,674,362 5 1,163,048 4 Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity (2,464,786) (7) (1,674,363) (6) Total equity attributable to owners of the Corporation 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2 746,451 3 Total equity 18,571,724 53 16,780,587 56					
Unappropriated earnings 12,004,319 34 10,406,346 35 Other equity (2,464,786) (7) (1,674,363) (6) Total equity attributable to owners of the Corporation 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2 746,451 3 Total equity 18,571,724 53 16,780,587 56					
Other equity					
Total equity attributable to owners of the Corporation 17,755,250 51 16,034,136 53 NON-CONTROLLING INTERESTS 816,474 2 746,451 3 Total equity 18,571,724 53 16,780,587 56					
NON-CONTROLLING INTERESTS 816,474 2 746,451 3 Total equity 18,571,724 53 16,780,587 56	Other equity	(2,464,786)	<u>(7</u>)	(1,674,363)	<u>(6</u>)
Total equity <u>18,571,724</u> <u>53</u> <u>16,780,587</u> <u>56</u>	Total equity attributable to owners of the Corporation	17,755,250	51	16,034,136	53
	NON-CONTROLLING INTERESTS	816,474	2	746,451	3
TOTAL <u>\$ 35,508,949</u> <u>100</u> <u>\$ 29,682,477</u> <u>100</u>	Total equity	18,571,724	53	16,780,587	56
	TOTAL	<u>\$ 35,508,949</u>	_100	\$ 29,682,477	_100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 23, 2022)

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

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
SALES (Notes 4, 6(15) and 7)	\$ 29,391,183	100	\$ 27,072,342	100
COST OF GOODS SOLD (Notes 6(4), 6(16) and 7)	25,304,229	86	23,285,132	86
GROSS PROFIT	4,086,954	14	3,787,210	14
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH ASSOCIATES	(186,834)	<u>(1</u>)	278,539	1
REALIZED GROSS PROFIT	3,900,120	13	4,065,749	15
OPERATING EXPENSES (Note 6(16)) Selling and marketing expenses General and administrative expenses Total operating expenses	1,083,798 <u>1,226,946</u> <u>2,310,744</u>	4 4 8	1,046,703 1,134,824 2,181,527	4 4 8
PROFIT FROM OPERATIONS	1,589,376	5	1,884,222	7
NON-OPERATING INCOME AND EXPENSES Interest income (Notes 4 and 7) Other income Net foreign exchange gains (losses) (Notes 4 and 13) Gain (losses) on fair value changes of financial assets at fair value through profit or loss (Note 4) Share of profit of subsidiaries and associates (Notes 4 and 6(7)) Interest expense Other expenses	23,906 115,023 160,694 (5,639) 4,393,265 (47,422) (24,450)	- 1 - 15 -	34,325 167,307 (131,819) 23,716 3,385,363 (52,006) (70,291)	1 - 13 -
Total non-operating income and expenses	4,615,377	16	3,356,595	14
PROFIT BEFORE INCOME TAX	6,204,753	21	5,240,817	21
INCOME TAX EXPENSE (Notes 4 and 6(17))	1,416,583	5	1,128,670	4
NET PROFIT FOR THE YEAR	4,788,170	16	4,112,147	17

(Continued)

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

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4) Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 6(13)) Income tax relating to items that will not be	\$ (56,347)	-	\$ 37,111	-
reclassified subsequently to profit or loss (Note 6(17))	<u>11,269</u> (45,078)		<u>(7,422)</u> <u>29,689</u>	
Items that may be reclassified subsequently to profit or loss: Exchange differences on translating the financial statements of foreign operations Share of the other comprehensive income (loss) of	(651,307)	(2)	(620,017)	(2)
associates accounted for using the equity method (Note 6(7))	(207,761) (859,068)	<u>(1)</u> (3)	<u>129,124</u> (490,893)	<u>(2</u>)
Other comprehensive loss for the year, net of income tax	(904,146)	<u>(3</u>)	(461,204)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,884,024</u>	13	<u>\$ 3,650,943</u>	<u> 15</u>
NET PROFIT ATTRIBUTABLE TO: Owners of the Corporation Non-controlling interests	\$ 4,649,502 <u>138,668</u>	16 	\$ 3,993,317 <u>118,830</u>	15
	<u>\$ 4,788,170</u>	<u> 16</u>	<u>\$ 4,112,147</u>	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation Non-controlling interests	\$ 3,814,001 	13	\$ 3,511,692 <u>139,251</u>	13 1
	<u>\$ 3,884,024</u>	13	<u>\$ 3,650,943</u>	<u> 14 </u>
EARNINGS PER SHARE (Note 6(18)) Basic Diluted	<u>\$ 15.55</u> <u>\$ 15.48</u>		<u>\$ 13.36</u> <u>\$ 13.27</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 23, 2022)

(Concluded)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

			Equity Attribu	table to Owners of t	he Corporation	
1	Common Shares	<u>Capital Surplus</u> Share Premium from Issuance of Common Share		ned Earnings (Note		Other Equity (Note 4) Exchange Differences on Translating the Financial Statements of Foreign
	(Note 6(14))	(Note 6(14))	Legal Reserve	Special Reserve	Earnings	Operations
BALANCE AT JANUARY 1, 2020	<u>\$ 2,989,838</u>	<u>\$ 416,290</u>	<u>\$ 2,482,733</u>	<u>\$ 769,489</u>	<u>\$ 8,283,384</u>	<u>\$ (1,163,049</u>)
Appropriation of 2019 earnings Legal reserve Special reserve Cash dividends distributed by the Corporation				393,559	$(250,244) \\ (393,559) \\ (1,255,732)$	
Difference between carrying amount and consideration on the actual acquisition or disposal of equity interests in subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(509)	<u>-</u>
Changes in non-controlling interests			<u> </u>	<u> </u>	<u> </u>	
Net profit for the year ended December 31, 2020	-	-	-	-	3,993,317	-
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u> </u>	29,689	(511,314)
Total comprehensive income (loss) for the year ended December 31, 2020				<u> </u>	4,023,006	(511,314)
BALANCE AT DECEMBER 31, 2020	2,989,838	416,290	2,732,977	1,163,048	10,406,346	(1,674,363)
Appropriation of 2020 earnings Legal reserve Special reserve Cash dividends distributed by the Corporation			402,250	<u>-</u>	(402,250) (511,314) (2,092,887)	
Net profit for the year ended December 31, 2021	-	-	-	-	4,649,502	-
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(45,078)	(790,423)
Total comprehensive income (loss) for the year ended December 31, 2021	<u> </u>			<u> </u>	4,604,424	(790,423)
BALANCE AT DECEMBER 31, 2021	<u>\$ 2,989,838</u>	<u>\$ 416,290</u>	<u>\$ 3,135,227</u>	<u>\$ 1,674,362</u>	<u>\$ 12,004,319</u>	<u>\$ (2,464,786)</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated March 23, 2022)

Total	Non-controlling Interest (Note 6(6))	Total
<u>\$ 13,778,685</u>	<u>\$ 625,175</u>	<u>\$ 14,403,860</u>
	(3,289)	
(509)	509	
	(15,195)	(15,195)
3,993,317	118,830	4,112,147
<u>(481,625</u>) <u>3,511,692</u>	<u> </u>	<u>(461,204</u>) <u>3,650,943</u>
16,034,136	746,451	16,780,587
	138,668	
(835,501)	(68,645)	(904,146)
3,814,001	70,023	3,884,024
<u>\$ 17,755,250</u>	<u>\$ 816,474</u>	<u>\$ 18,571,724</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 6,204,753	\$ 5,240,817
Adjustments for:	¢ 0,201,755	\$ 5,210,017
Depreciation expenses	274,758	268,297
Amortization expenses	10,170	7,908
Expected credit loss recognized on trade receivables	6,466	6,637
Net loss (gain) on fair value changes of financial assets at fair value	0,100	0,057
through profit or loss	5,639	(23,716)
Interest expense	47,422	52,006
Interest income	(23,906)	(34,325)
Dividend income	(1,854)	(1,389)
Share of profit of associates	(4,393,265)	(3,385,363)
Loss on disposal of property, plant and equipment Write-down of inventories	484	858
	58,283	1,315
Unrealized (realized) loss on transactions with associates	186,834	(278,539)
Unrealized net gain on foreign currency exchange	(8,283)	(10,529)
Gain on lease modification	(1,417)	(774)
Loss on disposal of right-of-use assets	-	8,225
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	913,457	(461,209)
Notes receivable	(9,849)	5,344
Trade receivables	(267,799)	638,137
Other receivables	(4,397)	529,822
Inventories	(2,943,460)	(331,846)
Other current assets	(633,103)	(23,847)
Contract liabilities	2,253,911	126,112
Notes payable and trade payables	(663,673)	559,051
Other payables	64,860	(260,186)
Other current liabilities	17,280	2,304
Net defined benefit liabilities	(4,101)	(49,705)
Cash generated from operations	1,089,210	2,585,405
Interest received	19,405	45,414
Dividends received	6,819	1,389
Interest paid	(46,176)	(52,966)
Income tax paid	(281,557)	(466,876)
Net cash generated from operating activities	787,701	2,112,366
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments accounted for using equity method	_	(13,848)
Acquisition for property, plant and equipment	(94,376)	(419,566)
Proceeds from disposal of property, plant and equipment	(94,370) 944	(419,500)
Increase in refundable deposits	(860)	(5,530) (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31		
	2021	2020	
Decrease in other receivables from related parties Payments for intangible assets Payments of investment properties	\$ - (3,051) (485)	\$ 37,379 (18,947)	
Decrease (increase) in other non-current assets Increase in prepayments for equipment Proceeds from disposal of right-of-use assets	(483) 1,847 (56,648)	(3,073) (35,338) 79,211	
Net cash used in investing activities	(152,629)	(378,441)	
CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from (repayments for) short-term bank loans Proceeds from long-term borrowings Repayments of long-term bank loans Decrease in refundable deposits Repayment of the principal portion of lease liabilities Dividends paid to owners of the Corporation Acquisition of subsidiaries Net cash used in financing activities	1,199,410 329,438 (171,827) (306) (46,055) (2,092,887) 	$(230,446) \\ 641,193 \\ (157,837) \\ (3,075) \\ (49,673) \\ (1,246,476) \\ (15,195) \\ (1,061,509)$	
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(99,011)	(12,647)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(246,166)	659,769	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,931,022	3,271,253	
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,684,856</u>	<u>\$ 3,931,022</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 23, 2022) (Concluded)

Case 2: Earnings Distribution of 2021. (Proposed by the Board)

Explanation: In accordance with the Company Act and the Company's Articles of Incorporation, the Company has prepared as follows the Table for Earnings Distribution for the year 2021, which has been reviewed and adopted in the 5th Meeting of the Company's 2nd Audit Committee and has been adopted by resolution in the Company's second Board of Directors meeting in 2022. For your ratification:

Merida Industry Co. Ltd. Table for Earnings Distribution for the Year 2021

		Unit: NTD
Beginning Undistributed Earnings		\$7,399,894,909
Add: 2021 Net Income after Tax	\$4,649,502,730	
Less: Remeasurement of Defined Benefit Plans as Retained Earnings	45,077,600	
Amount Recognized as Current Undistributed Earnings from Current Net Profit after Tax Added with Non-Current Profit Items		4,604,425,130
Less: Legal Reserve		460,442,513
Less: Special Reserve-Other Equity		790,423,368
Current Distributable Earnings		\$10,753,454,158
Distributions:		
Cash Dividend-NTD 8 per Share		2,391,870,400
Ending Undistributed Earnings (Retaining Beginn Undistributed Earnings)	ning	<u>\$8,361,583,758</u>

- 1. Shareholders' Dividend: Calculated on basis of the Company's outstanding shares at 298,983,800 shares, each common share holder will be entitled to receive a cash dividend of NTD 8.0 per share. The dividend totaling at NTD 2,391,870,400 will be distributed fully in cash in the unit of NTD (portions lower than NTD 1 will be round off). Fractional shares will be recognized as the income of the Company's Employees' Welfare Committee. The Board of Directors is authorized to set up ex-dividend date and other associated follow-up, once the shareholder's meeting approves this proposal by resolution.
- 2. Concerning this earnings distribution, where there is change to total number of outstanding shares of the Company due to any reason, the Company shall submit to the regular shareholders' meeting for authorization to the Board of Directors on transactions of dividend distribution to shareholders adjusted by percentage of their ownership based on number of outstanding shares on the ex-dividend date.

