Stock Code: 4971

IntelliEPI Inc. (Cayman)

Handbook for the 2022 Annual Meeting of Shareholders

MEETING TIME：June 29, 2022

PLACE：Lane 193, Sec. 3, Zhongxiao E. Rd., Daan Dist.,

Taipei (GIS Taipei Tech Convention Center Room 303)

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IntelliEPI Inc. (Cayman)

Year 2022

Agenda of Annual Meeting of Shareholders

Type of meeting：physical meeting
Time：09:00 a.m. on Wednesday, June 29, 2022
Place：Lane 193, Sec. 3, Zhongxiao E. Rd., Daan Dist., Taipei (GIS Taipei Tech Convention Center Room 303)

I. Call the Meeting to Order.

II. Chairperson Remarks

III. Reporting Items：
1. Operation report for 2021.
2. Audit committee report for 2021.
3. Distributions of 2021 bonuses to employees and non-independent directors.
4. Cash dividend distribution for 2021.

IV. Ratification Items：
1. Operation report and financial statements for 2021.
2. Profit distribution for 2021.

V. Discussion Items
1. Amendment on “Procedures for Handling the Acquisition and Disposal of Assets”.
2. New restricted employee shares.

VI. Questions and Motions

VII. Adjournment

Reporting Items：

Proposed by the Board

#1：Operation Report for Fiscal Year 2021

Explanations：

The Company’s annual operation report for fiscal year 2021 is attached as Attachment 1.

Proposed by the Board

#2：Audit Committee audit report for Fiscal Year 2021

Explanation：

Audit Report by Audit Committee for Fiscal Year 2021 is attached as Attachment 2.

Proposed by the Board

#3：Distributions of 2021 bonuses to employees and non-independent directors.

Explanations：

1. The Company’s 2021 compensation distribution to employees and non-independent directors are NTD4,519,867 (cash only) and NTD2,259,934 (cash only) respectively. The amounts are equivalent to 4.00% and 2.00% of annual profit. The percentage meet no less than 3% of its annual profit as employee bonuses, and no more than 3% of its annual profit as director bonuses from amended Memorandum and Articles of Association. The “annual profit” in the preceding paragraph shall be a sum equal to the Company’s pre-tax profit before deduction of the aforementioned employee bonuses and director bonuses.
2. Estimated expensed amount on 2021 compensation distribution to employees and non-independent directors are NTD4,519,867 and 2,259,934, which have no differences from proposed distribution amount.

Proposed by the Board

#4：Cash dividend distribution for 2021

Explanation：

1. In accordance with Taiwan regulation and the Company’s Memorandum and Articles of Association clause 34.1 “The Company may, upon approval by a majority of the Directors present at a meeting attended by two thirds or more of total number of the Directors, pay Dividends/bonus, in whole or in part, by cash, and the board of Directors shall then report such distribution to the subsequent general meeting.”
2. NTD 1.5 cash dividend per share is approved by 2022/3/23 BOD. Chairman is authorized to determine record date, suspended transfer period and distribution days for cash dividend distribution by stock service agent.

3. If ESOP or RSA and other issuance affect outstanding shares that results in change of cash dividend distribution per share, Chairman is authorized to adjust distribution ratio.
4. The amount of cash dividend shall be calculated to the dollars; amount after decimal point is discarded and will be booked in other income.

Ratifications Items：

Proposed by the Board

#1：Operation report and financial statements for 2021

Explanation：

1. The Company's Financial Statements were audited by independent auditors, Wendy Liang and Vincent Lien of PriceWaterhouse Coopers.
2. 2021 Operation report is attached as Attachment 1. Financial Statements are attached as Attachment 3.
3. The Company's operation report and financial statements for 2021 are submitted to the shareholders for ratification.

Resolution：

Proposed by the Board

#2：Profit distribution for 2021

Explanation：

1. 2021 Profit Distribution Table as follows：

IntelliEPI Inc. (Cayman)
2021 Profit Distribution Proposal

	(NTD)
Net Profit After Tax of 2021	87,622,029
Deduct：Legal Reserve	(8,762,203)
Deduct：Special reserve	(41,792,222)
Distributable Unappropriated Retained Earnings of 2021	37,067,604
Plus：Unappropriated Retained Earnings at the Beginning of 2021	318,995,752
Distributable Unappropriated Retained Earnings at the end of 2021	356,063,356
Distribution Items：	
Deduct：Cash Dividends (NT$1.5 per share)	(54,769,115)
Unappropriated Retained Earnings at the end of 2021	301,294,241

2. NTD 1.5 cash dividend per share is approved by 2022/3/23 BOD. Amount of cash dividend is NTD 54,769,115.
3. The Company's profit distribution proposal for Fiscal Year 2021 is submitted to the shareholders for ratification.

Resolution：

Discussion Item：

Proposed by the Board

#1：Amendment on “Procedures for Handling the Acquisition and Disposal of Assets”

Explanation：

1. The Company’s “Procedures for Handling the Acquisition and Disposal of Assets” is proposed to amend pursuant to the amendments on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies ” as promulgated by the Financial Supervisory Commission and Taipei Exchange.
2. Comparison charts are provided as Attachment 4.
3. The amendment is hereby submitted to the shareholders’ meeting for discussion.

Proposed by the Board

#2：Issue new restricted employee shares

Explanations：

1. In accordance with “Regulations of Governing the Offering and Issuance of Securities by Foreign Issuers” the Company plans to issue new restricted employee shares.
2. Details of the new restricted employee shares：
   (1) Total shares of issuance：300,000 common shares with NT$10 par.
   (2) Issuance terms and conditions：
      a. Issue price：Set to be NTD0.
      b. Vesting conditions：employees not against this Plan, labor contract, employment agreement, work rules or employee handbook will be granted with following schedule. Shares granted is rounded in share. Chairman is authorized for grant day.
         (a) 3 months after Grant Day：40% of the total number of the granted restricted employee shares.
         (b) 15 months after Grant Day：30% of the total number of the granted restricted employee shares.
         (c) 27 months after Grant Day：30% of the total number of the granted restricted employee shares.
      c. Issue Shares：the Company’s common shares.
      d. If fail to meet conditions：The Company shall redeem and cancel all new restricted employee shares from any employees whom received the new restricted employee shares but fail to meet the vesting conditions.
      e. If there is any inheritance：Shall follow terms and conditions.
   (3) Employee qualification requirements：Shall follow terms and conditions.
   (4) The necessity to issue new restricted employee shares：To attract and retain professional personnel needed by the Company, to motivate employees and enhance their centripetal force so as to jointly create the Company’s and shareholders’ interests.
   (5) Potential expense：Based on 30 consecutive average closed prices prior to March 15, 2022 the annual expensed amount from 2022 to 2024 is estimated to be NT$7,990 thousands, NT$5,992 thousands and NT$5,992 thousands respectively.

(6) Impact on earnings per share (EPS) dilution and other factors that may affect shareholder's equity：Potential dilution of EPS from 2022 to 2024 is estimated to be NT$0.22, NT$0.16, and NT$0.16 respectively, which shall not have significant negative impact.

3. The restricted rights prior to the achievement of vesting conditions：During vesting term, the new restricted employee shares may not be sold, pledged, transferred, donated or otherwise disposed of. Cash or stock dividends received from new restricted employee shares are safekeeping by custodian. Shareholders meeting attendance, submit the proposal, make a statement or voting rights are based on custodian or trust agreement.
4. The new restricted employee shares shall be filed to the Competent Authority in multiple tranches over a period of 1 year from the resolution of Shareholders Meeting. After the approval of the Shareholders Meeting, the Board of Directors is authorized for issuance details. The issuance shall be granted in one tranche or multiple tranches depending on actual needs, over a period of 1 year from the date of Competent Authority approval.
5. Others：Shall follow terms and conditions.

Resolution：

Questions and Motions

Adjournment

Attachment 1

IntelliEPI Inc. (Cayman)

2021 Operation Report

2021 was a year of business growth for the Company. Although the COVID-19 pandemic continued throughout the year, IntelliEPI teams were well prepared to operate business under the pandemic threat. Unexpectedly, State of Texas suffered a once-in-a-century snow storm disaster in late February 2021 that caused the interruption of power supply and a halt in production to the Company. This event impacted 1st quarter sales revenue. Fortunately, business recovered soon after in the subsequent quarter and kept moving up in followings quarters. Company's annual revenue increased by 13% compared with the previous year. Slow demand of compound semiconductor epi wafers in 2020 quickly bounced back in 2021. Demand of IoT (Internet of Things) for communication and high-speed data transmission chips remained strong in 2021. Business for InP based PIN, HBT and APD epi wafers grew significantly, accounting for more than 43% of sales. GaAs epi wafer products were affected by major customers' sourcing decision change. As a result, GaAs epi wafers sales decreased slightly and dropped to less than 30% of total sales. From which VCSEL wafer business was the one reduced most. In terms of defense contracts, GaSb infrared wafers, and MBE machines and hardware Business, the last one experienced the highest business growth. Sales of these products accounted for 29% of 2021 sales, close to that in prior year. Company is expecting similar sales mix in the coming year. InP epi wafer sales can potentially reach even higher growth. In sum, 2021 was a year of business growth. The revenue could have increased more if there were no snow storm interference. There were customers began to place larger orders in 4th quarter 2021. This, together with those volume purchase orders for high-end pHEMT and 5G-related InP epi wafers, should bring Company's 2022 business to higher growth.

1. 2021 Operation Report:

1.1 Operation Results

The consolidated total revenue of the Company in 2021 was NT$753,875 thousand, an increase of 13% compared with the revenue of NT$667,109 thousand in 2020. After tax net profit was NT$87,603 thousand, equivalent to a 12% profit margin, an increase of NT$21,680 thousand from 2020. Earnings per share after tax was NT$2.45, an increase of 33.2% over the previous year's NT$1.84.

1.2 Financial Income, Expenditures, and Profitability Analysis

Company's current assets to total assets in 2021 increased to 36% from 30% in 2020, and the debt ratio slightly increased to 7% from 5% in 2020. There was no large capital spending in 2021 only Board approved budget for capital investment. Company's financial operation strategy remained consistent and conservative.

The gross margin was 35.0% in 2021, compared with 30.8% in 2020. Increase in gross profit was attributed to higher sales revenue and capacity utilization to reduce the unit costs. And better product mix, from which InP volume wafer products helped lifting up the overall gross margin. Expenses for marketing, G&A, and research and development were NT$169,014 thousand, a slightly increase of NT$ 8,763 thousand from previous year. After accounting for non-operating income and expenses of NT$7,461thousand and income tax of NT$14,970 thousand, the resulted net profit after tax was NT$87,603 thousand.

1.3 Budget Execution

The company's annual budget had been approved by the board of directors, but the financial forecast has not been disclosed to the public. The overall budget was under good control.

1.4 Research and Development

In 2021, the R&D expense was NT$ 37,523 thousand, slightly higher than NT$ 34,910 thousand in the previous year. The main R&D focus was on high-end VCSEL wafer, gallium nitride (GaN) epitaxy technology, APD epi wafers of various specifications, and self-developed MBE Epitaxy production systems.

2. 2022 Business Plans and Strategies

2.1 Management Policy：Adhere to quality and performance management, and focus on developing the following epitaxy products and international markets:

- InP：Company will meet the on-time delivery schedule for InP wafer volume orders, secure timely supply of substrates, maintain sufficient raw materials safe stock, and continue to develop bio-sensing wafer products.

- GaAs：Volume high performance pHEMT wafer order is in place. Company will deliver quality products, increase MBE system certification, and continue to develop VCSEL epi wafers covering various wavelengths to target volume orders.

- GaSb：There are regular spec GaSb infrared epi wafers for defense and commercial needs. Demand for these wafer products is gradually ramping up. Company will enhance its competitiveness by expanding capacity to prepare for volume order.

- Hardware components：Customer orders of MBE production systems were complete and delivered in 2021. Subsequent maintenance business and replacement hardware component orders are still ongoing. Company has been working on expanding hardware service team and establishing metal fabrication technology for more hardware business opportunities.

- GaN：GaN production orders started in second half of 2021, Company is development GaN epi wafers on different sizes as well as working from single wafer epi towards muti-wafer epi runs. Discussion of business with major customers and wafer quality certification are underway.