Chairman: Tseng Song-Zhu Manager: Tseng Song-Zhu Accounting Manager: Liu Ming-Gen

Resolution:

Matters for Discussion

Case 1: Amendment(s) to the Company's Articles of Incorporation. (Proposed by the Board)

Explanation: In accordance with amendments to Article 172-2 of the Company Act following per 29 December 2021 Presidential Decree Letter No. Hua-Zong-I-Jing-11000115851, amendment to partial articles of the Company's Articles of Incorporation is proposed, with amendment contents resoled by the Company's second Board of Directors meeting in 2022. The comparison table for the Articles before and after amendment is as follows. For your voting:

After Amendment	Before Amendment	Reason for
Article 12 Changes to how the Company convenes its shareholders meeting shall be resolved by the board of	Article 12 For convening shareholders' regular meeting, the date, venue and proposals of the meeting shall be informed to each shareholder 30 days before the meeting. For convening shareholders' interim	Amendment Article contents amended.
Article 12-1 Shareholders' meeting of the Company can be held by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs (MoEA). Article 37 The Articles of Incorporation were formulated on September 8, 1972. It was amended for the 1st time on May	Article 37 The Articles of Incorporation were formulated on September 8, 1972. It was amended for the 1st time on May	Article added. Date amended.
14, 1974. It was amended for the 2nd time on July 16, 1979. It was	14, 1974. It was amended for the 2nd time on July 16, 1979. It was	

amended for the 3rd time on March	amended for the 3rd time on March
10, 1980. It was amended for the 4th	10, 1980. It was amended for the 4th
time on June 29, 1980. It was	time on June 29, 1980. It was
amended for the 5th time on August	amended for the 5th time on August
31, 1981. It was amended for the 6th	31, 1981. It was amended for the 6th
time on April 11, 1982. It was	time on April 11, 1982. It was
amended for the 7th time on May 29,	amended for the 7th time on May 29,
1983. It was amended for the 8th time	1983. It was amended for the 8th time
on May 6, 1984. It was amended for	on May 6, 1984. It was amended for
the 9th time on July 1, 1985. It was	the 9th time on July 1, 1985. It was
amended for the 10th time on August	amended for the 10th time on August
3, 1985. It was amended for the 11th	3, 1985. It was amended for the 11th
time on July 2, 1987. It was amended	time on July 2, 1987. It was amended
for the 12th time on June 25, 1988. It	for the 12th time on June 25, 1988. It
was amended for the 13th time on	was amended for the 13th time on
September 11, 1989. It was amended	September 11, 1989. It was amended
for the 14th time on September 11,	for the 14th time on September 11,
1989. It was amended for the 15th	1989. It was amended for the 15th
time on November 29, 1990. It was	time on November 29, 1990. It was
amended for the 16th time on	amended for the 16th time on
December 29, 1990. It was amended	December 29, 1990. It was amended
for the 17th time on May 5, 1991. It	for the 17th time on May 5, 1991. It
was amended for the 18th time on	was amended for the 18th time on
April 26, 1992. It was amended for	April 26, 1992. It was amended for
the 19th time on June 15, 1993. It was	the 19th time on June 15, 1993. It was
amended for the 20th time on June 6,	amended for the 20th time on June 6,
1994. It was amended for the 21st	1994. It was amended for the 21st
time on June 20, 1995. It was	time on June 20, 1995. It was
amended for the 22nd time on June	amended for the 22nd time on June
24, 1997. It was amended for the 23rd	24, 1997. It was amended for the 23rd
time on June 15, 1998. It was	time on June 15, 1998. It was
amended for the 24th time on June	amended for the 24th time on June 16,
16, 1999. It was amended for the 25th	
time on June 16, 2000. It was	time on June 16, 2000. It was
amended for the 26th time on	amended for the 26th time on
	June 20, 2001. It was amended for the
27th time on June 25, 2002. It was	27th time on June 25, 2002. It was
amended for the 28th time on June	amended for the 28th time on June 26,
26, 2003. It was amended for the 29th	
time on June 25, 2004. It was	time on June 25, 2004. It was
amended for the 30th time on June	amended for the 30th time on June 28,
28, 2005. It was amended for the 31st	
time on June 23, 2006. It was	time on June 23, 2006. It was
amended for the 32nd time on March	
	22, 2007. It was amended for the 33rd
time on June 27, 2008. It was	time on June 27, 2008. It was
amended for the 34th time on June	amended for the 34th time on June 26,
26, 2009. It was amended for the 35th	
time on June 29, 2010. It was	time on June 29, 2010. It was
amended for the 36th time on June	amended for the 36th time on June 28,
28, 2012. It was amended for the 37th	
time on June 28, 2013. It was	time on June 28, 2013. It was
amended for the 38th time on June	amended for the 38th time on June 26,

26, 2014. It was amended for the 39th	2014. It was amended for the 39th	
time on June 22, 2015. It was	time on June 22, 2015. It was	
amended for the 40th time on June	amended for the 40th time on June 22,	
22, 2016. It was amended for the 41st	2016. It was amended for the 41st	
time on June 26, 2017. It was	time on June 26, 2017. It was	
amended for the 42nd time on June	amended for the 42nd time on June	
26, 2018. It was amended for the 43rd	26, 2018. It was amended for the 43rd	
time on June 24, 2020. It was	time on June 24, 2020. It was	
amended for the 44th time on August	amended for the 44th time on August	
4, 2021. It was amended for the 45th	-	
time on June 23, 2022.		

Resolution:

- Case 2: Amendment(s) to the Company's Rules of Procedure for Shareholders Meetings. (Proposed by the Board)
- Explanation: In accordance with per 8 March 2022 Letter No. Taiwan-Stock-Governance-1110004250 of the Taiwan Stock Exchange Corporation, amendment to partial articles of the Company's Rules of Procedure for Shareholders Meetings is proposed, with amendment contents resoled by the Company's second Board of Directors meeting in 2022. The comparison table for the Rules before and after amendment is as follows. For your voting:

After Amendment	Before Amendment	Reason for Amendment
Article 2 Shareholders (or their agents) of the Company are asked to wear attendance cards, where the number of equities is calculated by sign-in cards handed over in time of sign-in, and the shares checked in on the virtual meeting platform, in addition to the shares of voting right exercised by written form or electronic way. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days	attendance cards, where the number of equities is calculated by sign-in cards handed over in time of sign-in in addition to the shares of voting right exercised by written form or electronic way.	Article contents amended.
before the meeting date. Article 4 The shareholder's meeting of the Company shall be convened in the venue where the Company is located or where is conducive for the shareholders to attend and suitable for the shareholders to convene. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting. However, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.	The shareholder's meeting of the Company shall be convened in the	

and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.Article 9Article 9Article 9Article 9The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of sisued 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, 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. In the event of a virtual shareholders meeting, shareholders intending toArticle Article 9Anticle 9 The chair shall call the meeting to order at the appointed meeting time and another shareholders intending toArticle The chair shall call the meeting time and another shareholders intending to		A (* 1 O	A (* 1
time it accepts shareholder attendance registrations, shall make an audio and video recording throughout the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to handle matters of the virtual meeting. Article 9 The chair shall call the meeting to roder at the appointed meeting is hareholders attending the mueter of nonvoting shares and number of snares represented by shareholders due to 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 two such postponements, for a combined total of no more than two such postponements, but the attending shareholders represent of issued shares, a tentative resolution may be adopted pursuant to Article this do more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice of the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice of the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice or the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice or the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice or the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice or the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice or the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice or the total number of issued shares, a tentative resolution may be adopted pursuant to Article trice or the total number of			
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In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-	and another shareholders meeting		
meeting, shareholders intending to attend the meeting online shall re-			
attend the meeting online shall re-		4	
register to the Company in	attend the meeting online shall re-		
	register to the Company in		
accordance with Article 2.			
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When, prior to conclusion of the	When, prior to conclusion of the		
meeting, the attending shareholders	meeting, the attending shareholders		
represent a majority of the total	represent a majority of the total		
number of issued shares, the chair	number of issued shares, the chair		
	may resubmit the tentative resolution		
for a vote by the shareholders	for a vote by the shareholders		
meeting pursuant to Article 174 of	meeting pursuant to Article 174 of		
the Company Act.	the Company Act.		
Article 13	Article 13	Article	
When every shareholder speaks	When every shareholder speaks	contents	
regarding the same motion, it	regarding the same motion, it	amended.	
cannot exceed twice unless	cannot exceed twice unless		
consented by the chairperson. Every	consented by the chairperson. Every		
time cannot exceed 5 minutes. <u>In</u>	time cannot exceed 5 minutes.		
case of a virtual shareholders			
meeting, each speak shall contain no	4		
more than 200 words.			
The motions shall be discussed in	The motions shall be discussed in		
	line with the motion order scheduled		
by the agenda. In case of violating	by the agenda. In case of violating		
procedure or exceeding beyond the	procedure or exceeding beyond the		
topic of discussion, the chairperson	topic of discussion, the chairperson		
may prohibit their speech.	may prohibit their speech.		
Article 17		Article	
When the Company holds a	1 5	contents	
shareholder meeting, it shall adopt	C, 1	amended.	
exercise of voting rights by	exercise of voting rights by		
electronic means and may adopt	electronic means and may adopt		
exercise of voting rights by	exercise of voting rights by		
correspondence. When voting rights	correspondence. When voting rights		
are exercised by correspondence or electronic means, the method of	are exercised by correspondence or		
exercise shall be specified in the	electronic means, the method of exercise shall be specified in the		
shareholders meeting notice. A	shareholders meeting notice. A		
shareholder exercising voting rights	shareholder exercising voting rights		
by correspondence or electronic	by correspondence or electronic		
means will be deemed to have	means will be deemed to have		
attended the meeting in person, but	attended the meeting in person, but		
to have waived his/her rights with	to have waived his/her rights with		
respect to the extraordinary motions	respect to the extraordinary motions		
and amendments to original	and amendments to original		
proposals of that meeting; it is	proposals of that meeting; it is		
therefore advisable that the	therefore advisable that the		
Company avoid the submission of	Company avoid the submission of		
extraordinary motions and	extraordinary motions and		
amendments to original proposals.	amendments to original proposals.		
A shareholder intending to exercise	A shareholder intending to exercise		
voting rights by correspondence or	voting rights by correspondence or		
electronic means under the	electronic means under the		
preceding paragraph shall deliver a	preceding paragraph shall deliver a		