2.2 Expected sales volume and Base

The expected sales volume under Company’s projection is based on demand forecast provided by customers, published industrial and market supply and demand research, and the Company’s production capacity and business outlook to set the production plan.

2.3 Key Production and Marketing policies

(1) Improve product quality.

(2) Strengthen product research and development.

(3) Improve production efficiency.

3. Development Strategies

3.1. Focus on promoting 5G related products.

3.2. Pay equal attention to mass production and advanced products.

3.3. Focus on the defense products that MBE technology holds the advantages.

3.4. Strengthen MBE software and hardware in-house capabilities and further establishing the metal fabrication process to ensure hardware materials sourcing and business.

3.5. Explore vertical integration capabilities.

4. Effects from External Competition, Legal and Regulation, and Economic Environments

Looking forward to 2022, the Company will continue to improve product quality and production efficiency in dealing with competitive environment, while continuing to carry out its research and development on MBE mainstream products, accumulate research and development know-how for future applications. In terms of regulatory compliance, Company will abide by the principle of integrity in management and cooperate with regulations and policies as well as adjusting relevant operating policy updates. To face challenges from international economic turmoil, trade and political changes, Company has been expanding recruitment and improving employee benefits and training. In 2022, all customers shall continue to support the Company's business, recognize the company's products and engineering team. For 2022, under the ongoing trend of technological innovation, Company should have better chance to contribute more for selling its products and earning more rewards.

Chairman：Yung-Chung Kao President/CEO：Yung-Chung Kao CFO：George Wang

Date: 2022/03/23

Attachment 2

Audit Committee's Report

The Board of Directors has prepared the Company's 2021 Operation Report, Financial Statements and proposal for profit distribution. Wendy Liang and Vincent Lien, the certified public accountants of PriceWaterhouseCoopers Taiwan, were retained by the Company to audit the financial statements and have issued an audit report relating to the financial statements. Operation report, financial statements and proposal for profit distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. In accordance with Article 14-4 of the ROC Securities and Exchange Act we hereby submit this report.

To

2022 annual shareholders meeting

IntelliEPI Inc. (Cayman)

Convener of Audit Committee

Tom Chang

Date：March 23, 2022

Attachment 3



Independent Auditors' Report

To the Board of Directors and Shareholders of IntelliEPI Inc. (Cayman)

Opinion

We have audited the accompanying consolidated balance sheets of IntelliEPI Inc. (Cayman) and its subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. 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 Accountants 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(10) for accounting policies on evaluation of inventories, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to evaluation of inventories and Note 6(3) for the details of loss allowance for inventories.

The Group is primarily engaged in the manufacturing of compound semiconductor wafers and the manufacturing and selling of epitaxy products. Due to the rapid technological innovations, intense market competition and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. The Group used net realizable value to make provisions for estimated loss related to inventories aged over a certain period and individually identified as obsolete. The aforementioned identification of obsolete inventories and net realizable value is subject to management's judgment. Considering that the Group's inventory and allowance for inventory valuation loss have a significant impact on the Group's consolidated financial statements, we considered the allowance for inventory valuation loss a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the above key audit matter:

A. Assessed the reasonableness of accounting policies and procedures in relation to allowance for inventory valuation;

B. Validated the appropriateness of inventory aging report used by management to ensure that the information in the inventory aging report is consistent with the corresponding accounting policies; and

C. Obtained the net realizable value calculation report prepared by management, sampled inventory items and checked whether purchase or sales documents corresponded to records and recalculated the net realizable value calculation for accuracy. Performed the aforementioned audit procedures to assess the reasonableness of recognized inventory valuation fluctuations.

Impairment assessment of property, plant and equipment

Description

Refer to Notes 4(11) and (14) for accounting policies on acquisition and subsequent measurement of property, plant and equipment, Note 5(1) for the uncertainty of accounting estimates and assumptions, and Note 6(4) for details of property, plant and equipment.

As of December 31, 2021, the carrying value of property, plant and equipment was NT$976,823 thousand (63% of total assets) which was mainly held by Intelligent Epitaxy Technology, Inc. (IET-US), the subsidiary of the Group, and the amount was material to the financial statements. The impairment assessment involves several assumptions such as determination of discount rates and the use of cash flow projections covering a five-year period for estimating future cash flows. As the estimates are subject to management's judgement and involves uncertainty, the recoverable amount and the impairment loss may be significantly affected. Thus, we considered the impairment assessment of property, plant and equipment of IET-US a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Assessed the methodology used by management in estimating future cash flows, and ascertained whether the cash flows for the next 5 years are consistent with the budget approved by the Board of Directors and are in line with the Group's long-term objectives;

B. Discussed with management the current operations of the Group and compared actual performance against the budget to assess the management's intention and ability of plan execution;

C. Assessed the reasonableness of assumptions used with respect to expected growth rates and discount rates in assessing impairment valuation, including procedures as follows:

   (a) Compared expected growth rates with historical data, economic and industrial forecasts;

   (b) Compared the weighted average cost of capital with that in the industry, as well as cost of equity capital with the Beta coefficient of the industry and market risk premium; and

   (c) Examined the setting of parameters and formula used in performing the impairment assessment.

D. Assessed the future cash flow sensitivity analysis prepared by management based on the assumptions used with respect to expected growth rates and discount rates, and confirmed whether management has considered the potential impact of reasonably possible changes in these key assumptions.

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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of 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 audit committee, are responsible for overseeing the Group's financial reporting process.

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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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

A. 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.

B. 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.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. 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.

E. 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.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the 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.

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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 of the current period 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.

Wendy Liang

Vincent Lien

Wendy Liang
For and on behalf of PricewaterhouseCoopers, Taiwan
March 23, 2022

INTELLIEPI INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	2021 Amount	%	2020 Amount	%
	Current assets					
1100	Cash	6(1)	$ 253,811	16	$ 116,016	8
1170	Accounts receivable, net	6(2)	150,255	10	154,146	10
1200	Other receivables		125	-	584	-
130X	Inventories, net	6(3)	147,209	9	164,735	11
1410	Prepayments		17,253	1	13,486	1
1479	Other current assets		269	-	617	-
11XX	**Total current assets**		568,922	36	449,584	30
	Non-current assets					
1600	Property, plant and equipment	6(4)	976,823	63	1,007,345	68
1755	Right-of-use assets	6(5)	4,501	-	5,483	1
1780	Intangible assets	6(6)	403	-	5,367	-
1840	Deferred income tax assets	6(21)	-	-	1,082	-
1900	Other non-current assets	6(7)	14,523	1	9,589	1
15XX	**Total non-current assets**		996,250	64	1,028,866	70
1XXX	**Total assets**		$ 1,565,172	100	$ 1,478,450	100
	Liabilities and Equity					
	Current liabilities					
2130	Current contract liabilities	6(14)	$ 8,704	-	$ 5,696	-
2170	Accounts payable		45,406	3	26,992	2
2200	Accrued expenses and other payables	6(8)	41,923	3	40,748	3
2230	Income tax payable		3,728	-	-	-
2280	Lease liabilities		734	-	812	-
21XX	**Total current liabilities**		100,495	6	74,248	5
	Non-current liabilities					
2570	Deferred income tax liabilities	6(21)	7,304	1	-	-
2580	Non-current lease liabilities		4,076	-	5,120	-
25XX	**Total non-current liabilities**		11,380	1	5,120	-
2XXX	**Total liabilities**		111,875	7	79,368	5
	Equity attributable to owners of parent					
	Share capital	6(10)				
3110	Common share		365,145	23	365,181	25
	Capital surplus	6(11)				
3200	Capital surplus		634,965	41	621,550	42
	Retained earnings	6(12)				
3310	Legal reserve		97,579	6	90,991	6
3320	Special reserve		80,201	5	9,398	1
3350	Unappropriated retained earnings		406,618	26	432,392	29
	Other equity	6(13)				
3400	Other equity		(131,894)	(8)	(94,316)	(6)
3500	Treasury shares		-	-	(26,816)	(2)
31XX	**Equity attributable to owners of the parent**		1,452,614	93	1,398,380	95
36XX	**Non-controlling interest**		683	-	702	-
3XXX	**Total equity**		1,453,297	93	1,399,082	95
	Significant contingent liabilities and unrecognized contract commitments	8				
	Significant event after the balance sheet date	9				
3X2X	**Total liabilities and equity**		$ 1,565,172	100	$ 1,478,450	100

INTELLIEPI INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	2021 Amount	2021 %	2020 Amount	2020 %
4000	**Operating revenue**	6(14)	$ 753,875	100	$ 667,109	100
5000	**Operating costs**	6(3)(14)(15)(16)	(489,749)	(65)	(461,317)	(69)
5950	**Net gross profit**		264,126	35	205,792	31
	Operating expenses	6(15)(16)				
6100	Selling expenses		(3,114)	-	(4,166)	(1)
6200	General and administrative expenses		(128,195)	(17)	(120,860)	(18)
6300	Research and development expenses		(37,523)	(5)	(34,910)	(5)
6450	Impairment loss determined in accordance with IFRS 9	10(4)	(182)	-	(315)	-
6000	**Total operating expenses**		(169,014)	(22)	(160,251)	(24)
6900	**Operating income**		95,112	13	45,541	7
	Non-operating income and expenses					
7100	Interest income	6(17)	582	-	1,923	-
7010	Other income	6(18)	8,119	1	25,915	4
7020	Other gains and losses	6(19)	(1,044)	-	(4,254)	(1)
7050	Finance costs	6(20)	(196)	-	(305)	-
7000	**Total non-operating income and expenses**		7,461	1	23,279	3
7900	**Profit before income tax, net**		102,573	14	68,820	10
7950	Income tax expense	6(21)	(14,970)	(2)	(2,897)	-
8200	**Profit for the year**		$ 87,603	12	$ 65,923	10
	Other comprehensive income, net					
	Other comprehensive loss that will not be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations		($ 41,792)	(6)	($ 70,803)	(11)
8500	**Total comprehensive income (loss) for the year**		$ 45,811	6	($ 4,880)	(1)
	Profit attributable to:					
8610	Owners of the parent		$ 87,622	12	$ 65,879	10
8620	Non-controlling interest		(19)	-	44	-
	Total		$ 87,603	12	$ 65,923	10
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 45,830	6	($ 4,924)	(1)
8720	Non-controlling interest		(19)	-	44	-
	Total		$ 45,811	6	($ 4,880)	(1)
	Earnings per share					
9750	**Basic earnings per share (in New Taiwan dollars)**	6(22)	$	2.45	$	1.84
9850	**Diluted earnings per share (in New Taiwan dollars)**	6(22)	$	2.43	$	1.84

INTELLIEPI INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
				Retained earnings							
	Notes	Common share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity	Treasury share	Total	Non-controlling interest	Total equity
2020											
Balance at January 1, 2020		$ 365,355	$ 622,415	$ 84,065	$ -	$ 419,373	($ 28,958)	$ -	$ 1,462,250	$ 658	$ 1,462,908
Profit for the year		-	-	-	-	65,879	-	-	65,879	44	65,923
Other comprehensive loss for the year		-	-	-	-	-	(70,803)	-	(70,803)	-	(70,803)
Total comprehensive income (loss) for the year		-	-	-	-	65,879	(70,803)	-	(4,924)	44	(4,880)
Appropriations of 2019 earnings											
Special reserve		-	-	-	9,398	(9,398)	-	-	-	-	-
Legal reserve		-	-	6,926	-	(6,926)	-	-	-	-	-
Cash dividends	6(12)	-	-	-	-	(36,536)	-	-	(36,536)	-	(36,536)
Restricted stock to employees	6(9)	-	(1,039)	-	-	-	5,445	-	4,406	-	4,406
Retirement of restricted stocks to employees	6(10)	(174)	174	-	-	-	-	-	-	-	-
Repurchase of treasury shares	6(10)	-	-	-	-	-	-	(26,816)	(26,816)	-	(26,816)
Balance at December 31, 2020		$ 365,181	$ 621,550	$ 90,991	$ 9,398	$ 432,392	($ 94,316)	($ 26,816)	$ 1,398,380	$ 702	$ 1,399,082
2021											
Balance at January 1, 2021		$ 365,181	$ 621,550	$ 90,991	$ 9,398	$ 432,392	($ 94,316)	($ 26,816)	$ 1,398,380	$ 702	$ 1,399,082
Profit for the year		-	-	-	-	87,622	-	-	87,622	(19)	87,603
Other comprehensive loss for the year		-	-	-	-	-	(41,792)	-	(41,792)	-	(41,792)
Total comprehensive income (loss) for the year		-	-	-	-	87,622	(41,792)	-	45,830	(19)	45,811
Appropriations of 2020 earnings											
Special reserve		-	-	-	70,803	(70,803)	-	-	-	-	-
Legal reserve		-	-	6,588	-	(6,588)	-	-	-	-	-
Cash dividends	6(12)	-	-	-	-	(36,005)	-	-	(36,005)	-	(36,005)
Restricted stock to employees	6(9)	-	(215)	-	-	-	4,214	-	3,999	-	3,999
Retirement of restricted stocks to employees	6(10)	(36)	36	-	-	-	-	-	-	-	-
Compensation cost of treasury shares transferred to employees	6(11)	-	11,355	-	-	-	-	-	11,355	-	11,355
Treasury shares transferred to employees	6(11)	-	2,239	-	-	-	-	26,816	29,055	-	29,055
Balance at December 31, 2021		$ 365,145	$ 634,965	$ 97,579	$ 80,201	$ 406,618	($ 131,894)	$ -	$ 1,452,614	$ 683	$ 1,453,297

INTELLIEPI INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		$ 102,573	$ 68,820
Adjustments to reconcile income before tax to net cash provided by operating activities			
Depreciation	6(4)(5)	75,294	82,130
Amortization	6(6)	5,018	8,844
Compensation cost of share-based payment	6(9)(16)	15,354	4,406
Loss on disposal of property, plant and equipment	6(19)	99	2,616
Interest income	6(17)	(582)	(1,923)
Interest expense	6(20)	196	305
Expected credit loss	10(4)	182	315
Gain on lease modification	6(5)(19)	-	(79)
Paycheck Protection Program Loans forgiveness	6(18)	-	(25,780)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable		(622)	(71,747)
Inventories		12,898	(9,135)
Prepayments		(8,699)	(53)
Other receivables		443	(223)
Other current assets		331	(47)
Net changes in liabilities relating to operating activities			
Accounts payable		19,172	5,138
Contract liabilities		3,168	3,764
Accrued expenses and other payables		(1,169)	8,605
Cash provided by operations		223,656	75,956
Income tax paid		(1,969)	(205)
Interest paid		(196)	(301)
Interest received		575	3,329
Net cash provided by operating activities		222,066	78,779
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(24)	(75,327)	(82,833)
Acquisition of intangible assets	6(6)	(127)	(733)
Decrease in current financial assets at amortized cost		-	74,950
Proceeds from government grants	6(4)	2,783	2,875
Proceeds from disposal of property, plant and equipment		557	897
Net cash used in investing activities		(72,114)	(4,844)
CASH FLOWS FROM FINANCING ACTIVITIES			
Changes in treasury shares account		-	(408)
Repayment of principal portion of lease liabilities		(1,070)	(1,197)
Proceeds from long-term debt		-	26,569
Cash dividends paid		(36,005)	(36,536)
Purchase of treasury shares		-	(26,816)
Cash received from treasury shares sold to employees		29,055	-
Net cash used in financing activities		(8,020)	(38,388)
Effect of exchange rate changes on cash		(4,137)	(11,527)
Increase in cash		137,795	24,020
Cash at beginning of year		116,016	91,996
Cash at end of year		$ 253,811	$ 116,016

Attachment 4

Article	After Amendment	Before Amendment	Notes
Article 5	Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions: ~~the following:~~ 1. Prior to accepting a case, they shall	Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: 1. Prior to accepting a case, they shall prudently assess their own	To comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

Article	After Amendment	Before Amendment	Notes
	prudently assess their own professional capabilities, practical experience, and independence. 2. When ~~examining~~ conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the ~~comprehensiveness, accuracy,~~ appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable ~~and accurate~~, and that they have complied with applicable laws and regulations.	professional capabilities, practical experience, and independence. 2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.	
Article 9	In acquiring or disposing of real property, equipment or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of	In acquiring or disposing of real property, equipment or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence	To comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

Article	After Amendment	Before Amendment	Notes
	the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to ~~perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and~~ render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. B. The discrepancy between the	of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.	

Article	After Amendment	Before Amendment	Notes
	appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	
Article 10	The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. ~~If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.~~ This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	To comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"
Article 11	Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or	Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or	To comply with "Regulations

Article	After Amendment	Before Amendment	Notes
	memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price~~; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF~~.	memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	Governing the Acquisition and Disposal of Assets by Public Companies"
Article 16	When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property from a related party, information regarding appraisal of	When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property from a related party, information regarding appraisal of	To comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

Article	After Amendment	Before Amendment	Notes
	the reasonableness of the preliminary transaction terms in accordance with Article 17 and Article 18. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. ~~The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 29, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.~~ With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may	the reasonableness of the preliminary transaction terms in accordance with Article 17 and Article 18. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 29, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the	

Article	After Amendment	Before Amendment	Notes
	delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting. 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. The matters for which paragraph 1 requires recognition by the audit committee shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5. When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions. The company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company’s total assets, the public company shall submit the	Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting. 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. The matters for which paragraph 1 requires recognition by the audit committee shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5. When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.	

Article	After Amendment	Before Amendment	Notes
	materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 29, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the audit committee need not be counted toward the transaction amount.		
Article 29	Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or	Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or	To comply with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”

Article	After Amendment	Before Amendment	Notes
	bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: A. For the Company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. B. For the Company whose paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more. 5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is less than NT$500 million. 6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a	bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: A. For the Company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. B. For the Company whose paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more. 5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is less than NT$500 million. 6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a	

Article	After Amendment	Before Amendment	Notes
	financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: A. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan. B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. C. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: 1. The amount of any individual	disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: A. Trading of domestic government bonds. B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. C. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty	

Article	After Amendment	Before Amendment	Notes
	transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. 3. The cumulative transaction amount of real property or right-of-use assets thereof acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic the Company and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting	within the preceding year. 3. The cumulative transaction amount of real property or right-of-use assets thereof acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic the Company and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. The Company acquiring or disposing	

Article	After Amendment	Before Amendment	Notes
	inclusively from the date of knowing of such error or omission. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for 5 years except where another act provides otherwise.	of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for 5 years except where another act provides otherwise.	

Appendix 1

THE COMPANIES LAW (2020 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SIXTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

INTELLIEPI INC. (CAYMAN)

- Incorporated April 26, 2011 -

(as adopted by a Special Resolution dated as of June 22, 2020)

THE COMPANIES LAW (2020 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SIXTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

INTELLIEPI INC. (CAYMAN)

(as adopted by a Special Resolution dated as of June 22, 2020)

1. The name of the Company is IntelliEPI Inc. (Cayman).
2. The registered office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2020 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.
4. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
5. The authorised capital of the Company is NT$400,000,000 divided into 40,000,000 shares of NT$10.00 each provided always that subject to the provisions of the Companies Law (2020 Revision) as amended and the Articles of Association, the Company shall have power to redeem or purchase any or all of such shares and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
6. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
7. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

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THE COMPANIES LAW (2020 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SIXTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

INTELLIEPI INC. (CAYMAN)

(as adopted by a Special Resolution dated as of June 22, 2020)

1 Interpretation

1.1 In the Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

"**Applicable Public Company Rules**"	means the R.O.C. laws, rules and regulations affecting public reporting companies or companies listed on any R.O.C. stock exchange or securities market, including, without limitation, the relevant provisions of the Company Law, Securities and Exchange Law, the Enterprise Mergers and Acquisitions Law, the rules and regulations promulgated by the Ministry of Economic Affairs, the rules and regulations promulgated by the Financial Supervisory Commission ("**FSC**"), the rules and regulations promulgated by the Taipei Exchange of Taiwan ("**TPEx**") (or, if applicable, the Taiwan Stock Exchange ("**TWSE**")) and the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area and its relevant regulations.
"**Annual Net Income**"	means the audited annual net profit of the Company in respect of the applicable year.
"**Articles**"	means these articles of association of the Company.
"Acquisition"	means an acquisition as defined under Article 4 of R.O.C. Enterprise Mergers and Acquisitions Law.
"**Company**"	means the above named company.
"**Directors**"	means the directors for the time being of the Company (which, for clarification, includes any and all Independent Director(s)).
"**Dividend**"	includes an interim dividend.
"**Electronic Record**"	has the same meaning as in the Electronic Transactions Law.
"**Electronic Transactions**	means the Electronic Transactions Law (2003 Revision) of the

Law"	Cayman Islands.
"**FSC**"	means the Financial Supervisory Commission of the R.O.C.
"**Independent Directors**"	means the Directors who are elected by the Members at a general meeting and designated as "Independent Directors" for the purpose of Applicable Public Company Rules which are in force from time to time.
"**Market Observation Post System**"	means the internet information reporting system designated by the FSC.
"**Member**"	has the same meaning as in the Statute.
"**Memorandum**"	means the memorandum of association of the Company.
"**Merger**"	means a transaction whereby (i) all of the companies participating in such transaction are dissolved, and a new company is incorporated to generally assume all rights and obligations of the dissolved companies or (ii) all but one company participating in such transaction are dissolved, and the surviving company generally assumes all rights and obligations of the dissolved companies, and in each case the consideration for the transaction being the shares of the surviving or newly incorporated company or any other company, cash or other assets.
"**Ordinary Resolution**"	means a resolution passed by a simple majority of votes cast by the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.
"**Private Placement**"	means obtaining subscriptions for, or the sale of, Shares, options, warrants, rights of holders of debt or equity securities which enable those holders to subscribe further securities (including Shares), or other securities of the Company, either by the Company itself or a person authorized by the Company, primarily from or to specific investors or approved by the Company or such authorized person, but excluding any employee incentive programme or subscription agreement, warrant, option or issuance of Shares under Article 11 of these Articles.
"**Register of Members**"	means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
"**Registered Office**"	means the registered office for the time being of the Company.
"**R.O.C.**"	means the Republic of China.
"**Seal**"	means the common seal of the Company and includes every duplicate seal.
"**Share**" and "**Shares**"	means a share or shares in the Company and includes a fraction of a share.
"**Share Certificate" and "Share Certificates"**	means a certificate or certificates representing a Share or Shares.
"**Share Swap**"	means a share swap as defined under Article 4 of R.O.C.

	Enterprise Mergers and Acquisitions Law.
"**Solicitor**"	means any Member, a trust enterprise or a securities agent mandated by Member(s) who solicits an instrument of proxy from any other Member to appoint him/it as a proxy to attend and vote at a general meeting instead of the appointing Member pursuant to the Applicable Public Company Rules.
"**Special Resolution**"	means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given.
"**Spin-off**"	refers to an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company.
"**Statute**"	means the Companies Law (2020 Revision) of the Cayman Islands.
"**Subsidiary**" and "**Subsidiaries**"	means (i) a subordinate company in which the total number of voting shares or total share equity held by the Company represents more than one half of the total number of issued voting shares or the total share equity of such subordinate company; or (ii) a company in which the total number of shares or total share equity of that company held by the Company, its subordinate companies and its controlled companies, directly or indirectly, represents more than one half of the total number of issued voting shares or the total share equity of such company.
"**Supermajority Resolution**"	means (i) a resolution adopted by a majority vote of the Members present and entitled to vote on such resolution at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total outstanding Shares of the Company or, (ii) if the total number of Shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding Shares of the Company, but more than half of the total outstanding Shares of the Company, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution.
"**TDCC**"	means the Taiwan Depository & Clearing Corporation.
"**Treasury Shares**"	means a Share held in the name of the Company as a treasury share in accordance with the Statute.
"**TWSE**"	means the Taiwan Stock Exchange Corporation.

1.2 In the Articles:

(a) words importing the singular number include the plural number and vice versa;

(b) words importing the masculine gender include the feminine gender;

(c) words importing persons include corporations;

(d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;

(e) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

(f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

(g) headings are inserted for reference only and shall be ignored in construing the Articles; and

(h) Section 8 of the Electronic Transactions Law shall not apply.