written declaration of intent to the	written declaration of intent to the	
Company before two days before the	Company before two days before the	
date of the shareholders meeting.	date of the shareholders meeting.	
When duplicate declarations of	When duplicate declarations of	
intent are delivered, the one received	intent are delivered, the one received	
earliest shall prevail, except when a	earliest shall prevail, except when a	
declaration is made to cancel the	declaration is made to cancel the	
earlier declaration of intent.	earlier declaration of intent.	
After a shareholder has exercised	After a shareholder has exercised	
voting rights by correspondence or	voting rights by correspondence or	
electronic means, in the event the	electronic means, in the event the	
shareholder intends to attend the	shareholder intends to attend the	
shareholders meeting in person or	shareholders meeting in person or	
online, a written declaration of intent	online, a written declaration of intent	
to retract the voting rights already	to retract the voting rights already	
exercised under the preceding	exercised under the preceding	
paragraph shall be made known to	paragraph shall be made known to	
the Company, by the same means by	the Company, by the same means by	
which the voting rights were	which the voting rights were	
exercised, before two business days	exercised, before two business days	
before the date of the shareholders	before the date of the shareholders	
meeting. If the notice of retraction is	meeting. If the notice of retraction is	
submitted after that time, the voting	submitted after that time, the voting	
rights already exercised by	rights already exercised by	
correspondence or electronic means	correspondence or electronic means	
shall prevail. When a shareholder	shall prevail. When a shareholder	
has exercised voting rights both by	has exercised voting rights both by	
correspondence or electronic means	correspondence or electronic means	
and by appointing a proxy to attend	and by appointing a proxy to attend	
a shareholders meeting, the voting	a shareholders meeting, the voting	
rights exercised by the proxy in the	rights exercised by the proxy in the	
meeting shall prevail.	meeting shall prevail.	
Except as otherwise provided in the	Except as otherwise provided in the	
Company Act and in the Company's	Company Act and in the Company's	
1 1 1	articles of incorporation, the passage	
of a proposal shall require an	of a proposal shall require an	
affirmative vote of a majority of the	affirmative vote of a majority of the	
voting rights represented by the	voting rights represented by the	
attending shareholders. At the time	attending shareholders. At the time	
of a vote, for each proposal, the	of a vote, for each proposal, the	
chair or a person designated by the	chair or a person designated by the	
chair shall first announce the total	chair shall first announce the total	
number of voting rights represented	number of voting rights represented	
by the attending shareholders,	by the attending shareholders,	
followed by a poll of the	followed by a poll of the	
	shareholders. After the conclusion of	
the meeting, on the same day it is	the meeting, on the same day it is	
held, the results for each proposal,	held, the results for each proposal,	
based on the numbers of votes for	based on the numbers of votes for	
and against and the number of	and against and the number of	
abstentions, shall be entered into the	-	

F		
	MOPS. However, a proposal with no	
objection from all attending	objection from all attending	
	shareholders as inquired by the chair	
may be deemed as adopted, with the	may be deemed as adopted, with the	
force equivalent to voting; where	force equivalent to voting; where	
there is any objection(including	there is any objection(including	
exercising the objection or	exercising the objection or	
abstention against the vote by	abstention against the vote by	
correspondence or electronically), a	correspondence or electronically), a	
poll by shareholders shall be held.	poll by shareholders shall be held.	
When there is an amendment or an	When there is an amendment or an	
alternative to a proposal, the chair	alternative to a proposal, the chair	
shall present the amended or	shall present the amended or	
alternative proposal together with	alternative proposal together with	
the original proposal and decide the	the original proposal and decide the	
order in which they will be put to a	order in which they will be put to a	
vote. When any one among them is	vote. When any one among them is	
passed, the other proposals will then	passed, the other proposals will then	
be deemed rejected, and no further	be deemed rejected, and no further	
voting shall be required.	voting shall be required.	
Vote monitoring and counting	Vote monitoring and counting	
personnel for the voting on a	personnel for the voting on a	
proposal shall be appointed by the	proposal shall be appointed by the	
chair, provided that all monitoring	chair, provided that all monitoring	
personnel shall be shareholders of	personnel shall be shareholders of	
the Company.	the Company.	
Vote counting for shareholders	Vote counting for shareholders	
meeting proposals or elections shall	meeting proposals or elections shall	
be conducted in public at the place	be conducted in public at the place	
of the shareholders meeting.	of the shareholders meeting.	
Immediately after vote counting has	Immediately after vote counting has	
been completed, the results of the	been completed, the results of the	
voting, including the statistical	voting, including the statistical	
tallies of the numbers of votes, the	tallies of the numbers of votes, the	
names of those elected as directors	names of those elected as directors	
	and the numbers of votes with which	
they were elected, and the names of	they were elected, and the names of	
directors not elected and number of	directors not elected and number of	
votes they received, shall be	votes they received, shall be	
announced on-site at the meeting,	announced on-site at the meeting,	
and a record made of the vote.	and a record made of the vote.	
In the event of a virtual shareholders	and a record made of the vote.	
meeting, the Company shall disclose real-time results of votes and	1	
election immediately after the end of		
-	1	
the voting session on the virtual		
meeting platform according to the		
regulations, and this disclosure shall		
continue at least 15 minutes after the	4	
chair has announced the meeting		
adjourned.		

When the Company convenes a		
hybrid shareholders meeting, if		
shareholders who have registered to		
attend the meeting online in		
accordance with Article 2 decide to		
attend the physical shareholders		
meeting in person, they shall revoke		
their registration two days before the		
shareholders meeting in the same		
manner as they registered. If their		
registration is not revoked within the	4	
time limit, they may only attend the		
shareholders meeting online.		
When shareholders exercise voting		
rights by correspondence or		
electronic means, unless they have		
withdrawn the declaration of intent		
and attended the shareholders		
meeting online, except for		
extraordinary motions, they will not		
exercise voting rights on the original		
proposals or make any amendments		
to the original proposals or exercise		
voting rights on amendments to the		
<u>original proposal.</u>		
When the Company convenes a		
hybrid shareholders meeting, and the		
virtual meeting cannot continue due		
to force majeure events and the		
obstruction continues for more than		
30 minutes, if the total number of		
shares represented at the meeting,		
after deducting those represented by		
shareholders attending the virtual		
shareholders meeting online, still		
meets the minimum legal		
requirement for a shareholder		
meeting, then the shareholders		
meeting shall continue, and not		
postponement or resumption thereof		
under applicable provisions is		
required.		
Article 20	Article 20	Date
These Rules shall take effect after	These Rules shall take effect after	amended.
having been submitted to and	having been submitted to and	
•	approved by a shareholders meeting.	
Subsequent amendments thereto	Subsequent amendments thereto	
-	shall be effected in the same manner.	
These rules were approved by the	These rules were approved by the	
regular shareholders' meeting on	regular shareholders' meeting on	
May 21, 1990. The first amendment	May 21, 1990. The first amendment	
· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	

was made on June 15, 1998. The	was made on June 15, 1998. The	
second amendment was made on	second amendment was made on	
June 25, 2002. The third amendment	June 25, 2002. The third amendment	
was made on June 23, 2006. The	was made on June 23, 2006. The	
fourth amendment was made on	fourth amendment was made on	
June 27, 2008. The fifth amendment	June 27, 2008. The fifth amendment	
was made on June 26, 2014. The	was made on June 26, 2014. The	
sixth amendment was made on June	sixth amendment was made on June	
22, 2016. The seventh amendment	22, 2016. The seventh amendment	
was made on August 4, 2021. The	was made on August 4, 2021.	
eighth amendment was made on		
June 23, 2022.		

Resolution:

- Case 3: Amendment(s) to the Company's Procedures for Acquisition and Disposal of Assets. (Proposed by the Board)
- Explanation: In accordance with per 28 January 2022 Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission, amendment to partial articles of the Company's Procedures for Acquisition and Disposal of Assets is proposed, with amendment contents resoled by the Company's second Board of Directors meeting in 2022. The comparison table for the Procedure before and after amendment is as follows. For your voting:

After Amendment	Before Amendment	Reason for Amendment
Article 6 Transactions with Related	Article 6 Transactions with Related	Article
Parties	Parties	contents
When the Company engages in any	When the Company engages in any	amended.
acquisition or disposal of assets	acquisition or disposal of assets	
from or to a related party, in	from or to a related party, in	
addition to handling pursuant to	addition to handling pursuant to	
Articles 9 to 14 herein, where the	Articles 9 to 14 herein, where the	
Company intends to acquire or	Company intends to acquire or	
dispose of assets other than real	dispose of assets other than real	
property or right-of-use assets	property or right-of-use assets	
thereof from or to a related party	thereof from or to a related party	
and the transaction amount reaches	and the transaction amount reaches	
10 percent or more of the	10 percent or more of the	
Company's paid-in capital, the	Company's paid-in capital, the	
Company shall obtain an appraisal	Company shall obtain an appraisal	
report from a professional appraiser	report from a professional appraiser	
or a CPA's opinion in compliance	or a CPA's opinion in compliance	
with the provisions and, pursuant to	with the provisions and, pursuant to	
the following, adopt necessary	the following, adopt necessary	
resolutions and appraise the	resolutions and appraise the	
reasonableness of the transaction	reasonableness of the transaction	
terms. In addition, when judging	terms. In addition, when judging	
whether a transaction counterparty	whether a transaction counterparty	
is a related party, in addition to legal	is a related party, in addition to legal	
formalities, the substance of the	formalities, the substance of the	
relationship shall also be	relationship shall also be	
considered.	considered.	
1. When the Company intends to	1. When the Company intends to	
acquire or dispose of real property	acquire or dispose of real property or	
or right-of-use assets thereof from	right-of-use assets thereof from or to	
or to a related party, or when it	a related party, or when it intends to	
intends to acquire or dispose of	acquire or dispose of assets other	
assets other than real property or	than real property or right-of-use	

right-of-use assets thereof from or to		
1 0	party and the transaction amount	
amount reaches 20 percent or more	reaches 20 percent or more of paid-	
of paid-in capital, 10 percent or	in capital, 10 percent or more of the	
more of the company's total assets,	company's total assets, or NTD 300	
or NTD 300 million or more, except	million or more, except in trading of	
in trading of domestic government	domestic government bonds or	
bonds or bonds under repurchase	bonds under repurchase and resale	
and resale agreements, or	agreements, or subscription or	
subscription or redemption of	redemption of money market funds	
money market funds issued by	issued by domestic securities	
domestic securities investment trust	investment trust enterprises, the	
	company may not proceed to enter	
	into a transaction contract or make a	
contract or make a payment until the		
1 0	have been approved by a majority of	
e	all Audit Committee members and	
Committee members and recognized		
the Board of Directors. Where the	6	
transaction amount will reach 10		
percent or more of the Company's		
total assets, the Company shall		
obtain approval by a majority of all		
Audit Committee members and		
submit the transaction proposal to		
the shareholders meeting for		
approval before the transaction		
contract may be entered into and		
any payment made. However, this		
restriction does not apply to		
transactions between the public		
company and its parent company or		
subsidiaries or between its		
subsidiaries. •		
(1) The purpose, necessity and	(1) The purpose, necessity and	
anticipated benefit of the acquisition		
or disposal of assets.	or disposal of assets.	
(2) The reason for choosing the	(2) The reason for choosing the	
_	related party as a transaction	
related party as a transaction		
counterparty.	counterparty.	
	(3) With respect to the acquisition of	
real property or right-of-use assets	real property or right-of-use assets	
thereof from a related party,	thereof from a related party,	
information regarding appraisal of	information regarding appraisal of	
the reasonableness of the	the reasonableness of the	
preliminary transaction terms in	preliminary transaction terms in	
accordance with Article 9,	accordance with Article 9,	
Paragraph 3, Subparagraphs (1) and	Paragraph 3, Subparagraphs (1) and	