2 Commencement of Business

2.1 The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.

2.2 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

2.3 In the course of conducting its business, the Company shall comply with the Applicable Public Company Rules and business ethics and may take corporate actions to promote public interests in order to fulfill its social responsibilities.

3 Issue of Shares

3.1 Subject to the provisions, if any, in the Statute, the Memorandum, the Articles and Applicable Public Company Laws (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Directors may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and the Company shall have power to redeem or purchase any or all of such Shares and to issue all or any part of its capital whether priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide, every issue of Shares whether stated to be Ordinary, Preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided.

3.2 The Company shall not issue Shares to bearer.

3.3 The Company shall not issue any unpaid Shares or partly paid-up Shares.

4 Register of Members

4.1 The Directors shall keep, or cause to be kept, the Register of Members at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register of Members shall be kept at the Registered Office.

4.2 If the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Directors think fit. The principal register and the branch register(s) shall together be treated as the Register of Members for the purposes of the Articles.

4.3 For so long as any Shares are listed on the TPEx (or TWSE, as applicable), title to such listed Shares may be evidenced and transferred in accordance with the laws applicable to and the rules

and regulations of the TPEx (or TWSE, as applicable) that are or shall be applicable to such listed Shares and the Register of Members maintained by the Company in respect of such listed Shares may be kept by recording the particulars required by section 40 of the Statute in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the TPEx (or TWSE, as applicable) that are or shall be applicable to such listed Shares.

5 Closing Register of Members or Fixing Record Date

5.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend, or in order to make a determination of Members for any other purpose, the Directors shall determine the period that the Register of Members shall be closed for transfers and such period shall not be less than the minimum period of time prescribed by the Applicable Public Company Rules.

5.2 Subject to Article 5.1 hereof, in lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or in order to make a determination of Members for any other purpose. In the event the Directors designate a record date in accordance with this Article 5.2, the Directors shall make a public announcement of such record date via the Market Observation Post System in accordance with the Applicable Public Company Rules.

5.3 The rules and procedures governing the implementation of book closed periods, including notices to Members in regard to book closed periods, shall be in accordance with policies adopted by the Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

6 Share Certificates

6.1 Subject to the provisions of the Statute, the Company shall issue Shares without printing Share Certificates for the Shares issued, and the details regarding such issue of Shares shall be recorded by TDCC in accordance with the Applicable Public Company Rules. A Member shall only be entitled to a Share Certificate if the Directors resolve that Share Certificates shall be issued. Share Certificates, if any, shall be in such form as the Directors may determine. Share Certificates shall be signed by one or more Directors authorised by the Directors. The Directors may authorise Share Certificates to be issued with the authorised signature(s) affixed by mechanical process. All Share Certificates shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All Share Certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles. No new Share Certificate shall be issued until the former Share Certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

6.2 In the event that the Directors resolve that Share Certificates shall be issued pursuant to Article 6.1 hereof, the Company shall deliver the Share Certificates to the subscribers within thirty days from the date such Share Certificates may be issued pursuant to the Statute, the Memorandum, the Articles and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such Share Certificates pursuant to the Applicable Public Company Rules.

6.3 No Shares may be registered in the name of more than one Member.

6.4 If a Share Certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old Share Certificate.

7 Preferred Shares

7.1 The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company ("**Preferred Shares**") with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution.

7.2 Prior to the issuance of any Preferred Shares approved pursuant to Article 7.1 hereof, the Articles shall be amended to set forth the rights and obligations of the Preferred Shares, including but not limited to the following terms, and provided that such rights and obligations of the Preferred Shares shall not contradict the mandatory provisions of Applicable Public Company Rules regarding the rights and obligations of such Preferred Shares, and the same shall apply to any variation of rights of Preferred Shares:

(a) Order, fixed amount or fixed ratio of allocation of Dividends and bonus on Preferred Shares;

(b) Order, fixed amount or fixed ratio of allocation of surplus assets of the Company;

(c) Order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Members;

(d) Other matters concerning rights and obligations incidental to Preferred Shares; and

(e) The method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply.

8 Issuance of New Shares

8.1 The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company.

8.2 Unless otherwise resolved by the Members in general meeting by Ordinary Resolution, where the Company increases its capital by issuing new Shares for cash, the Company shall make a public announcement and notify each Member that he/she/it is entitled to exercise a pre-emptive right to purchase his/her/its pro rata portion of any new Shares issued in the capital increase in cash. A waiver of such pre-emptive right may be approved at the same general meeting where the subject issuance of new Shares is approved by the Members. The Company shall state in such announcement and notices to the Members that if any Member fails to purchase his/her/its pro rata portion of the newly-issued Shares within the prescribed period, such Member shall be deemed to forfeit his/her/its pre-emptive right to purchase the newly-issued Shares. Subject to Article 6.3, in the event that Shares held by a Member are insufficient for such Member to exercise the pre-emptive right to purchase one newly-issued Share, Shares held by several Members may be calculated together for joint purchase of newly-issued Shares or for purchase of newly-issued Shares in the name of a single Member pursuant to the Applicable Public Company Rules. If the total number of the new Shares to be issued has not been fully subscribed by the Members within the prescribed period, the Company may offer any un-subscribed new Shares to be issued to the public in Taiwan or to specific person or persons according to the Applicable Public Company Rules.

8.3 Where the Company increases its capital in cash by issuing new Shares in Taiwan, the Company shall allocate 10% of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, as determined by the Directors according to the Applicable Public Company Rules and/or the instruction of the FSC or TPEx (or TWSE, as applicable), for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.

8.4 Members' rights to subscribe for newly-issued Shares may be transferred independently from the Shares from which such rights are derived. The rules and procedures governing the transfer of rights to subscribe for newly-issued Shares shall be in accordance with policies established by the

Company from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

8.5 The pre-emptive right of Members provided under Article 8.2 shall not apply in the event that new Shares are issued due to the following reasons or for the following purposes: (a) in connection with a Merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company; (b) in connection with meeting the Company's obligations under Share subscription warrants and/or options, including those referenced in Article 11; (c) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire Shares; (d) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire Shares; (e) in connection with a Private Placement; or (f) in connection with the issue of Restricted Shares in accordance with Article 8.7.

8.6 The periods of notice and other rules and procedures for notifying Members and implementing the exercise of the Members' pre-emptive rights shall be in accordance with policies established by the Directors from time to time, which policies shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

8.7 The Company may, with the approval of a Supermajority Resolution in a general meeting, issue new Shares with restricted rights to the employees of the Company ("**Restricted Shares**") and the provision of Article 8.2 shall not apply to any such issue of Restricted Shares. The terms of issue of Restricted Shares, including, but not limited to the number, issue price and issue conditions shall comply with the Applicable Public Company Rules.

8.8 Subject to the provisions of the Statute, the Company may, by resolutions of the Members passed at a general meeting attended by Members who represent a majority of the outstanding Shares and approved by the Members who represent two-thirds or more of the Shares present and entitled to vote on such resolution, conduct Private Placements, and shall comply with the Applicable Public Company Rules to determine, *inter alias*, the purchaser(s), the types of securities, the determination of the offer price, and the restrictions on transfer of securities of such Private Placement.

8.9 The Company shall notify each subscriber the deadline to pay the consideration of such subscription. If the new Shares are issued at a premium (higher than the par value), the share premiums shall be paid together with par value of the shares simultaneously. In the event that the subscriber fails to pay the full consideration of the new Shares before such deadline, the Company shall notify such subscriber to pay the consideration within a cure period no less than one month and that any failure to pay the consideration in full within the given cure period will result in such subscriber's right to subscribe the New Shares been forfeited. The subscribers who fail to pay according to the Company's notice shall be deemed to have forfeited their rights, and the New Shares subscribed by them could be offered and sold to others by the Company. Under the aforesaid circumstances, the Company is still entitled to claim against such defaulting subscribers for the compensation for loss or damage, if any.

9 Transfer of Shares

9.1 Subject to the Statute and the Applicable Public Company Rules, Shares issued by the Company shall be freely transferable.

9.2 Subject to these Articles and the Applicable Public Company Rules, any Member may transfer all or any of his Shares by an instrument of transfer.

9.3 The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

9.4 Notwithstanding Article 9.2 above, transfers of Shares which are listed on the TPEx (or TWSE, as applicable), may be effected by any method of transferring or dealing in securities permitted by TPEx (or TWSE, as applicable),which is in accordance with the Applicable Public Companies Rules as appropriate and which have been approved by the Board for such purpose.

10 Repurchase of Shares

10.1 Subject to the provisions of the Statute, the Memorandum, and the Articles, the Company may purchase its own Shares listed on the TPEx (or TWSE, as applicable) on such terms as are approved by resolutions of the Directors passed at a meeting of the board of Directors attended by more than two-thirds of members of the board and approved by a majority of the Directors present at such meeting, provided that any such repurchase shall be in accordance with the Applicable Public Company Rules. In the event that the Company proposes to purchase any Shares listed on the TPEx (or TWSE, as applicable) pursuant to this Article, the approval of the board of Directors and the implementation thereof shall be reported to the Members at the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall apply even if the Company does not implement the repurchase proposal for any reason.

10.2 The Company may make a payment in respect of the repurchase of its own Shares in any manner permitted by the Statute and the Applicable Public Company Rules.

10.3 The board of Directors may, prior to the purchase or redemption of any Share under Article 10.1, determine that such Share shall be held as Treasury Share.

10.4 Subject to the provisions of the Statute, these Articles and the Applicable Public Company Rules, the Directors may determine to cancel a Treasury Share or transfer a Treasury Share to the employees on such terms as they think proper (including, without limitation, for nil consideration).

10.5 Notwithstanding Article 10.4, if the Company repurchases any Shares traded on the TPEx (or TWSE, as applicable) and hold such Shares as Treasury Shares (the "Repurchased Treasury Shares"), any proposal to transfer the Repurchased Treasury Shares to any employees of the Company by the Company at the price below the average repurchase price paid by the Company for Repurchased Treasury Shares (the "**Average Purchase Price**") shall require the approval of a resolution passed by two-thirds or more of the Members present at the next general meeting who hold a majority of the total number of the Company's outstanding Shares as at the date of such general meeting, and shall specify such motion in the meeting notice of that general meeting in accordance with the Applicable Public Company Rules which shall not be brought up as an ad hoc motion.

10.6 The aggregate number of Treasury Shares to be transferred to employees pursuant to Article 10.5 shall not exceed 5 percent of the Company's total issued and outstanding Shares as at the date of transfer of any Treasury Shares and the aggregate number of Treasury Shares transferred to any individual employee shall not exceed 0.5 percent of the Company's total issued and outstanding Shares as at the date of transfer of any Treasury Shares to such employee. The Company may impose restrictions on the transfer of such Shares by the employee for a period of no more than two years.

10.7 Notwithstanding anything to the contrary contained in Article 10.1 to 10.6, and subject to the Statute and the Applicable Public Company Rules, the Company may, with the approval of an Ordinary Resolution, compulsorily redeem or repurchase Shares, provided that such Shares shall be cancelled upon redemption or repurchase and such redemption or repurchase will be effected pro rata based on the percentage of shareholdings of the Members, unless otherwise provided for in the Statute or the Applicable Public Company Rules. Payments in respect of any such redemption or repurchase, if any, may be made either in cash or by distribution of specific assets of the Company, as specified in the Ordinary Resolution approving the redemption or repurchase, provided that (a) the relevant Shares will be cancelled upon such redemption or repurchase and will not be held by the Company as Treasury Shares, and (b) where assets other than cash are distributed to the Members, the type of assets, the value of the assets and the corresponding amount of such substitutive distribution shall be (i) assessed by an R.O.C. certified public account before being submitted to the Members for approval and (ii) agreed to by the Member who will receive such assets.

11 Employee Incentive Programme

11.1 The Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more incentive programmes and may issue Shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries. The rules and procedures governing such incentive programme(s) shall be in accordance with policies established by the Directors from time to time in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules.

11.2 Options, warrants or other similar instruments issued in accordance with Article 11.1 above are not transferable save by inheritance.

11.3 The Company may enter into share option agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 11.1 above, whereby employees may subscribe, within a specific period of time, a specific number of the Shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme.

11.4 Directors of the Company and its Subsidiaries shall not be eligible for the employee incentive programmes under this Article 11, provided that directors who are also employees of the Company or its Subsidiaries may participate in an employee incentive programme in their capacity as an employee and not as a director of the Company or its Subsidiaries.

12 Variation of Rights of Shares

12.1 If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of Shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of Members of that class of Shares.

12.2 The provisions of the Articles relating to general meetings shall apply to every class meeting of the holders of the same class of the Shares.

12.3 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

13 Transmission of Shares

13.1 If a Member dies, the survivor or survivors where he was a joint holder, or his legal personal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share which had been jointly held by him.

13.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any way other than by transfer) shall give written notice to the Company and, upon such evidence being produced as may from time to time be required by the Directors, may elect, by a notice in writing sent by him, either to become the holder of such Share or to have some person nominated by him become the holder of such Share.

14 Amendments of Memorandum and Articles of Association and Alteration of Capital

14.1 Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:

(a) change its name;

(b) alter or add to these Articles;

(c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;

(d) reduce its share capital and any capital redemption reserve fund; and

(e) increase its authorised share capital by such sum as the resolution shall prescribe or cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person, provided that in the event of any change to its authorised share capital, the Company shall also procure the amendment of its Memorandum by the Members to reflect such change.

14.2 Subject to the provisions of the Statute and the Applicable Public Company Rules, the Company shall not, without a Supermajority Resolution:

(a) sell, transfer or lease of whole business of the Company or other matters which has a material effect on the Members' rights and interests;

(b) discharge or remove any Director;

(c) approve any action by one or more Director(s) who is engaging in business conduct for him/herself or on behalf of another person that is within the scope of the Company's business;

(d) effect any capitalization of distributable Dividends and/or bonuses and/or any other amount prescribed under Article 35 hereof;

(e) effect any Merger, Spin-off or Private Placement, provided that any Merger which falls within the definition of "merger and/or consolidation" under the Statute shall also be subject to the requirements of the Statute;

(f) enter into, amend, or terminate any agreement for lease of the Company's whole business, or for entrusted business, or for frequent joint operation with others;

(g) transfer its business or assets, in whole or in any essential part, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company;

(h) acquire or assume the whole business or assets of another person, which has material effect on the Company's operation; or

(i) Share Swap.

14.3 Subject to the provisions of the Statute, the provisions of these Articles, and the quorum requirement under the Applicable Public Company Rules, with regard to the dissolution procedures of the Company, the Company shall pass

(a) an Ordinary Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or

(b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 14.3(a) above.

14.4 Subject to the provisions of the Statute and the Applicable Public Company Rules, without a supermajority resolution passed by the Memebers holding two-thirds or more of the total issued and outstanding Shares at a general meeting attended in person or by proxy by Members who represent two-thirds or more of the total issued and outstanding Shares, the Company shall not effect any Merger where the Company is dissolved, general transfer of all assets and liabilities of the Company, Share Swap or Spin-off whereby (a) such transaction will cause the Shares to be delisted under the

Applicable Public Company Rules, and (b) the surviving, transferee, existing or newly incorporated company, as applicable, participating in such transaction is not a TPEx (or TWSE, as applicable) listed company.

15 Registered Office

Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

16 General Meetings

16.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.

16.2 The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year, and shall specify the meeting as such in the notices calling it. At these meetings, the report of the Directors (if any) shall be presented.

16.3 The Company shall hold an annual general meeting every year.

16.4 The general meetings shall be held at such time and place as the Directors shall appoint provided that unless otherwise provided by the Statute or this Article 16.4, the general meetings shall be held in Taiwan. For general meetings to be held outside Taiwan, the Company shall comply with the relevant procedures and approvals prescribed by the relevant authority in Taiwan. Where a general meeting is to be held outside Taiwan, the Company shall engage a professional securities agent in Taiwan to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

16.5 The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

16.6 A Members requisition is a requisition of Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding Shares at the time of requisition and whose Shares shall have been held by such Member(s) for at least one year.

16.7 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

16.8 If the Directors do not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules.

16.9 Other than where the board of Directors is unwilling or unable to convene a general meeting, that an Independent Director of the Audit Committee may convene a general meeting, an Independent Director of the Audit Committee may convene a general meeting for the interest of the Company if necessary.

16.10 Any one or more Members holding in aggregate more than half of the total number of the issued Shares of the Company as at the relevant book close period, for at least three (3) consecutive months may convene an extraordinary general meeting.

16.11 The board of Directors or any person who is entitled to call or convene a general meeting under these Articles may demand the Company or the Company's securities agent to provide the Register of Members.

17 Notice of General Meetings

17.1 At least thirty days' notice to each Member shall be given of any annual general meeting, and at least fifteen days' notice to each Member shall be given of any extraordinary general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned, or be given via electronic means if agreed thereon by the Members, or be given in such other manner, if any, as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed by all the Members (or their proxies) entitled to attend such general meeting.

17.2 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any Member entitled to receive notice shall not invalidate the proceedings of that general meeting.

17.3 In the event the Company has acquired public company status in accordance with Applicable Public Company Rules, the Company shall, at least thirty days prior to any annual general meeting or at least fifteen days prior to any extraordinary meeting (as the case may be), transform the notice of such general meeting, instrument of proxy, the businesses and their explanatory materials of any sanction, discussion, election or removal of Directors into electronic format and transmitted the same to the Market Observation Post System. If the voting power in any general meeting will be exercised by way of a written ballot, the written ballot and the aforementioned information of such general meeting shall together be delivered to each Member.

17.4 The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials available for inspection by the Members, which will be placed at the office of the Company's registrar (if applicable) and the Company's securities agent, distributed at the meeting venue, and transmitted to the Market Observation Post System in accordance with and within the period required by the Applicable Public Company Rules.

17.5 Matters pertaining to (a) election or discharge of Directors, (b) alteration of the Articles, (c) reduction of share capital, (d) application for de-registration as a public company, and (e) (i) dissolution, Merger, Share Swap, or Spin-off, (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the whole or any material part of the business or assets of the Company, (iv) acceptance of the transfer of the whole business or assets of another person, which has a material effect on the business operation of the Company, (f) ratification of an action by Director(s) who engage(s) in business for him/herself or on behalf of another person that is within the scope of the Company's business, (g) distribution of the whole or a part of the surplus profit of the Company in the form of new Shares, capitalization of statutory reserve and any other amount in accordance with Article 35, and (h) the Private Placement of any equity-type securities issued by the Company, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion. The material contents may be uploaded onto the website designated by the FSC or the Company, and such website shall be indicated in the notice of general meeting.

17.6 The board of Directors shall keep the Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's securities agent located in Taiwan. Any of the Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review, make copies or duplicate of the foregoing documents. The Company shall cause the Company's securities agent to provide such Member(s) with access to above documents.

17.7 The Company shall make all statements and records prepared by the board of Directors and the report prepared by the audit committee, if any, available at the office of its registrar (if applicable) and its securities agent located in Taiwan in accordance with Applicable Public Company Rules and

the Statute. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such an inspection and review.

18 Proceedings at General Meetings

18.1 No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Articles, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting.

18.2 The board of Directors shall submit business reports, financial statements and proposals for distribution of profits or covering of losses prepared by it for the purposes of annual general meetings of the Company for ratification or approval by the Members as required by the Applicable Public Company Rules. After ratification or approval by the general meeting, the board of Directors shall distribute or make publicly available on the Market Observation Post System the copies of the ratified financial statements and the Company's resolutions on the allocation and distribution of profits or covering of loss, to each Member in accordance with the Applicable Public Company Rules.

18.3 Unless otherwise expressly provided herein and subject to the Applicable Public Company Rules, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been postponed for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with the Articles.

18.4 If a general meeting is called by the Directors, the chairman of the Directors shall preside as the chair of such general meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the vice chairman of the Directors shall act in lieu of the chairman. If there is no vice chairman of the Directors, or if the vice chairman of the Directors is also on leave of absence, or cannot exercise his powers and authorities, the chairman shall designate a Director to chair such general meeting. If the chairman does not designate a proxy or if such chairman's proxy cannot exercise his powers and authorities, the Directors who are present at the general meeting shall elect one from among themselves to act as the chair at such general meeting in lieu of the chairman. If a general meeting is called by any person(s) other than the Directors, the person(s) who has called the meeting shall preside as the chair of such general meeting; and if there is more than one person who has called a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.

18.5 A resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of the meeting shall be decided by a show of hands. In computing the required majority when a poll is demanded regard should be had to the number of votes to which each Member is entitled by the Articles.

18.6 In the case of an equality of votes, the chairman shall not be entitled to a second or casting vote.

18.7 Nothing in the Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution. The Taipei District Court, R.O.C., shall be the court of competent jurisdiction for adjudicating any disputes arising out of the foregoing.

18.8 Unless otherwise expressly required by the Statute, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an Ordinary Resolution.

18.9 Member(s) holding 1% or more of the total number of outstanding Shares immediately prior to the relevant book closed period may propose to the Company a proposal for discussion at an annual general meeting in writing or by electronic transmission to the extent and in accordance with the

rules and procedures of general meetings proposed by the Directors and approved by an Ordinary Resolution. Proposals shall not be included in the agenda where (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) where the matter of such proposal may not be resolved by a general meeting, (c) the proposing Member has proposed a proposal containing more than 300 words, or more than one proposal, or (d) such proposal is submitted on a day beyond the deadline announced by the Company for accepting the Member's proposals; provided however, if any of proposal from such Member(s) is to urge the Company to promote public interests or fulfill its social responsibilities, the board of the Directors may accept such proposal to be discussed at a general meeting.

19 Votes of Members

19.1 Subject to any rights or restrictions attached to any Shares, every Member who is present in person or by proxy shall have one vote for every Share of which he is the holder.

19.2 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.

19.3 Any objection raised to the qualification of any voter by a Member having voting rights shall be referred to the chairman whose decision shall be final and conclusive.

19.4 Votes may be cast either personally or by proxy. A Member may appoint only one proxy under one instrument to attend and vote at a meeting.

19.5 A Member holding more than one Share is required to cast the votes in respect of his Shares in the same way on any resolution; provided that a Member who holds Shares for the benefit of others may, to the extent permissible by the provisions of the Statute, cast the votes of the Shares in different ways in accordance with the Applicable Public Company Rules.

19.6 If a general meeting is to be held in Taiwan, the Directors may determine in their discretion that the voting power of a Member at such general meeting may be exercised by way of a written ballot or by way of an electronic transmission. If a general meeting is to be held outside of Taiwan, the methods by which Members are permitted to exercise their voting power shall include written ballot or voting by way of an electronic transmission. Where these methods of exercising voting power are to be available at a general meeting, they shall be described in the general meeting notice given to the Members in respect of the relevant general meeting, and the Member voting by written ballot or electronic transmission shall submit such vote to the Company two days prior to the date of the relevant meeting. In case that there are duplicate submissions, the first received by the Company shall prevail. A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Public Company Rules. The chairman, acting as proxy of a Member, shall not exercise the voting right of such Member in any way not stipulated in the written or electronic document, nor exercise any voting right in respect of any resolution revised at the meeting or any impromptu proposal at the meeting. A Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc resolution or amendment to the original agenda items to be resolved at the said general meeting. Should the chairman not observe the instructions of a Member in exercising such Member's voting right in respect of any resolution, the Shares held by such Member shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting.

19.7 A Member who has submitted a vote by written ballot or electronic transmission pursuant to Article 19.6 may, at least two days prior to the date of the relevant general meeting, revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6. If a Member who has submitted a written ballot or electronic transmission pursuant to Article 19.6 does

not submit such a revocation before the prescribed time, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6 shall not be revoked and the chairman of the general meeting shall exercise the voting right of such Member in accordance with that proxy.

19.8 If, subsequent to submitting a written ballot or electronic transmission pursuant to Article 19.6, a Member submits a proxy appointing a person of the general meeting as his proxy to attend the relevant general meeting on his behalf, then the subsequent appointment of that person as his proxy shall be deemed to be a revocation of such Member's deemed appointment of the chairman of the general meeting as his proxy pursuant to Article 19.6.