(2).	(2).	
(4) The date and price at which the	(4) The date and price at which the	
related party originally acquired the	related party originally acquired the	
real property, the original	real property, the original	
transaction counterparty, and that	transaction counterparty, and that	
transaction counterparty's	transaction counterparty's	
relationship to the Company and the	relationship to the Company and the	
related party.	related party.	
(5) Monthly cash flow forecasts for	(5) Monthly cash flow forecasts for	
the year commencing from the	the year commencing from the	
anticipated month of signing of the	anticipated month of signing of the	
contract, and evaluation of the	contract, and evaluation of the	
necessity of the transaction, and	necessity of the transaction, and	
reasonableness of the funds	reasonableness of the funds	
utilization.	utilization.	
(6) Restrictive covenants and other	(6) Restrictive covenants and other	
important stipulations associated	important stipulations associated	
with the transaction.	with the transaction.	
2. The calculation of the transaction	2. The calculation of the transaction	
amounts referred to in the preceding		
paragraph shall be done in	paragraph shall be done in	
accordance with Article 4,	accordance with Article 4,	
paragraph 7 herein.	paragraph 7 herein. Items for which	
Where the transaction amount	an approval by a majority of all	
reaches 20 percent or more of the	Audit Committee Members and a	
<u>Company's paid-in capital or</u>	resolution by the Board of Directors	
NT\$300 million or more, items for	have been obtained need not be	
which an approval by a majority of	counted toward the transaction	
all Audit Committee Members and	amount.	
resolution by the Board of Directors		
have been obtained need not be		
counted toward the transaction		
amount. Items for which an		
approval by a majority of all Audit		
<u>Committee Members, a resolution</u>		
by the Board of Directors, and an		
approval by the shareholders'		
meeting following submission have		
been obtained need not be counted		
toward the transaction amount.	2 Whom there is a servicities as	
3. Where there is acquisition or disposed of acquiment or right of	3. Where there is acquisition or	
disposal of equipment or right-of-	disposal of equipment or right-of-	
use assets thereof held for business	use assets thereof held for business	
use and property right-of-use assets	use and property right-of-use assets	
between the Company and its	between the Company and its	
subsidiaries, or between its	subsidiaries, or between its	
subsidiaries in which it directly or	subsidiaries in which it directly or	
indirectly holds 100 percent of the	indirectly holds 100 percent of the	

		1
issued shares or authorized capital,	issued shares or authorized capital,	
the Company's board of directors	the Company's board of directors	
may, pursuant to Article 5, delegate	may, pursuant to Article 5, delegate	
the board chairman to decide such	the board chairman to decide such	
matters when the transaction is	matters when the transaction is	
within NTD 300 million and have	within NTD 300 million and have	
the decisions subsequently	the decisions subsequently	
submitted to and ratified by the next	submitted to and ratified by the next	
board of directors meeting.	board of directors meeting.	
4. Where a matter is submitted for	4. Where a matter is submitted for	
discussion by the Board of Directors	discussion by the Board of Directors	
pursuant to provisions, the Board of	pursuant to provisions, the Board of	
Directors shall take into full	Directors shall take into full	
consideration each independent	consideration each independent	
director's opinions. If an	director's opinions. If an	
independent director objects to or	independent director objects to or	
expresses reservations about any	expresses reservations about any	
matter, it shall be recorded in the	matter, it shall be recorded in the	
minutes of the board of directors	minutes of the board of directors	
meeting.	meeting.	
5. When the procedures for the	5. When the procedures for the	
acquisition and disposal of assets	acquisition and disposal of assets	
are adopted or amended, they shall	are adopted or amended, they shall	
be approved by one-half or more of	be approved by one-half or more of	
all audit committee members and	all audit committee members and	
submitted to the board of directors	submitted to the board of directors	
for a resolution and then submitted	for a resolution.	
to the shareholders' meeting for		
approval.		
	If approval of one-half or more of all	
audit committee members as	audit committee members as	
	required in the preceding paragraph	
is not obtained, the procedures may	is not obtained, the procedures may	
be implemented if approved by two-	be implemented if approved by two-	
thirds or more of all directors, and	thirds or more of all directors, and	
,	the resolution of the audit committee	
shall be recorded in the minutes of	shall be recorded in the minutes of	
	the Board of Directors meeting. The	
terms "all audit committee	terms "all audit committee	
	members" in this paragraph and "all	
	directors" in the preceding paragraph	
shall be counted as the actual	shall be counted as the actual	
	number of persons currently holding	
those positions.	those positions.	
Article 7 Provisions on Acquiring	Article 7 Provisions on Acquiring	Article
Appraisal Report of Professional's		contents
Opinions		amended.
1. Professional appraisers and their	1. Professional appraisers and their	
officers, certified public accounts,	officers, certified public accounts,	
· · · · · · · · · · · · · · · · · · ·		•

attorneys, and securities	attorneys, and securities	
underwriters that provide the	underwriters that provide the	
Company with appraisal reports,	Company with appraisal reports,	
certified public accountant's	certified public accountant's	
opinions, attorney's opinions, or	opinions, attorney's opinions, or	
underwriter's opinions shall not be a	underwriter's opinions shall not be a	
related party or de facto related party	related party or de facto related party	
of any party to the transaction.	of any party to the transaction.	
2. The professional appraiser and its	2. The professional appraiser and its	
officers may not have previously	officers may not have previously	
received a final and unappealable	received a final and unappealable	
sentence to imprisonment for 1 year	sentence to imprisonment for 1 year	
or longer for a violation of the Act,	or longer for a violation of the Act,	
the Company Act, the Banking Act	the Company Act, the Banking Act	
of The Republic of China, the	of The Republic of China, the	
-	Insurance Act, the Financial Holding	
	Company Act, or the Business Entity	
	Accounting Act, or for fraud, breach	
of trust, embezzlement, forgery of	of trust, embezzlement, forgery of	
documents, or occupational crime.	documents, or occupational crime.	
· •	However, this provision does not	
However, this provision does not	· •	
apply if 3 years have already passed	apply if 3 years have already passed	
since completion of service of the	since completion of service of the	
sentence, since expiration of the	sentence, since expiration of the	
period of a suspended sentence, or	period of a suspended sentence, or	
since a pardon was received.	since a pardon was received.	
3. If the company is required to	3. If the company is required to	
obtain appraisal reports from two or	obtain appraisal reports from two or	
more professional appraisers, the	more professional appraisers, the	
different professional appraisers or	different professional appraisers or	
appraisal officers may not be related	appraisal officers may not be related	
parties or de facto related parties of	parties or de facto related parties of	
each other.	each other.	
4. Where the Company acquires or	4. Where the Company acquires or	
disposes of assets through court	disposes of assets through court	
auction procedures, the evidentiary	auction procedures, the evidentiary	
documentation issued by the court	documentation issued by the court	
may be substituted for the appraisal	may be substituted for the appraisal	
report or CPA opinion.	report or CPA opinion.	
5. When issuing an appraisal report	5. When issuing an appraisal report	
• • • •	or opinion, the personnel referred to	
	in the preceding paragraph shall	
comply with <u>self-regulatory rules</u> of		
the industry associations to which		
they belong and the following:		
	(1) Prior to accepting a case, they	
	shall prudently assess their own	
± •	professional capabilities, practical	
experience, and independence.	experience, and independence.	
	1 1	
(2) When <u>conducting</u> a case, they	(2) When <u>examining</u> a case, they	

shall appropriately plan and execute	shall appropriately plan and avacute	
	shall appropriately plan and execute	
adequate working procedures, in	adequate working procedures, in	
order to produce a conclusion and use the conclusion as the basis for	order to produce a conclusion and use the conclusion as the basis for	
issuing the report or opinion. The	issuing the report or opinion. The	
related working procedures, data	related working procedures, data	
collected, and conclusion shall be	collected, and conclusion shall be	
fully and accurately specified in the	fully and accurately specified in the	
case working papers.	case working papers.	
	(3) They shall undertake an item-by-	
item evaluation of the	item evaluation of the	
appropriateness and reasonableness	comprehensiveness, accuracy, and	
of the sources of data used, the	reasonableness of the sources of data	
parameters, and the information, as	used, the parameters, and the	
the basis for issuance of the	information, as the basis for issuance	
appraisal report or the opinion.	of the appraisal report or the	
	opinion.	
(4) They shall issue a statement	(4) They shall issue a statement	
attesting to the professional	attesting to the professional	
1 1	competence and independence of the	
	personnel who prepared the report or	
opinion, and that they have	opinion, and that they have	
evaluated and found that the	evaluated and found that the	
information used is <u>appropriate and</u>	information used is reasonable and	
reasonable and that they have	accurate, and that they have	
complied with applicable laws and	complied with applicable laws and	
regulations.	regulations.	
Article 9 Handling Procedure for	8	Article
Acquiring or Disposing Real		contents
Property or Equipment	1 5 1 1	amended.
1. In acquiring or disposing of real	1. In acquiring or disposing of real	
property, equipment, or right-of-use	property, equipment, or right-of-use	
assets thereof where the transaction	assets thereof where the transaction	
amount reaches 20 percent of the	amount reaches 20 percent of the	
	company's paid-in capital or NT\$300	
million or more, the Company,	million or more, the Company,	
unless transacting with a domestic	unless transacting with a domestic	
government agency, engaging others	government agency, engaging others	
to build on its own land, engaging		
	to build on its own land, engaging	
others to build on rented land, or	to build on its own land, engaging others to build on rented land, or	
acquiring or disposing of equipment		
acquiring or disposing of equipment	others to build on rented land, or	
acquiring or disposing of equipment	others to build on rented land, or acquiring or disposing of equipment	
acquiring or disposing of equipment or right-of-use assets thereof held for	others to build on rented land, or acquiring or disposing of equipment ror right-of-use assets thereof held for	
acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an	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	
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	others to build on rented land, or acquiring or disposing of equipment for right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of	
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	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	
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 (matters	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 (matters	
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 (matters required to be noted in appraisal	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 (matters required to be noted in appraisal	
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 (matters required to be noted in appraisal reports are subject to provisions by	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 (matters required to be noted in appraisal reports are subject to provisions by	

• •		
provisions:	provisions:	
(1) Where due to special	(1) Where due to special	
circumstances it is necessary to give	circumstances it is necessary to give	
a limited price, specified price, or	a limited price, specified price, or	
special price as a reference basis for	special price as a reference basis for	
the transaction price, the transaction	the transaction price, the transaction	
shall be submitted for approval in	shall be submitted for approval in	
advance by the Board of Directors;	advance by the Board of Directors;	
the same procedure shall also be	the same procedure shall also be	
followed whenever there is any	followed whenever there is any	
subsequent change to the terms and	subsequent change to the terms and	
conditions of the transaction.	conditions of the transaction.	
(2) Where the transaction amount is	(2) Where the transaction amount is	
NTD 1 billion or more, appraisals	NTD 1 billion or more, appraisals	
from two or more professional	from two or more professional	
appraisers shall be obtained.	appraisers shall be obtained.	
(3) Where any one of the following	(3) Where any one of the following	
	circumstances applies with respect to	
	the professional appraiser's appraisal	
results, unless all the appraisal	results, unless all the appraisal	
results for the assets to be acquired	results for the assets to be acquired	
are higher than the transaction	are higher than the transaction	
amount, or all the appraisal results	amount, or all the appraisal results	
for the assets to be disposed of are	for the assets to be disposed of are	
lower than the transaction amount, a	lower than the transaction amount, a	
certified public accountant shall be	certified public accountant shall be	
engaged to render a specific opinion	engaged to perform the appraisal in	
regarding the reason for the	accordance with the provisions of	
discrepancy and the appropriateness	Statement of Auditing Standards No.	
of the transaction price:	20 published by the Republic of	
	China Accounting Research and	
	Development Foundation	
	(hereinafter "ARDF") and render a	
	specific opinion regarding the reason	
	for the discrepancy and the	
	appropriateness of the transaction	
	price:	
1. The discrepancy between the	1. The discrepancy between the	
appraisal result and the transaction	appraisal result and the transaction	
amount is 20 percent or more of the	amount is 20 percent or more of the	
transaction amount.	transaction amount.	
2. The discrepancy between the	2. The discrepancy between the	
appraisal results of two or more	appraisal results of two or more	
professional appraisers is 10 percent	professional appraisers is 10 percent	
or more of the transaction amount.	or more of the transaction amount.	
(4) No more than 3 months may	(4) No more than 3 months may	
elapse between the date of the	elapse between the date of the	
appraisal report issued by a	appraisal report issued by a	
professional appraiser and the	professional appraiser and the	
contract execution date; provided,	contract execution date; provided,	

where the publicly appropried	where the publicly appropried	
where the publicly announced current value for the same period is	where the publicly announced current value for the same period is	
used and not more than 6 months	used and not more than 6 months	
	have elapsed, an opinion may still be	
	issued by the original professional	
issued by the original professional	• • •	
appraiser.	appraiser.	
2. When the Company acquires or	2. When the Company acquires or	
	disposes real property or its right-of- sue assets thereof of other fixed	
sue assets thereof of other fixed		
	assets, where the transaction amount	
	reaches 20 percent of the Company's	
paid-in capital or NTD 300 million	paid-in capital or NTD 300 million	
or more, the Company may	or more, the Company may	
authorize its chairman in handling	authorize its chairman in handling	
such transaction after first approved	such transaction after first approved	
by one-half or more of all Audit	by one-half or more of all Audit	
Committee members and then	Committee members and then	
submitted to the Board of Directors	submitted to the Board of Directors	
for resolution.	for resolution.	
	3. In acquiring real property or right-	
of-use assets thereof from a related	of-use assets thereof from a related	
	party, the Company shall, in addition	
to following provisions in Article 6	to following provisions in Article 6	
herein, adopt necessary resolutions	herein, adopt necessary resolutions	
and appraise the reasonableness of	and appraise the reasonableness of	
the transaction terms as provided	the transaction terms as provided	
below:	below:	
(1) In acquiring real property or	(1) In acquiring real property or	
right-of-use assets thereof from a	right-of-use assets thereof from a	
related party, the Company shall	related party, the Company shall	
evaluate the reasonableness of the	evaluate the reasonableness of the	
transaction costs by the following	transaction costs by the following	
means and shall also engage a CPA	means and shall also engage a CPA	
to check the appraisal and render a	to check the appraisal and render a	
specific opinion: 1. Based upon the	specific opinion: 1. Based upon the	
related party's transaction price plus	related party's transaction price plus	
necessary interest on funding and the	necessary interest on funding and the	
costs to be duly borne by the buyer.	costs to be duly borne by the buyer.	
"Necessary interest on funding" is	"Necessary interest on funding" is	
imputed as the weighted average	imputed as the weighted average	
interest rate on borrowing in the year	interest rate on borrowing in the year	
the Company purchases the	the Company purchases the	
property; provided, it may not be	property; provided, it may not be	
higher than the maximum non-	higher than the maximum non-	
financial industry lending rate	financial industry lending rate	
announced by the Ministry of	announced by the Ministry of	
Finance.	Finance.	
2. Total loan value appraisal from a	2. Total loan value appraisal from a	
financial institution where the		
inflancial institution where the	financial institution where the	
related party has previously created		

a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

3. 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 above.

(2) In acquiring real property or right-of-use assets thereof from a Company's appraisal conducted are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 3, Subparagraph (3) 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:

1. Where the related party acquired undeveloped land or leased land for compliance with one of the following conditions:

(1) Where undeveloped land is appraised in accordance with the means in Paragraph 3, Subparagraph (1) herein, 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"

a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties 3. 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 above.

(2) In acquiring real property or right-of-use assets thereof from a related party, when the results of the related party, when the results of the Company's appraisal conducted are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 3, Subparagraph (3) 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:

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

> (1) Where undeveloped land is appraised in accordance with the means in Paragraph 3, Subparagraph (1) herein, 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 shall be deemed the average gross operating profit margin of the related operating profit margin of the related party's construction division over the party's construction division over the most recent 3 years or the gross most recent 3 years or the gross profit margin for the construction profit margin for the construction industry for the most recent period industry for the most recent period as announced by the Ministry of as announced by the Ministry of Finance, whichever is lower. Finance, whichever is lower. (2) Completed transactions by (2) Completed transactions by unrelated parties within the unrelated parties within the preceding year involving other floors preceding year involving other floors of the same property or neighboring of the same property or neighboring or closely valued parcels of land, or closely valued parcels of land, where the land area and transaction where the land area and transaction terms are similar after calculation of terms are similar after calculation of reasonable price discrepancies in reasonable price discrepancies in floor or area land prices in floor or area land prices in accordance with standard property accordance with standard property market sale or leasing practices. market sale or leasing practices. 2. Where the Company acquiring 2. Where the Company acquiring real property, or obtaining real real property, or obtaining real property right-of-use assets through property right-of-use assets through leasing, from a related party leasing, from a related party provides evidence that the terms of provides evidence that the terms of the transaction are similar to the the transaction are similar to the terms of completed transactions terms of completed transactions involving neighboring or closely involving neighboring or closely valued parcels of land of a similar valued parcels of land of a similar size by unrelated parties within the size by unrelated parties within the preceding year. Completed preceding year. Completed transactions involving neighboring transactions involving neighboring or closely valued parcels of land in or closely valued parcels of land in principle refers to parcels on the principle refers to parcels on the same or an adjacent block and withinsame or an adjacent block and within a distance of no more than 500 a distance of no more than 500 meters or parcels close in publicly meters or parcels close in publicly announced current value; announced current value; transactions involving similarly transactions involving similarly sized parcels in principle refers to sized parcels in principle refers to transactions completed by unrelated transactions completed by unrelated parties for parcels with a land area of parties for parcels with a land area of no less than 50 percent of the no less than 50 percent of the property in the planned transaction; property in the planned transaction; within the preceding year refers to within the preceding year refers to the year preceding the date of the year preceding the date of occurrence of the acquisition of the occurrence of the acquisition of the real property or obtainment of the real property or obtainment of the right-of-use assets thereof. right-of-use assets thereof. (3) Where the Company acquires (3) Where the Company acquires real property or right-of-use assets real property or right-of-use assets

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thereof from a related party and one thereof from a related party and one			
or the following circumstances of the following circumstances			
	or the following circumstances	or the ronowing circumstances	

exists, the acquisition shall be	exists, the acquisition shall be	
conducted in accordance with	conducted in accordance with	
Article 6:	Article 6:	
	1. The related party acquired the real	
property or right-of-use assets	property or right-of-use assets	
thereof through inheritance or as a	thereof through inheritance or as a	
gift.	gift.	
2. More than 5 years will have	2. More than 5 years will have	
elapsed from the time the related	elapsed from the time the related	
party signed the contract to obtain	party signed the contract to obtain	
the real property or right-of-use	the real property or right-of-use	
assets thereof to the signing date for	assets thereof to the signing date for	
the current transaction.	the current transaction.	
3. The real property is acquired	3. The real property is acquired	
through signing of a joint	through signing of a joint	
development contract with the	development contract with the	
related party, or through engaging a	related party, or through engaging a	
related party to build real property,	related party, of through engaging a related party to build real property,	
	either on the company's own land or	
on rented land.	on rented land.	
(5) The real property right-of-use	(5) The real property right-of-use	
assets for business use are acquired	assets for business use are acquired	
by the Company with its parent or	by the Company with its parent or	
subsidiaries, or by its subsidiaries in	subsidiaries, or by its subsidiaries in	
which it directly or indirectly holds	which it directly or indirectly holds	
100 percent of the issued shares or	100 percent of the issued shares or	
100 percent of the issued shares or authorized capital	100 percent of the issued shares or authorized capital	
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circumstances below:	accordance with the provisions of	
circumstances below.	accordance with the provisions of	
	Statement of Auditing Standards No.	
	20 published by the ARDF. Provided	
	that this shall not apply to	
	transactions meeting any of the	
	circumstances below:	
(1) Securities acquired through cash	(1) Securities acquired through cash	
contribution in an incorporation by	contribution in an incorporation by	
promotion or by public offering in	promotion or by public offering in	
accordance with relevant laws and	accordance with relevant laws and	
regulations, with the further	regulations, with the further	
requirement that the rights	requirement that the rights	
represented by the acquired	represented by the acquired	
securities be commensurate with the	securities be commensurate with the	
proportion of capital contributed.	proportion of capital contributed.	
(2) Participation in subscription to	(2) Participation in subscription to	
an issue of securities issued at face	an issue of securities issued at face	
value by an issuing company	value by an issuing company	
(3) Participation in subscription to	(3) Participation in subscription to	
securities issued by a 100 percent	securities issued by a 100 percent	
	owned subsidiary that is carrying out	
a cash capital increase by the	a cash capital increase by the	
Company, or the Company's 100	Company, or the Company's 100	
percent owned subsidiaries are	percent owned subsidiaries are	
engaged in subscription to securities	engaged in subscription to securities	
issued for cash capital increase.	issued for cash capital increase.	
(4) Securities listed and traded on	(4) Securities listed and traded on	
the Taiwan Stock Exchange or the	the Taiwan Stock Exchange or the	
Taipei Exchange or emerging stocks.	Taipei Exchange or emerging stocks	
(5) Government bonds or foreign	(5) Government bonds, or bonds	
government bonds with a rating that	under repurchase or reverse purchase	
is not lower than the sovereign rating	agreements.	
of Taiwan, or bonds under		
repurchase or reverse purchase		
agreements.		
(6) Onshore or offshore publicly	(6) Onshore or offshore publicly	
offered funds.	offered funds.	
(7) TWSE or TPEx listed stocks	(7) TWSE or TPEx listed stocks	
acquired or disposed of in	acquired or disposed of in	
1 1	accordance with the TWSE or TPEx	
rules governing the purchase of	rules governing the purchase of	
0 0 1	listed securities by reverse auction or	
rules governing the auction of listed	rules governing the auction of listed	
securities.	securities.	
(8) Participation in subscription to	(8) Participation in subscription to	
shares issued by a public company	shares issued by a public company	
for a cash capital increase or	for a cash capital increase or	
domestic subscription to corporate	domestic subscription to corporate	
bonds (including financial	bonds (including financial	
debentures), with the further	debentures), with the further	
	accontaitos), with the fulfiller	