20 Proxies

20.1 An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

20.2 Obtaining an instrument of proxy for attendance of general meetings shall be subject to the following conditions:

(a) the instrument of proxy shall not be obtained in exchange for money or any other interest, provided that this provision shall not apply to souvenirs for a general meeting distributed on behalf of the Company or reasonable fees paid by the Solicitor to any person mandated to handle proxy solicitation matters;

(b) the instrument of proxy shall not be obtained in the name of others; and

(c) an instrument of proxy obtained through solicitation shall not be used as a non-solicited instrument of proxy for attendance of a general meeting.

20.3 Except for the securities agent, a person shall not act as the proxy for more than thirty Members. Any person acting as proxy for three or more Members shall submit to the Company or its securities agent (a) a statement of declaration declaring that the instruments of proxy are not obtained for the purpose of soliciting on behalf of himself/herself or others; (b) a schedule showing details of such instruments of proxy; and (c) the signed or sealed instruments of proxy, in each case, five days prior to the date of the general meeting.

20.4 The Company may mandate a securities agent to act as the proxy for the Members for any general meeting provided that no resolution in respect of the election of Directors is proposed to be voted upon at such meeting. Matters authorized under the mandate shall be stated in the instructions of the instruments of proxy for the general meeting concerned. A securities agent acting as the proxy shall not accept general authorisation from any Member, and shall, within five days after each general meeting of the Company, prepare a compilation report of general meeting attendance by proxy comprising the details of proxy attendance at the general meeting, the status of exercise of voting rights under the instrument of proxy, a copy of the contract, and other matters as required by the R.O.C. securities competent authorities, and maintain the compilation report available at the offices of the securities agent.

20.5 Except for a Member appointing the chairman of a general meeting as his proxy through written ballot or electronic transmission in the exercise of voting power pursuant to Article 19.6, or for trust enterprises organized under the laws of the R.O.C. or a securities agent approved pursuant to Applicable Public Company Rules, in the event a person acts as the proxy for two or more Members, the sum of Shares entitled to be voted as represented by such proxy shall be no more than 3% of the total outstanding voting Shares immediately prior to the relevant book closed period; any vote in respect of the portion in excess of such 3% threshold shall not be counted. For the avoidance of doubt, the number of the Shares to be represented by a securities agent mandated by the Company in accordance with Article 20.4 shall not be subject to the limit of 3% of the total number of the outstanding voting Shares set forth herein.

20.6 The Shares represented by a person acting as the proxy for three or more Members shall not be more than four times of the number of Shares held by such person and shall not exceed 3% of the total number of the outstanding Shares.

20.7 In the event that a Member exercises his/her/its voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his voting power by way of a written ballot or electronic transmission, he shall, at least two days prior to such general meeting, serve the Company with a separate notice revoking his previous appointment of proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.

20.8 Each Member is only entitled to execute one instrument of proxy to appoint one proxy. The instrument of proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. In case that there are duplicate instruments of proxy received from the same Member by the Company, the first instrument of proxy received by the Company shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous instrument of proxy in the later-received instrument of proxy.

20.9 The instrument of proxy shall be in the form approved by the Company and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the Solicitor (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.

20.10 In the event that a resolution in respect of the election of Directors is proposed to be voted upon at a general meeting, each instrument of proxy for such meeting shall be tallied and verified by the Company's securities agent or any other mandated securities agent prior to the time for holding the general meeting. The following matters should be verified:

(a) whether the instrument of proxy is printed under the authority of the Company;

(b) whether the instrument of proxy is signed or sealed by the appointing Member; and

(c) whether the Solicitor or proxy (as the case may be) is named in the instrument of proxy and whether the name is correct.

20.11 The material contents required to be stated in the instruments of proxy, the meeting handbook or other supplemental materials of such general meeting, the written documents and advertisement of the Solicitor for proxy solicitation, the schedule of the instruments of proxy, the proxy form and other documents printed and published under the authority of the Company shall not contain any false statement or omission.

20.12 Votes given in accordance with the terms of an instrument of proxy shall be valid unless notice in writing was received by the Company at the Registered Office at least two days prior to the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy. The notice must set out expressly the reason for the revocation of the proxy, whether due to the incapacity or the lack in authority of the principal at the time issuing the proxy or otherwise.

20.13 A Member who has appointed a proxy shall be entitled to make a request to the Company or its securities agent for examining the way in which his instrument of proxy has been used, within seven days after the relevant general meeting.

20.14 If a general meeting is to be held outside of the R.O.C., the Company shall engage a professional securities agent within the R.O.C. to handle the voting by the Members.

21 Proxy Solicitation

Subject to the provisions of the Statute, matters regarding the solicitation of proxies shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.

22 Dissenting Member's Appraisal Right

22.1 In the event any of the following resolutions is adopted at general meetings, any Member who has notified the Company in writing of his objection to such a resolution prior to the meeting and has raised again his/her objection at the meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price:

(a) The Company enters into, amends, or terminates any agreement for any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to other or the regular joint operation of the Company with others;

(b) The Company transfers the whole or a material part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or

(c) The Company accepts the transfer of the whole business or assets of another person, which has a material effect on the Company's business operations.

22.2 In the event any part of the Company's business is Spun Off or involved in any Merger, Acquisition, or Share Swap, the Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his/her Shares at the then prevailing fair price.

22.3 The request prescribed in the preceding two Articles shall be delivered to the Company in writing, stating therein the types and numbers of Shares to be repurchased and the requested purchase price, within twenty days commencing from the date on which the resolution was adopted. In the event the Company has reached an agreement in regard to the purchase price with the dissenting Member in regard to the Shares of such Member (the "**appraisal price**"), the Company shall pay such price within ninety days commencing from the date on which the resolution was adopted. In the event the Company fails to reach such agreement with the dissenting Member, the Company shall pay the fair price determined by the Company to such Member within ninety days commencing from the date on which the resolution was adopted, and the Company will be deemed to have agreed to the purchase price requested by the Member if the Company fails to pay within such ninety days.

22.4 With respect to the request made by the dissenting Members pursuant to Article 22.3, in the event the Company fails to reach agreement with any of the dissenting Members in regard to the purchase price within sixty days commencing from the date on which the resolution was adopted, the Company shall, within thirty days after such sixty-day period, file a petition against all such dissenting Members with the Taipei District Court, R.O.C. as the court of competent jurisdiction for a ruling on the appraisal price, and such ruling by such R.O.C. court shall be binding and conclusive as between the Company and such dissenting Members solely with respect to the appraisal price. Notwithstanding the above provisions under this Article 22.4, nothing under this Article shall restrict or prohibit a Member from exercising his right under section 238 of the Statute to payment of the fair value of his shares upon dissenting from a merger or consolidation.

22.5 The payment of appraisal price shall be made at the same time as the delivery of Share Certificates, and transfer of such Shares shall be effective at the time when the transferee's name is entered on the Register of Members.

23 Corporate Members

Any corporation or entity which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the such corporate Member which he represents as the corporation could exercise if it were an individual Member.

24 Shares that May Not be Voted

24.1 Shares in the Company that are beneficially owned by the Company (including Subsidiaries) shall not be voted, directly or indirectly, at any general meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

24.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with those of the Company, shall abstain from voting such Member's Shares in regard to such motion but such Shares may be counted in determining the number of Shares of the Members present at the such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member.

24.3 If any Director creates or has created security over any Shares held by him, then he shall notify the Company of such security. If at any time the security created by a Director is in respect of more than half of the Shares held by him at the time of his appointment, then the voting rights attached to the Shares held by such Director at such time shall be reduced, such that the Shares over which security has been created which are in excess of half of the Shares held by the Director at the date of his appointment shall not carry voting rights and shall not be counted in the number of votes casted by the Member at a general meeting.

25 Directors

25.1 There shall be a board of Directors consisting of no less than five (5) persons and no more than twenty-one (21) persons, including Independent Directors. Before the election of Directors at a general meeting, Director candidates shall be nominated for election at a general meeting in accordance with the Directors candidate nomination system stipulated in the Applicable Public Company Rules. The shareholders shall elect the Directors from among the nominees listed in the roster of nominated Director candidates. The elections of Independent Directors and other Directors shall be held at the same general meeting, but the votes for the election of the Independent Directors shall be calculated separately in accordance with Article 27.2. Matters related to the candidate nomination, including (without limitation) nomination procedures and announcement of the director candidates, shall be done in accordance with the Applicable Public Company Rules. The Directors shall be appointed to a term of office of three (3) years and may be eligible for re-election. The Company may from time to time by the resolution of Directors increase or reduce the number of Directors subject to the above number limitation provided that the requirements by relevant laws and regulations (including but not limited to any listing requirements) are met.

25.2 Unless otherwise approved by TPEx (or the TWSE, if applicable), not more than half of the total number of Directors can have a spousal relationship or familial relationship within the second degree of kinship with any other Directors.

25.3 In the event that the Company convenes a general meeting for the election of Directors and any of the Directors elected does not meet the requirements provided in Article 25.2 hereof, the non-qualifying Director(s) who was elected with the fewest number of votes shall be deemed not to have been elected, to the extent necessary to meet the requirements provided in Article 25.2 hereof. Any person who has already served as Director but is in violation of the aforementioned requirements shall vacate the position of Director automatically.

25.4 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules,

at least one of the Independent Directors shall be domiciled in the R.O.C. and at least one of the same shall have accounting or financial expertise.

25.5 Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be governed by the Applicable Public Company Rules.

25.6 Any Member(s) holding 1% or more of the Company's issued capital for at least six months may in writing request the Audit Committee to bring action against the Directors in the Taipei District Court, R.O.C., as the court of competent jurisdiction. If the Audit Committee failed to bring such action within thirty days after the request by the Member, such Member may bring the action in the Taipei District Court, R.O.C.,as the court of competent jurisdiction in the name of the Company.

26 Powers of Directors

26.1 Subject to the provisions of the Statute, the Memorandum and the Articles and to any directions given by Ordinary Resolution, Special Resolution or Supermajority Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

26.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.

26.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

26.4 The Company may purchase liability insurance for Directors and the Directors shall determine terms of such insurance by resolution, taking into account the standards of the industry within the R.O.C. and overseas.

26.5 The Directors shall faithfully carry out their duties with care, and may be held liable for the damages suffered by the Company for any violation of such duty. The Company may by Ordinary Resolution of any general meeting demand the Directors to disgorge any profit realised from such violation and regard the profits realised as the profits of the Company as if such violation was made for the benefit of the Company. The Directors shall indemnify the Company for any losses or damages incurred by the Company if such loss or damage is incurred as a result of a Director's breach of laws or regulations in the course of performing his duties. The duties of the Directors shall also apply to the managers of the Company.

27 Appointment and Removal of Directors

27.1 The Company may by a majority or, if less than a majority, the most number of votes, at any general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 27.2 below. The Company may by Supermajority Resolution remove any Director. Members present in person or by proxy, representing more than one-half of the total outstanding Shares shall constitute a quorum for any general meeting to elect one or more Directors.

27.2 Directors shall be elected pursuant to a cumulative voting mechanism pursuant to a poll vote, the procedures for which has been approved and adopted by the Directors and also by an Ordinary Resolution, where the number of votes exercisable by any Member shall be the same as the product of the number of Shares held by such Member and the number of Directors to be elected ("Special

Ballot Votes"), and the total number of Special Ballot Votes cast by any Member may be consolidated for election of one Director candidate or may be split for election amongst multiple Director candidates, as specified by the Member pursuant to the poll vote ballot. There shall not be votes which are limited to class, party or sector, and any Member shall have the freedom to specify whether to concentrate all of its votes on one or any number of candidate(s) without restriction. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a Director elect, and where more than one Director is being elected, the top candidates to whom the votes cast represent a prevailing number of votes relative to the other candidates shall be deemed directors elect. The rule and procedures for such cumulative voting mechanism shall be in accordance with policies proposed by the Directors and approved by an Ordinary Resolution from time to time, which policies shall be in accordance with the Memorandum, the Articles and the Applicable Public Company Rules.

27.3 If a Member is a corporation, the authorised representative of such Member may be elected as Director. If such Member has more than one authorised representative, each of the authorised representatives of such Member may be nominated for election at a general meeting.