requirement that the securities	requirement that the securities	
acquired are not privately placed	acquired are not privately placed	
securities.	securities.	
(9) Subscription to a domestic	(9) Subscription to a domestic	
privately placed fund before the	privately placed fund before the	
establishment of the fund in	establishment of the fund in	
accordance with Article 11,	accordance with Article 11,	
paragraph 1 of the Securities	paragraph 1 of the Securities	
Investment Trust and Consulting	Investment Trust and Consulting	
Act, or subscription to or redemption	Act, or subscription to or redemption	
of a domestic privately placed fund,	of a domestic privately placed fund,	
provided that the trust agreement for	provided that the trust agreement for	
the fund specifies an investment	the fund specifies an investment	
strategy in which, aside from	strategy in which, aside from	
securities margin transactions and	securities margin transactions and	
open positions held in securities-	open positions held in securities-	
related products, the investment	related products, the investment	
scope of the remaining portion is the	scope of the remaining portion is the	
same as that of a publicly offered	same as that of a publicly offered	
fund.	fund.	
2. In acquiring or disposing	2. In acquiring or disposing	
securities, where the transaction	securities, where the transaction	
amount reaches 20 percent of the	amount reaches 20 percent of the	
Company's paid-in capital or NTD	Company's paid-in capital or NTD	
300 million or more, the Company	300 million or more, the Company	
shall authorize the Chair to handle	shall authorize the Chair to handle	
such transaction after the matters	such transaction after the matters	
have been first submitted to the	have been first submitted to the	
Board of Directors meeting for	Board of Directors meeting for	
adoption by resolution.	adoption by resolution.	
3. In acquiring or disposing	3. In acquiring or disposing	
securities which are traded on	securities which are traded on	
central stock exchange or the Taipei	central stock exchange or the Taipei	
Exchange (TPEx), the transactions	Exchange (TPEx), the transactions	
are determined by accountable unit	are determined by accountable unit	
based on prices upon time of	based on prices upon time of	
transaction.	transaction.	
4. In acquiring or disposing	4. In acquiring or disposing	
securities which are not traded on	securities which are not traded on	
central stock exchange or the Taipei	central stock exchange or the Taipei	
Exchange (TPEx), the Company	Exchange (TPEx), the Company	
shall, except for investments in	shall, except for investments in	
Mainland China, take into	Mainland China, take into	
considerations the net value per	considerations the net value per	
share, profitability, future potential,	share, profitability, future potential,	
market interest rate, coupon rate of	market interest rate, coupon rate of	
bond and credibility of debtor and	bond and credibility of debtor and	
refer to the recent closing price	refer to the recent closing price	
before submitting in hierarchy to the	before submitting in hierarchy to the	
Chairman, and the transaction shall	Chairman, and the transaction shall	

be reported in the most recent Board	be reported in the most recent Board	
of Directors meeting after	of Directors meeting after	
completed.	completed.	
5. Where the Company engages in	5. Where the Company engages in	
Mainland China area investment	Mainland China area investment	
shall be handled in accordance with	shall be handled in accordance with	
"Regulations Governing Permission	"Regulations Governing Permission	
for Investment or Technical	for Investment or Technical	
Cooperation in the Mainland Area"	Cooperation in the Mainland Area"	
by the Ministry of Economic Affairs	by the Ministry of Economic Affairs	
Investment Commission.	Investment Commission.	
Article 15 Procedure for Public		Antiala
		Article
Announcement of Information	Announcement of Information	contents
1. In events of acquiring or	1 0	amended.
disposing of assets and under any of	disposing of assets and under any of	
the following circumstances, the	the following circumstances, the	
Company shall publicly announce	Company shall publicly announce	
and report the relevant information	and report the relevant information	
within 2 days counting inclusively	within 2 days counting inclusively	
from the date of occurrence of the	from the date of occurrence of the	
event:	event:	
(1) Acquisition or disposal of real	(1) Acquisition or disposal of real	
property or right-of-use assets	property or right-of-use assets	
thereof from or to a related party, or	thereof from or to a related party, or	
acquisition or disposal of assets	acquisition or disposal of assets	
other than real property or right-of-	other than real property or right-of-	
use assets thereof from or to a	use assets thereof from or to a	
related party where the transaction	related party where the transaction	
amount reaches 20 percent or more	amount reaches 20 percent or more	
of paid-in capital, 10 percent or	of paid-in capital, 10 percent or	
more of the Company's total assets,	more of the Company's total assets,	
or NTD 300 million or more;	or NTD 300 million or more;	
provided, this shall not apply to	provided, this shall not apply to	
trading of domestic government	trading of domestic government	
bonds or bonds under repurchase	bonds or bonds under repurchase	
and resale agreements, or	and resale agreements, or	
	subscription or redemption of money	
market funds issued by domestic	market funds issued by domestic	
securities investment trust	securities investment trust	
enterprises.	enterprises.	
	(2) Merger, demerger, acquisition, or	
transfer of shares.	transfer of shares.	
(3) Losses from derivatives trading	(3) Losses from derivatives trading	
reaching the limits on aggregate	reaching the limits on aggregate	
losses or losses on individual	losses or losses on individual	
contracts set out in these Procedures	contracts set out in these Procedures	
adopted by the Company.	adopted by the Company.	
	(4) Where equipment or right-of-use	
assets thereof for business use are	assets thereof for business use are	
acquired or disposed of, and	acquired or disposed of, and	

furthermore the transaction	furthermore the transaction	
counterparty is not a related party,	counterparty is not a related party,	
and the transaction amount meets	and the transaction amount meets	
any of the following criteria:	any of the following criteria:	
	1. For a public company whose paid-	
in capital is less than NTD 10	in capital is less than NTD 10	
billion, the transaction amount	billion, the transaction amount	
reaches NTD 500 million or more.	reaches NTD 500 million or more.	
	2. For a public company whose paid-	
	in capital is NTD 10 billion or more,	
the transaction amount reaches NTD	-	
1 billion or more.	1 billion or more.	
(5) Where land is acquired under an	(5) Where land is acquired under an	
arrangement on engaging others to	arrangement on engaging others to build on the Company's own land,	
build on the Company's own land, engaging others to build on rented	1 0	
000	engaging others to build on rented	
land, joint construction and	land, joint construction and	
allocation of housing units, joint construction and allocation of	allocation of housing units, joint construction and allocation of	
	ownership percentages, or joint	
ownership percentages, or joint construction and separate sale, and	construction and separate sale, and	
furthermore the transaction	furthermore the transaction	
counterparty is not a related party,	counterparty is not a related party,	
and the amount the Company	and the amount the Company	
expects to invest in the transaction	expects to invest in the transaction	
reaches NT\$500 million.	reaches NT\$500 million.	
(6) Where an asset transaction other	(6) Where an asset transaction other	
than any of those referred to in the	than any of those referred to in the	
preceding five subparagraphs, a	preceding five subparagraphs, a	
	disposal of receivables by a financial	
institution, or an investment in the	institution, or an investment in the	
mainland China area reaches 20	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:	circumstances:	
1. Trading of domestic government		
bonds or foreign government bonds	1. Trading of domestic government	
with a rating that is not lower than	bonds.	
the sovereign rating of Taiwan.		
2. Trading of bonds under	2. Trading of bonds under	
6	repurchase and resale agreements, or	
	subscription or redemption of money	
market funds issued by domestic	market funds issued by domestic	
securities investment trust	securities investment trust	
enterprises.	enterprises.	
2. The amount of transactions in the	2. The amount of transactions in the	
preceding paragraph shall be	preceding paragraph shall be	
calculated following Article 4,	calculated following Article 4,	
Subparagraph 7 herein.	Subparagraph 7 herein.	
	r 0r /	

3. "Within the preceding year" as	3. "Within the preceding year" as	
used in the preceding paragraph	used in the preceding paragraph	
refers to the year preceding the date	refers to the year preceding the date	
of occurrence of the current	of occurrence of the current	
	transaction. Items duly announced in	
•	accordance with relevant regulations	
need not be counted toward the	need not be counted toward the	
transaction amount.	transaction amount.	
4. Public Announcement and	4. Public Announcement and	
Regulatory Filing Procedure:	Regulatory Filing Procedure:	
(1) The Company shall compile	(1) The Company shall compile	
monthly reports on the status of	monthly reports on the status of	
derivatives trading engaged in up to	derivatives trading engaged in up to	
the end of the preceding month by	the end of the preceding month by	
the Company and any subsidiaries	the Company and any subsidiaries	
that are not domestic public	that are not domestic public	
-	companies and enter the information	
in the prescribed format into the	in the prescribed format into the	
information reporting website	information reporting website	
designated by the FSC by the 10th	designated by the FSC by the 10th	
day of each month.	day of each month.	
(2) When the Company at the time	(2) When the Company at the time	
of public announcement makes an	of public announcement makes an	
-	error or omission in an item required	
by regulations to be publicly	by regulations to be publicly	
announced and so is required to	announced and so is required to	
-	correct it, all the items shall be again	
publicly announced and reported in	publicly announced and reported in	
their entirety within two days	their entirety within two days	
	counting inclusively from the date of	
knowing of such error or omission.	knowing of such error or omission.	
(3) In acquiring or disposing of	(3) In acquiring or disposing of	
assets, the Company shall keep all	assets, the Company shall keep all	
relevant contracts, meeting minutes,	relevant contracts, meeting minutes,	
log books, appraisal reports and	log books, appraisal reports and	
CPA, attorney, and securities	CPA, attorney, and securities	
underwriter opinions at the	underwriter opinions at the	
company, where they shall be	company, where they shall be	
retained for 5 years except where	retained for 5 years except where	
another act provides otherwise.	another act provides otherwise.	
(4) Where any of the following	(4) Where any of the following	
•	circumstances occurs with respect to	
a transaction that the Company has	a transaction that the Company has	
already publicly announced and	already publicly announced and	
reported in accordance with above	reported in accordance with above	
provisions, a public report of	provisions, a public report of	
relevant information shall be made	relevant information shall be made	
	on the information reporting website	
	designated by the FSC within 2 days	
	counting inclusively from the date of	
·		