28 Vacation of Office of Director

28.1 The Company may from time to time remove any Director from office before the expiration of his term of office notwithstanding anything in the Articles to the contrary and may elect new Director to fill such vacancy in accordance with Article 27.1, and unless the resolution approving such removal and election provides otherwise, the retiring Director's office shall be deemed discharged upon the passing of such resolution prior to the expiration of such Director's applicable term of office.

28.2 In the event of any of the following events having occurred in relation to any Director, such Director shall be vacated automatically:

(a) he gives notice in writing to the Company that he resigns the office of Director;

(b) he dies, becomes bankrupt, or had liquidation proceeding commenced against him by a court, or makes any arrangement or composition with his creditors generally;

(c) an order is made by any competent court or official on the grounds that he is or will be suffering from mental disorder or is otherwise incapable of managing his affairs, or his/her legal capacity is restricted according to the applicable laws;

(d) he commits a felony and is subsequently adjudicated guilty by a final judgment, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term or less than five years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned;

(e) he commits any criminal offence of fraud, breach of trust or misappropriation and is subsequently sentenced with imprisonment for a term of more than one year, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term or less than two years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned;

(f) he is adjudicated guilty by a final judgment for committing the offense as specified in the Anti-corruption Act of R.O.C., misappropriating Company or public funds during the time of his service, and has not commenced to serve the term of the sentence yet, or has commenced to serve the term of sentence but not served the full term or less than two years have elapsed from the date of completion of the full sentence, expiry of probation period or date in which he has been pardoned;

(g) he is dishonoured for unlawful use of credit instruments, and the term of such sanction has not expired yet;

(h) the Members resolve by a Supermajority Resolution that he should be removed as a Director;

(i) in the event that he has, in the course of performing his duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of outstanding Shares shall have the right, within thirty days after that general meeting, to petition the Taipei District Court, R.O.C. as the competent court for the removal of such Director, at the Company's expense and such Director shall be removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (i), final judgement shall be given by such competent court;

(j) is vacated from his office automatically in accordance with Article 28.3; or

(k) he becomes subject to the order of commencement of assistance due to incapacity pursuant to relevant Taiwan law and the order has not yet been revoked.

In the event that the foregoing events described in any of clauses (b), (c), (d), (e), (f), (g) and (k) has occurred in relation to a Director elect, such Director elect shall be disqualified from being elected as a Director.

28.3 For so long as the Shares are listed on TPEx or TWSE, subject to the Statute and Applicable Public Company Rules, if during the term of office of a Director, any Director (not including Independent Directors) transfers some or all of his Shares such that he holds less than one half of the total number of Shares held by him at the time of his election as a Director, he shall, ipso facto, be vacated from the office of Director automatically.

28.4 For so long as the Shares are listed on TPEx or TWSE, subject to the Statute and Applicable Public Company Rules, if any person is proposed for appointment as a Director (each such person a "proposed director") (not including Independent Directors) at a general meeting (the "relevant general meeting"), such proposed director's appointment shall not become effective (regardless of whether such appointment is purportedly approved at the relevant general meeting, and any resolution which purports to approve such appointment, to the extent it relates to the proposed director's appointment, shall be invalid and ineffective):

(a) if the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the time of the relevant general meeting, during the period after the relevant general meeting, but prior to the commencement of such proposed director's term of office; or

(b) if the proposed director sells or transfers more than one half of the total number of Shares which he holds (or held) at the commencement of the relevant Register Closure Period, during the relevant Register Closure Period.

For the purpose of this Article 28.4, the "Register Closure Period" means, in relation to any general meeting, the period during which the Register of Members is closed for transfers of Shares prior to such general meeting up to and including the date of such general meeting."

29 Proceedings of Directors

29.1 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be over one half of the total number of Directors elected. If the number of Directors is less than five (5) persons due to the vacation of Director(s) for any reason, the Company shall hold an election of Director(s) at the next following general meeting. When the number of vacancies in the board of Directors of the Company is equal to one third of the total number of Directors elected, the board of Directors shall hold, within sixty days, a general meeting of Members to elect succeeding Directors to fill the vacancies.

29.2 Unless otherwise permitted by the Applicable Public Company Rules, if the number of Independent Directors is less than three persons due to the vacation of Independent Directors for any reason, the

Company shall hold an election of Independent Directors at the next following general meeting. Unless otherwise permitted by the Applicable Public Company Rules, if all of the Independent Directors are vacated, the board of Directors shall hold, within sixty days, a general meeting to elect succeeding Independent Directors to fill the vacancies.

29.3 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. Any motions shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.

29.4 A person may participate in a meeting of the Directors or committee of Directors by video conference. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. The time and place for a meeting of the Directors or committee of Directors shall be at the office of the Company and during business hours or at a place and time convenient to the Directors and suitable for holding such meeting.

29.5 The notice of calling a meeting of the Directors shall be delivered by at least seven days' notice in writing (which may be a notice delivered by facsimile transmission or electronic mail) to every Director which notice shall set forth the general nature of the business to be considered. In the event of an urgent situation, a meeting of Directors may be held at any time after notice has been given in accordance with the Applicable Public Company Rules.

29.6 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of summoning a general meeting of the Company, but for no other purpose.

29.7 The Directors shall, by a resolution, establish rules governing the procedure of meeting(s) of the Directors and report such rules to a meeting of Members, and such rules shall be in accordance with the Articles and the Applicable Public Company Rules.

29.8 All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and qualified to be a Director as the case may be.

29.9 A Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

30 Directors' Interests

30.1 A Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

30.2 The Directors may be paid remuneration only in cash. The amount of such remuneration shall be determined by the Directors and take into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive salaries in respect of their service as Directors as may be recommended by the compensation committee and determined by the Directors, or a combination partly of one such method and partly another, provided that any such determination shall be in accordance with the Applicable Public Company Rules.

30.3 Unless prohibited by the Statute or by the Applicable Public Company Rules, a Director may himself or through his firm act in a professional capacity on behalf of the Company and he or his firm shall be entitled to such remuneration for professional services as if he were not a Director.

30.4 A Director who engages in conduct either for himself or on behalf of another person within the scope of the Company's business, shall disclose to Members, at a general meeting prior to such conduct, a summary of the major elements of such interest and obtain the ratification of the Members at such general meeting by a Supermajority Resolution vote. In case a Director engages in business conduct for himself or on behalf of another person in violation of this provision, the Members may, by an Ordinary Resolution, require the disgorgement of any and all earnings derived from such act, except when at least one year has lapsed since the realization of such associated earnings.

30.5 Notwithstanding anything to the contrary contained in this Article 30, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with the interest of the Company, shall disclose to the meeting his or her interest and the material information of such interest, and shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. In the event the Company is engaging in any Merger, Acquisition, or Spin-off, each Director shall discloses the material information of his or her personal interest with such transaction, and his or her reason(s) to approve or disapprove the proposed resolution of such transaction in the relevant meeting of the Directors and the meeting of the Members.

Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director, has a personal interest in the matter under discussion at a meeting of the Directors in the preceding paragraph, such Director shall be deemed to have a personal interest in such matter.

31 Minutes

The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of Directors including the names of the Directors present at each meeting.

32 Delegation of Directors' Powers

32.1 Subject to the Applicable Public Company Rules, the Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him provided that the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

32.2 The Directors may establish any committees or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees. Any such appointment may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of any such committee shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

32.3 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.

32.4 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other

appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.

32.5 The Directors shall appoint a chairman and may appoint such other officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer may be removed by resolution of the Directors.

32.6 Notwithstanding anything to the contrary contained in this Article 32, unless otherwise permitted by the Applicable Public Company Rules, the Directors shall establish an audit committee comprised of all of the Independent Directors, one of whom shall be the chairman, and at least one of whom shall have accounting or financial expertise to the extent required by the Applicable Public Company Rules. A resolution of the audit committee shall be passed by one-half or more of all members of such committee. The rules and procedures of the audit committee shall be in accordance with policies proposed by the members of the audit committee and passed by the Directors from time to time, which shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and the instruction of the FSC or TPEx (or TWSE, as applicable), if any. The Directors shall, by a resolution, adopt a charter for the audit committee in accordance with these Articles and the Applicable Public Company Rules.

32.7 Any of the following matters of the Company shall require the consent of one-half or more of all audit committee members and be submitted to the board of Directors for resolution:

(a) Adoption or amendment of an internal control system of the Company;

(b) Assessment of the effectiveness of the internal control system;

(c) Adoption or amendment of handling procedures for significant financial or operational actions, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees on behalf of others;

(d) A matter where a Director has a personal interest;

(e) A material asset or derivatives transaction;

(f) A material monetary loan, endorsement, or provision of guarantee;

(g) The offering, issuance, or Private Placement of any equity-type securities;

(h) The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;

(i) The appointment or removal of a financial, accounting, or internal auditing officer;

(j) Annual and semi-annual financial reports;

(k) Any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

Except for item (j) above, any matter under subparagraphs (a) through (k) of the preceding paragraph that has not been approved with the consent of one-half or more of the audit committee members may be undertaken only upon the approval of two-thirds or more of all Directors, without regard to the restrictions of the preceding paragraph, and the resolution of the audit committee shall be recorded in the minutes of the Directors meeting.

32.8 Before the Company convenes a meeting of the Directors to approve any Merger, Acquisition, or Spin-off, the audit committee shall convene a meeting to review the plan and the fairness and reasonability of such transaction, and adopt a resolution on such proposed plan and transaction as

the conclusion of such review, the audit committee shall report their resolution to the meeting of the Directors and the meeting of the Members (to the extent that such transaction requires the approval of the meeting of the Members under the Statute or these Articles). During the audit committee's review, the audit committee shall seek a fairness opinion from the independent expert advisor with respect to the share exchange ratio, or the amount of cash or other assets to be distributed to the Members. The resolution made as the conclusion of the audit committee's review, and such independent expert advisor's opinion shall be given to the Members along with the notice of meeting of the Members (to the extent that such transaction requires the approval of the meeting of the Members under the Statute or these Articles). If the approval of the meeting of the Members under the Statute or these Articles is not required, the Company shall report such transaction in the next meeting of the Members. In the event that the Company has disclosed the same contents on the website designated by the FSC, and make above documents available at the place of the meeting of the Members for review, the documents shall be deemed having been given to the Members.

32.9 The Directors shall establish a remuneration committee in accordance with the Applicable Public Company Rules. The number of members of the remuneration committee, professional qualifications, restrictions on shareholdings and position that a member of the remuneration committee may concurrently hold, and assessment of independence with respect to the members of the remuneration committee shall comply with the Applicable Public Company Rules. The remuneration committee shall comprise of no less than three members, one of which shall be appointed as chairman of the remuneration committee. The rules and procedures for convening any meeting of the remuneration committee shall comply with policies proposed by the members of the remuneration committee and approved by the Directors from time to time, provided that the rules and procedures approved by the Directors shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and any directions of the FSC or TPEx (or TWSE, as applicable). The Directors shall, by a resolution, adopt a charter for the remuneration committee in accordance with these Articles and the Applicable Public Company Rules.

32.10 The remuneration referred in the preceding Article shall include the compensation, salary, stock options and other incentive payment to the Directors and managers of the Company. Unless otherwise specified by the Applicable Public Company Rules, the managers of the Company for the purposes of this Article 32.9 shall mean executive officers of the Company with the rank of Vice President or higher and have the powers to make decisions for the Company.

33 Seal

33.1 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. The use of Seal shall be in accordance with the use of Seal policy adopted by the Directors from time to time.

33.2 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals, each of which shall be a facsimile of the common Seal of the Company and kept under the custody of a person appointed by the Directors, and if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

33.3 A person authorized by the Directors may affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

34 Dividends, Distributions and Reserve

34.1

(a) The Company shall reserve no less than 3% of its annual profit as employee bonuses, and no more than 3% of its annual profit as director bonuses, provided that the annual profit be used to offset the Company's accumulative deficits first.

(b) The "annual profit" in the preceding paragraph shall be a sum equal to the Company's pre-tax profit before deduction of the aforementioned employee bonuses and director bonuses. The reservation of employee bonuses and director bonuses shall be approved by a majority of the board of Directors at a meeting attended by at least 2/3 of the Directors, and the decision of the Directors shall be reported to the Members at the general meeting. Employee bonuses may be distributed in shares (which may be distributed under an incentive programme approved pursuant to Article 11) or cash, and its distribution may include distribution to certain qualified employees of the Company's Subsidiaries. Any Director who also serves as an executive officer of the Company may receive a bonus in his capacity as a Director and a bonus as an employee.

(c) If the Company records profit in any given year, it shall, in the following order, pay taxes for the relevant financial year, offset its losses in previous years that have not been previously offset, set aside a legal capital reserve at 10% of the profit left over, until accumulated legal capital reserve has equalled the total capital of the Company, and set aside a special capital reserve, if one is required, in accordance with the Applicable Public Company Rules or as requested by the authorities in charge. Any profit left over may be distributed, along with accumulative profits not yet distributed, pursuant to the distribution plan proposed by the board of Directors and approved by the Members by an Ordinary Resolution ("distributable profit"), provided that for the distribution of cash dividends, the board of Directors are authorized to approve according to subparagraph (d) below. Any such distributable profit may be distributed as Dividends (including cash dividends or stock dividends) in accordance with the Statute and the Applicable Public Company Rules and after the board of Directors taking into consideration financial, business and operational factors with the amount of Dividends distributed to Members not lower than 10% of distributable profit of the then current year, and the amount of cash dividends distributed thereupon shall not be less than 10% of the profits proposed to be distributed as Dividends of the then current year.

(d) The Company may, upon approval by a majority of the Directors present at a meeting attended by two thirds or more of total number of the Directors, pay Dividends/bonus, in whole or in part, by cash, and the board of Directors shall then report such distribution to the subsequent general meeting.

34.2 Subject to the Statute and this Article, the Directors may declare Dividends and distributions on Shares in issue and authorise payment of the Dividends or distributions out of the funds of the Company lawfully available therefor. No Dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.

34.3 Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid in proportion to the number of Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date that Share shall rank for Dividend accordingly.

34.4 The Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on any account.

34.5 The Directors may, after obtaining an Ordinary Resolution, declare that any distribution other than a Dividend be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

34.6 Any Dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

34.7 No Dividend or distribution shall bear interest against the Company.

34.8 Any Dividend which cannot be paid to a Member and/or which remains unclaimed after six months from the date of declaration of such Dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend shall remain as a debt due to the Member. Any Dividend which remains unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.

35 Capitalisation

Subject to Article 14.2(d), the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit such that Shares shall not become distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

36 Tender Offer

Within seven days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Public Company Rules, the board of the Directors shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

1. The types and amount of the Shares held by the Directors and the Members holding more than 10% of the outstanding Shares in its own name or in the name of other persons.

2. Recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.

3. Whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.

4. The types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Members holding more than 10% of the outstanding Shares held in its own name or in the name of other persons.

37 Books of Account

37.1 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

37.2 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a

Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.

37.3 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

37.4 Minutes and written records of all meetings of Directors, any committees of Directors, and any general meeting shall be made in the Chinese language with an English translation. In the event of any inconsistency between the Chinese language version and the relevant English translation, the Chinese language version shall prevail, except in the case where a resolution is required to be filed with the Registrar of Companies of Cayman Islands, in which case the English language version shall prevail.

37.5 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one year.

38 Notices

38.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, or e-mail to him or to his address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent by airmail.

38.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted. Where a notice is sent by cable, or telex, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

38.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under the Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

38.4 Notice of every general meeting shall be given in any manner hereinbefore authorised to every person shown as a Member in the Register of Members on the record date for such meeting and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

39 Winding Up

39.1 If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

39.2 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute and in compliance with the Applicable Public Company Rules, divide amongst the Members in proportion to the number of Shares they hold the whole or any part of the assets of the Company in kind (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

40 Financial Year

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

41 Transfer by way of Continuation

If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

42 Litigation and Non-Litigation Agent in the R.O.C.

Subject to the provisions of the Statute, the Company shall, by a resolution of the Directors, appoint or remove a natural person domiciled or resident in the territory of the R.O.C. to be its litigation and non-litigation agent in the R.O.C., pursuant to the Applicable Public Company Rules, and under which the litigation and non-litigation agent shall be the responsible person of the Company in the R.O.C. The Company shall report such appointment and any change thereof to the competent authorities in the R.O.C. pursuant to the Applicable Public Company Rules.

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Appendix 2

IntelliEPI Inc. (Cayman)
Procedures for Handling the Acquisition and Disposal of Assets”

Adopted on：2012/7/5 BOD and 2012/9/27 AGM
1st amendment on：2013/3/27 BOD and 2013/4/30 AGM
2nd amendment on：2014/3/26 BOD and 2014/6/20 AGM
3rd amendment on：2017/3/28 BOD and 2017/6/22 AGM
4th amendment on：2019/2/21 BOD and 2019/6/28 AGM

Chapter I General Principles

Article 1
These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act").

Article 2
The Company shall handle the acquisition or disposal of assets in compliance with these Regulations; provided, where another law or regulation provides otherwise, such provisions shall govern.

Article 3
The term "assets" as used in these Regulations includes the following:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
6. Right-of-use assets.
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4
Terms used in these Regulations are defined as follows:
1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another

company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5

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

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

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

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the

information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 6 Evaluation procedure

The Company's acquisition or disposal of assets shall follow following evaluation procedure：

1. The Company's acquisition or disposal of securities from stock exchange shall be approved in accordance with authority matrix standard. The Company's acquisition or disposal of securities from non-stock exchange or private placement shall be approved in accordance with authority matrix standard and board of directors. Material assets transaction shall be approved by audit committee and Board of directors.
2. The Company's acquisition or disposal of real property or equipment shall adopt either price comparison, negotiating or competitive bidding. Real property shall refer to publicly announced current value or nearby transactions and approved in accordance with authority matrix standard. Material assets transaction shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution.
3. The Company's acquisition or disposal of membership shall evaluate from appreciation of assets and cost efficiency and shall be approved in accordance with authority matrix standard.
4. The Company's acquisition or disposal of patent, copyright, trademark, chartered rights shall evaluate from expected income, development status and production cost.

Chapter II Disposition Procedures

Section I Establishment of Disposition Procedures

Article 7

The Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to audit committee, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to audit committee.

When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

When the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

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

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 8

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

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

Any transaction involving major assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

Section II Acquisition or Disposal of Assets

Article 9

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

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
   A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
   B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 10

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of

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

Article 11
Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 12
The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 29, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 13
Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 14
Total amounts of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary for business use, and limits on individual securities.
1. The Company's purchase of real property which is not for business use shall not exceed 20% of the Company's net worth. Subsidiaries' purchase of real property which is not for business use shall not exceed 10% of the Company's net worth.
2. The Company's securities acquisition shall not exceed 40% of the Company's net worth. Each subsidiary's securities acquisition shall not exceed 20% of the Company's net worth.
3. The Company's individual securities acquisition shall not exceed 40% of the Company's net worth. Each subsidiary's individual securities acquisition shall not exceed 20% of the Company's net worth. The acquisition amount is based on original investment cost.
4. The Company's membership or intangible assets acquisition shall not exceed 40% of the Company's net worth.

Section III Related Party Transactions

Article 15
When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12 herein.

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

Article 16
When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:
1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 17 and Article 18.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 29, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.
1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

The matters for which paragraph 1 requires recognition by the audit committee shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

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

Article 17

The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

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

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

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

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

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

Article 18

When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 19. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
   A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over

the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

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

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

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

Article 19

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

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
2. Audit committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Section IV Engaging in Derivatives Trading

Article 20

The Company’s derivatives trading shall follow the Company’s “Procedures for the Handling of Derivatives Trading”.

Section V Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

Article 21
The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 22
The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

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

Article 23
A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Article 24
Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 25
The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 26
The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 27
After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the

limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 28
Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not the Company, the Company(s) shall sign an agreement with the non-the Company whereby the latter is required to abide by the provisions of Article 23, Article 24, and the preceding Article.

Chapter III Public Disclosure of Information

Article 29
Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
   A. For the Company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.
   B. For the Company whose paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more.
5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is less than NT$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances:
   A. Trading of domestic government bonds.
   B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
   C. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

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

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

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic the Company and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

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

Article 30
Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:
1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 31
The company would not renounce its subsidiary Intelligent Epitaxy Technology's (or "IET-US") cash capital increase. IET-US would not renounce its subsidiary IntelliEPI Japan (or "IET-Japan"), Ltd, IET-China and IntelliEPI IR, Inc.'s (or "IET-IR") cash capital increase. If there is any strategic alliance, operation needs or items that TPEx approved the renouncement shall be approved by BOD with special resolution.

Chapter IV Additional Provisions

Article 32
Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company.
The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets,

it reaches a threshold requiring public announcement and regulatory filing under Article 29, paragraph 1.

Article 33
Control procedure of acquisition and disposal of assets：
Internal control auditor shall inform CEO if any violation of this procedure. CEO shall track the improvements.

Article 34
The Company shall make penalties in accordance with human resource policy if any employees do not follow this procedure.

The Company's subsidiaries are suggested to have acquisition and disposal of assets and shall be approved by audit committee (if any) or Board of Directors or shareholders meeting. Subsidiaries acquisition and disposal of assets shall regularly provide related documents for the Company's review.

Article 35
Any matter not set forth in this procedure shall be governed by the laws and regulations of the Republic of China.

Appendix 3

IntelliEPI Inc. (Cayman)
Shareholding of Directors

Book closure date：May 1, 2022

Position	Name	Date elected	Shareholding while elected			Current shareholding			Remarks
			Type	Shares	Share holding ratio (%) Note 1	Type	Shares	Share holding ratio (%) Note 2	
Director	Yung-Chung Kao	2021/8/17	Common shares	155,309	0.43%	Common shares	180,109	0.49%	-
Director	Kang-Lung Wang	2021/8/17	Common shares	56,698	0.16%	Common shares	56,698	0.16%	-
Director	Virginia Shu	2021/8/17	Common shares	15,749	0.04%	Common shares	15,749	0.04%	-
Director	WH Wu	2021/8/17	Common shares	945,000	2.59%	Common shares	945,000	2.59%	
Independent Director	Jason Chen	2021/8/17	Common shares	-	-	Common shares	-	-	-
Independent Director	Tom Chang	2021/8/17	Common shares	-	-	Common shares	-	-	-
Independent Director	Norman Cheng	2021/8/17	Common shares	-	-	Common shares	-	-	-
Independent Director	KM Tsai	2021/8/17	Common shares	-	-	Common shares	-	-	-
Total	-	-	-	1,172,756	3.22%		1,197,566	3.28%	-

Note 1：Total issued shares：36,518,143 shares on August 17, 2021 (date of shareholders meeting).
Note 2：Total Issued shares：36,512,743 shares on May 1, 2022 (book closure date).
Note 3：KY Company is not applied for directors minimum shareholding.

Appendix 4

Rules of Procedure for Shareholders Meetings

Adopted on 2012/7/5 BOD and 2012/9/27 AGM
1st Amendment on 2014/3/26 BOD and 2014/6/20 AGM

Article 1
To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2
The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices)
Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and its shareholder services agent as well as being distributed on-site at the meeting place.
The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300

words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4
For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles determining the time and place of a shareholders meeting)
The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 (Preparation of documents such as the attendance book)
This Corporation shall furnish the attending shareholders or their proxies (collectively, "shareholders"), with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
A shareholder shall attend a shareholders meeting on the basis of the attendance card, sign-in card, or other supporting document. Solicitors soliciting proxy forms shall also bring identification documents for verification.
When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 (The chair and non-voting participants of a shareholders meeting)
If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)
This Corporation shall record the proceedings of a shareholders meeting in their entirety in audio or video and retain the recording for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9
Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
The chair shall call the meeting to order at the appointed meeting time. 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 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)
If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11 (Shareholder speech)
Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 (Calculation of voting shares and recusal system)
Voting at a shareholders meeting shall be calculated based the number of shares.
With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13
A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means if the company applies to adopt electronic voting: When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.
A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days

before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

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

Article 14 (Election of directors and supervisors)
The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15
Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Article 16 (Public disclosure)
On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
If matters put to a resolution at a shareholders meeting constitute material information under

applicable laws or regulations or under GreTai Securities Market regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders meeting)
When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19
These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.