C (1	C (1	
occurrence of the event:	occurrence of the event:	
-	1.Change, termination, or rescission	
of a contract signed in regard to the	of a contract signed in regard to the	
original transaction.	original transaction.	
	2. The merger, demerger, acquisition,	
	or transfer of shares is not completed	
•	by the scheduled date set forth in the	
contract.	contract.	
3. Change to the originally publicly	3. Change to the originally publicly	
-	announced and reported information.	
(5) Information required to be	(5) Information required to be	
publicly announced and reported in	publicly announced and reported in	
accordance with the provisions of	accordance with the provisions of	
the Regulations Governing the	the Regulations Governing the	
Acquisition and Disposal of Assets	Acquisition and Disposal of Assets	
by Public Companies on acquisitions	by Public Companies on acquisitions	
and disposals of assets by the	and disposals of assets by the	
Company's subsidiary that is not	Company's subsidiary that is not	
itself a public company in Taiwan	itself a public company in Taiwan	
shall be reported by the Company.	shall be reported by the Company.	
(6) After the Company has made	(6) After the Company has made	
public announcement and regulatory	public announcement and regulatory	
filing on investments in Mainland	filing on investments in Mainland	
China following relevant	China following relevant	
regulations, where there is any	regulations, where there is any	
subsequent denial of such	subsequent denial of such	
investment by the competent	investment by the competent	
authority, the Company shall	authority, the Company shall	
disclose the original date the public	disclose the original date the public	
announcement and regulatory filing	announcement and regulatory filing	
is made, name of the invested	is made, name of the invested	
company (companies) in Mainland	company (companies) in Mainland	
China, estimated contribution,	China, estimated contribution,	
trading counterparty, and the date	trading counterparty, and the date	
the proposal has been denied by the	the proposal has been denied by the	
competent authority.	competent authority.	
5. Public Announcement Format:	5. Public Announcement Format:	
Following regulations by competent	Following regulations by competent	
authorities.	authorities.	
6. The paid-in capital or total assets	6. The paid-in capital or total assets	
	of the Company shall be the standard	
applicable to a subsidiary in	applicable to a subsidiary in	
determining whether, relative to	determining whether, relative to	
paid-in capital or total assets, it	paid-in capital or total assets, it	
reaches a threshold requiring public	reaches a threshold requiring public	
announcement and regulatory filing	announcement and regulatory filing	
at 20 percent or more of the paid-in	at 20 percent or more of the paid-in	
capital or 10 percent or more of the	capital or 10 percent or more of the	
total assets of the Company.	total assets of the Company.	
iotar assets of the Company.	total assets of the Company.	

Article 17	Article 17	Date
These Procedures were adopted by	These Procedures were adopted by	amended.
resolution in the Company's interim	resolution in the Company's interim	
Board of Directors meeting on	Board of Directors meeting on	
November 23, 1999. The first	November 23, 1999. The first	
amendment was made on December	amendment was made on December	
22, 1999. The second amendment	22, 1999. The second amendment	
was made on June 6, 2001. The third	was made on June 6, 2001. The third	
amendment was made on June 26,	amendment was made on June 26,	
2003. The fourth amendment was	2003. The fourth amendment was	
	made on June 23, 2006. The fifth	
	amendment was made on June 22,	
2007. The sixth amendment was	2007. The sixth amendment was	
	made on June 28, 2012. The seventh	
amendment was made on June 26,	amendment was made on June 26,	
2014. The eighth amendment was	2014. The eighth amendment was	
made on June 26, 2017. The nineth	made on June 26, 2017. The nineth	
amendment was made on June 26,	amendment was made on June 26,	
2018. The tenth amendment was	2018.The tenth amendment was	
made on June 25, 2019. <u>The</u>	made on June 25, 2019.	
eleventh amendment was made on		
June 23, 2022.		

Resolution:

Extempore Motions

Adjournment of Meeting

Appendix

1. Effect of Stock Grant proposed to this Shareholders' Meeting on the Company's Operating Performance and EPS:

The earning distribution proposed for approval in this shareholders' meeting involves only cash dividend and does not involve stock grants. In addition, this item is not applicable as the Company did not disclose financial forecast of 2021 to the public.

2. The shareholding situation of directors in Merida:

In accordance with Article 26 of the Securities and Exchange Act "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", total number of shares held by all directors of the Company may not be fewer than 12,000,000 shares (See Note). The total number of shares held by all directors of the Company as of April 25, 2022 [Beginning Date for Suspension of Share Transfer] is 72,378,619 shares, which is compliant to applicable regulations. Number of shares held by each director is listed as follows:

Director Name	Shares Held Upon Election	Shares Held on Share Transfer Suspension Date	Remarks
Tseng Song-Zhu	48,664,715	48,664,715	
Tseng Song-Ling	5,692,934	5,692,934	
Tseng-Lu Min-Hua	8,477,819	8,740,819	
Luo Tsai-Jen	10,754	10,754	
Ding-Hung Investment Co., Ltd. Representative: Zheng Wen-Xiang Ding-Hung Investment Co., Ltd. Representative: Yuan Qi-Bin	390,022	390,022	
Ding-Hung Investment Co., Ltd. Representative: Lai Ru-Ding	, , , , , , , , , , , , , , , , , , ,		
Ding-Hung Investment Co., Ltd. Representative: Tseng Ching- Cheng			
Ding-Sheng Investment Co., Ltd. Representative: Tseng Hui-Juan	7,314,925	7,314,925	
Chen Shui-Jin	0	0	Independent Director
Chen Jian-Nan	0	0	Independent Director
Tsai Wu-Ying	1,985,450	1,564,450	Independent Director
Lei Shin-Jung	0	0	Independent Director
Total	72,536,619	72,378,619	

Note: The percentage of shareholding by all directors excluding independent directors is reduced pro-rate to 80% as the Company intends to concurrently 2 or more independent directors.

3. Information of Proposal-Making Shareholders Holding 1 Percent or more of the Company's Outstanding Shares

(1) According to Article 172-1, the period for accepting proposals by shareholders in this annual shareholders' meeting is April 16, 2022 to April 26, 2022, and the proposals have been made into Public Announcement on the MOPS.

(2) The Company does not receive any proposal from any shareholders holding 1 percent or more of the Company's outstanding shares throughout the period mentioned in the preceding paragraph.

Rules of Procedure for Shareholders' Meeting

- Article1 Unless otherwise provided by statutes or articles of incorporation, the shareholder's meeting of the Company shall be held in line with this regulation.
- Article2 Shareholders (or their agents) of the Company are asked to wear attendance cards, where the number of equities is calculated by sign-in cards handed over in time of sign-in in addition to the shares of voting right exercised by written form or electronic way.
- Article3 Unless otherwise provided by statutes, each shareholder of the Company has a voting right for each share.
- Article4 The shareholder's meeting of the Company shall be convened in the venue where the Company is located or where is conducive for the shareholders to attend and suitable for the shareholders to convene.
- Article5 If the board of directors convenes the shareholders' meeting, the president shall be the chairperson. When the president asks for leave or cannot carry out the duty for some reason, it shall be handled in line with the provisions in Article 208 of the Company Act.

If the shareholders' meeting is convened by person who is entitled to convene other than the board of directors, the convener shall serve as the chairperson.

- Article6 The company may designate the appointed lawyer, accountant or relevant personnel to attend the shareholders' meeting as a nonvoting delegate.
- Article7 The meeting affairs personnel who handle the shareholders' meeting shall wear badge or armband.
- Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an audio and video recording throughout the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year.
- Article 9 The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, 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.

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

Article10 If the shareholders' meeting is convened by board of directors, the agenda shall be set by board of directors. The meeting shall be carried out in line with scheduled agenda and cannot be changed without resolution of the shareholders' meeting.

If the shareholders' meeting is convened by convener other than board of directors, the provisions of preceding paragraph apply mutatis mutandis. Before the end of procedure (including extempore motion) for the agenda scheduled in preceding 2 paragraphs, the chairperson cannot declare the meeting adjourned without resolution.

After the meeting is ended, the shareholders cannot reelect the chairperson to continue the meeting at the original venue or other venues. However, if the chairperson violates the rules of procedure and declare to end the meeting, one person may be elected as the chairperson under the consent of half of the attended shareholders with voting rights for the meeting being continued.

- Article11 When the meeting is ongoing, the chairperson may set time to declare for rest.
- Article12 Before the attended shareholder speaks, it is necessary to first fill in speech notes stating speech gist, shareholder's account number, (or attendance card number) and shareholder's name. The chairperson shall decide the speech order.

The attended shareholders who only submit speech notes but do not speak are deemed as not speaking. If the speech content and the record of speech note are inconsistent, the speech content shall prevail.

When the attended shareholder speaks, other shareholders cannot speak to interfere unless consent of the chairperson and speaking shareholder is obtained. Violators shall be prohibited by the chairperson.

Article13 When every shareholder speaks regarding the same motion, it cannot exceed twice unless consented by the chairperson. Every time cannot exceed 5 minutes.

The motions shall be discussed in line with the motion order scheduled by the agenda.

In case of violating procedure or exceeding beyond the topic of discussion, the chairperson may prohibit their speech.

- Article14 When a judicial person is entrusted to attend shareholders' meeting, the judicial person can only designate one person as the representative. When judicial shareholder designates more than 2 persons to attend shareholders' meeting as the representatives, only one can be chosen to speak for the same motion.
- Article15 After the attended shareholder speaks, chairperson may reply in person or designate relevant personnel to reply.
- Article16 When discussing the motions, the chairperson may declare to end the discussion at the right time. When necessary, the chairperson may declare to stop discussion and submit for voting.
- Article 17 When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company 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 the Company 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 or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 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 in the Company Act and in the Company'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. However, a proposal with no objection from all attending shareholders as inquired by the chair may be deemed as adopted, with the force equivalent to voting; where there is any objection(including exercising the objection or abstention against the vote by correspondence or electronically), a poll by shareholders shall be held.

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 the Company. 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, 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, shall be announced on-site at the meeting, and a record made of the vote.

Article18 The chairperson may direct the picket (or security) to help maintain order of

meeting place. The picketer (or security) who helps maintaining order on site shall wear the armband with the word "picketer".

- Article19 The matters not covered in this regulation shall be handled in accordance with the Company Act or other relevant regulations.
- Article20 This regulation comes into force after being approved by shareholders' regular meeting on May 21, 1990. It was amended for the 1st time on June 15, 1998. It was amended for the 2nd time on June 25, 2002. It was amended for the 3rd time on June 23, 2006. It was amended for the 4th time on June 27, 2008. It was amended for the 5th time on June 26, 2014. It was amended for the 6th time on June 22, 2016. It was amended for the 7th time on August 4, 2021.

Articles of Incorporation for Merida Industry Co., Ltd.

Chapter 1 General

- Article 1 The Company is organized in accordance with the provisions concerning Co., Ltd.in the Company Act, named "Merida Industry Co., Ltd.".
- Article 2 The businesses operated by the Company are as follows:
 - 1. The manufacturing, assembly, deal and external processing of bikes and their parts.
 - 2. The manufacturing, assembly, and deal of auto-bikes and their parts.
 - 3. The manufacturing, assembly, and deal of electric vehicles and their parts.
 - 4. The export, import and deal of speedometer.
 - 5. The manufacturing, assembly, and deal of exercise bikes and their parts.
 - 6. The import and export business of various above products and equipment.
 - 7. Entrust construction companies to build public housing and business building and the rental and sale business.
 - 8. C805050 Industrial plastic product manufacturing business.
 - 9. CC01080 Electronic component manufacturing business.
 - 10.CC01050 Data storage and processing equipment manufacturing business.
 - 11.CA01990 Other non-iron metal basic industry (melting, forging, die-casting, extrusion,wire drawing of zinc, aluminum, magnesium, copper, titanium alloy)
 - 12.CA02990 Other metal product manufacturing business (melting, forging, die-casting, extrusion, wire drawing of zinc, aluminum, magnesium, copper, titanium alloy).
 - 13.ZZ99999 Besides the permitted businesses, businesses not prohibited or restricted by decrees can be operated.
- Article 3 Head Office of the Company is located in Changhua County, Taiwan Province. Board of directors may resolve to set up

branches at home and abroad when necessary.

- Article 4 The announcement method of the Company is done in line with provisions of the Company Act and other relevant decrees.
- Article 5 Reinvestment of the Company can exceed over 40% of paid-in capital.
- Article 6 With consent by board of directors, the Company can engage in external guarantee business between Businesses.

Chapter 2 Shares

Article 7 The total capital of the Company is set NT\$3.5 billion, divided into 350 million shares. Every share is NT\$10 only. The board of directors is authorized to issue the unissued shares among them by many times when necessary. Preferred stocks may be issued for the above stocks.

Article 7-1 (Deleted)

- Article 8 The shares issued by the Company shall all be registered. The Company shall assign its share certificates with serial numbers, and the share certificates shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. The Company may be exempted from printing any share certificate for the shares issued and shall register the issued shares with a centralized securities depositary enterprise.
- Article 9 Stock affairs of the Company are handled in accordance with "Criteria Governing Handling of Stock Affairs by Public Stock Companies" unless otherwise provided by decrees and security rules.
- Article10 Share transfer is suspended within 60 days before shareholders regular meeting, within 30 days before interim shareholders' meeting or within 5 days before reference day when the company decides to allot dividend, bonus and other profits.

Chapter 3 Shareholders' Meeting

Article11 There are 2 kinds of shareholders' meetings which are regular meeting and interim meeting.

1. Regular meeting is convened once every year, held within 6

months after the end of every fiscal year.

- 2. Interim meeting shall be convened in line with relevant decrees when necessary.
- Article12 For convening shareholders' regular meeting, the date, venue and proposals of the meeting shall be informed to each shareholder 30 days before the meeting. For convening shareholders' interim meeting, the date, venue and proposals of the meeting shall be informed to each shareholder 15 days before the meeting. However, for shareholders with less than one thousand shares, it may be done by way of announcement.
- Article13 When shareholders cannot attend shareholders' meeting for some reason, they may present proxies printed by the Company, specifying authorization scope and entrusting agents to attend. The measures for the shareholders to entrust for attendance shall be handled in line with provisions in "Rules Governing the Use of Proxies for Attendance at Shareholder Meetings" promulgated by competent authority in addition to complying with the provisions of Article 177 in the Company Act.
- Article14 The chairperson shall serve as the chairperson of the shareholders' meeting convened by the board of directors. When the chairperson asks for leave or cannot exercise functions and powers for some reason, it shall be handled in line with the provisions in Article 208 of the Company Act. If the shareholders' meeting is convened by person who is entitled to convene other than the board of directors, the convener shall serve as the chairperson. When there are more than 2 conveners, one person among them shall be elected as the chairperson.
- Article15 The resolution of shareholders' meeting shall be done with attendance by more than half of the shareholders representing the total issued shares and the consent by more than half of the attended shareholders' voting right, unless otherwise provided by the Company Act.
- Article16 Unless otherwise provided by statutes, each shareholder of the Company has a voting right for every share.
- Article 17 Resolutions adopted at a shareholders' meeting shall be

recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting, ratified financial statements, and the resolutions on the surplus earning distribution and/or the loss offsetting shall be effected by means specified in the Company Act.

Chapter 4 Board of Directors

- Article 18 The Company's Board of Directors shall have nine to thirteen directors, who shall be elected among capable persons by the shareholders. The term of office of a director shall be three years: he/she may be eligible for re-election. The aforesaid Board of Directors must have at least three independent directors, and the number of independent directors shall not be less than one-fifth of the total number of directors. Directors shall be elected by adopting candidate nomination system as specified in Article 192-1 of the Company Act, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The nomination of directors and related announcement shall comply with the relevant regulations of the Company Act and the Securities and Exchange Act. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately. The total number of shares held by all directors of the Company shall comply with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" by the Financial Supervisory Commission.
- Article18-1 The Company sets up Audit Committee in line with provisions of Article 14-4 of Securities Exchange Act, formed by all independent directors. Exercising of function and power and relevant matters regarding Audit Committee and its members are handled by provisions of relevant decrees of

competent authority of securities.

Article19 A chairperson shall be elected with attendance of over two thirds of directors and by consent of over half of attended directors. A vice chairperson can be elected by the same way. The chairperson represents the company externally and internally serves as chairperson of shareholders' meeting and board of directors.

Article20 Function and power of board of directors are as follows:

- 1. Authorize various important rules and regulations.
- 2. Decide business policy.
- 3. Decide budgets and final accounts.
- 4. Draft earnings apportion or loss make-up.
- 5. Draft increase or decrease in capital.
- 6. Acquire or dispose of assets.
- 7. Decide important choice of persons of the Company.
- 8. External guarantee business between the same trades.
- 9. Set up and dissolve the branches of the Company.
- 10. Ratify the reinvestment business.
- 11.Other function and power endowed by the Company Act or board of directors.

Execution of the company's business shall be done by the resolution of board of directors except the matters that shall be resolved by shareholders' meeting in accordance the Company Act or relevant decrees.

- Article 21 In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, or that all independent directors are discharged, the Board of Directors shall convene a shareholders' meeting within sixty days to elect new Directors to fill such vacancies. The new Directors shall serve the remaining term of the predecessors.
- Article22 Board of directors holds meeting at least once every season. In case of emergency or request by over half of directors, it can be convened any time. The Company's board meeting can be convened by way of writing, E-mail or fax.

- Article23 Chairperson serves as chairperson of board of directors. When the chairperson asks for leave or cannot exercise functions and powers for some reason, it shall be handled in accordance with Article 208 of the Company Act.
- Article 24 Each director shall attend the meeting of the board of directors in person; however, a director may be represented by another director if he/she cannot attend the meeting due to special circumstances.

In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

- Article25 The resolution of board meeting shall be done with attendance of over half of directors and consent by over half of attended directors unless otherwise provided by the Company Act. The procedure of board meeting shall be made into minute book that shall be signed or sealed by chairperson and recorder. The minute book shall be distributed to each director and supervisor within 20 days after the meeting. The minute book can be made and distributed by electronic way and shall be kept forever in the period of the Company's existence.
- Article26 The Company may purchase liability insurance for directors' compensation liability that shall be borne in their business execution scope according to the laws during their tenure of office.
- Article 26-1 The Company may establish functional committees under the Board of Directors. The number, term of office, and powers of the committee members shall be specified in the

organizational rules of respective committee, and shall be subject to the resolution made by the board meeting before implementation.

Chapter 5 Manager and Staff

- Article27 The Company may set several managers who adhere to the policy resolved by board of directors and relevant decrees and comprehensively manage all businesses of the Company and whose appointment, dismissal and remuneration are handled in line with provisions of Article 29 in the Company Act.
- Article28 General manager follows the orders by board of directors to comprehensively manage the Company's business. If general manager cannot carry out duties due to some affairs, general manager designates a vice general manager as agent.
- Article29 Board of directors decides the Company's organization system and quota for setting up staff of various levels and their appointment way.

Chapter 6 Accounting

- Article30 The Company's fiscal year starts from January 1 till December 31 every year. At the end of each fiscal year, final accounts shall be carried out.
- Article31 Board of directors compiles the following various statistical forms for the Company's annual final accounts according to the laws and submits to shareholders' regular meeting for recognition in line with legal procedures:
 - 1. Business report
 - 2. Financial statement
 - 3. Motion of earnings apportion or loss make-up

Chapter 7 Others

Article32 If the Company has earned annual profit, no less than 5% shall be allocated for remuneration of employees and no more than 5% for remuneration of directors. However, if the company still has cumulative loss, make-up amount shall be retained in advance. Employees' remuneration may be given by shares or cash and directors' remuneration shall be given by cash. It shall be done by the board of directors with more than two thirds of directors' attendance and the consent resolution by over half of attended directors and shall be reported to shareholders' meeting. The objects granted with employee remuneration may include employees of subsidiary companies that comply with certain conditions, setting of which is decided by board of directors.

- Article33 Regarding net profit after the annual final accounts, in addition to paying profit-seeking enterprise income tax according to the laws and making up loss of previous years, 10% from the balance shall be allocated as legal reserve. However, when legal reserve has reached the Company's paid-in capital, it will not be allocated anymore and we shall allocate or reverse special reserve according to the laws. If there is still surplus, add cumulative undistributed earnings in previous years and make them distributable earnings. Board of directors drafts earning distribution motion and submits to shareholders' meeting to resolve for apportioning shareholders dividends and bonus. Shareholders' total dividends shall be 10% to 80% of distributable earnings in that year. Wherein, cash dividends shall not be less than 10% of shareholders' total dividends.
- Article34 When the Company's directors do the jobs of the Company, regardless of the business profit or loss of the Company, the company may pay remuneration. Board of directors is authorized to agree to their remuneration in line with the level that they participate in the company's operation, contribution value and general standard of the same trade. If the company has earnings, besides independent directors, remuneration shall be distributed in accordance with Article 32 otherwise.

Chapter 8 Supplementary Provisions

- Article35 Organizational rules and important regulations and measures of the Company shall be formulated by board of directors otherwise.
- Article36 Matters not covered in the articles of incorporation shall be handled in accordance with Company Act and other relevant decrees.
- Article37 The articles of incorporation were formulated on September 8,

1972. It was amended for the 1st time on May 14. 1974. It was amended for the 2nd time on July 16, 1979. It was amended for the 3rd time on March 10, 1980. It was amended for the 4th time on June 29, 1980. It was amended for the 5th time on August 31. 1981. It was amended for the 6th time on April 11, 1982. It was amended for the 7th time on May 29, 1983. It was amended for the 8th time on May 6, 1984. It was amended for the 9th time on July 1, 1985. It was amended for the 10th time on August 3, 1985. It was amended for the 11th time on July 2, 1987. It was amended for the 12th time on June 25, 1988. It was amended for the 13th time on September 11, 1989. It was amended for the 14th time on September 11, 1989. It was amended for the 15th time on November 29, 1990. It was amended for the 16th time on December 29, 1990. It was amended for the 17th time on May 5, 1991. It was amended for the 18th time on April 26, 1992. It was amended for the 19th time on June 15, 1993. It was amended for the 20th time on June 6, 1994. It was amended for the 21st time on June 20, 1995. It was amended for the 22nd time on June 24, 1997. It was amended for the 23rd time on June 15, 1998. It was amended for the 24th time on June 16, 1999. It was amended for the 25th time on June 16, 2000. It was amended for the 26th time on June 20, 2001. It was amended for the 27th time on June 25, 2002. It was amended for the 28th time on June 26, 2003. It was amended for the 29th time on June 25, 2004. It was amended for the 30th time on June 28, 2005. It was amended for the 31st time on June 23, 2006. It was amended for the 32nd time on March 22, 2007. It was amended for the 33rd time on June 27, 2008. It was amended for the 34th time on June 26, 2009. It was amended for the 35th time on June 29, 2010. It was amended for the 36th time on June 28, 2012. It was amended for the 37th time on June 28, 2013. It was amended for the 38th time on June 26, 2014. It was amended for the 39th time on June 22, 2015. It was amended for the 40th time on June 22, 2016. It was amended for the 41st time on June 26, 2017. It was amended for the 42nd time on June 26, 2018. It

was amended for the 43rd time on June 24, 2020. It was amended for the 44rd time on August 4, 2021.

Tseng Song-Zhu, Chairman