IntelliEPI Inc. (Cayman)

2022 Annual Shareholders Meeting Minutes (Translation)

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)

Total outstanding shares：36,510,943 shares

Total shares represented by shareholders present in person or by proxy：20,195,343 shares

Percentage of shares held by shareholders present in person or by proxy：55.31 %

Chairman：Yung-Chung Kao

Recorder：Vicky Cheng

Ordinary director present：
Yung-Chung Kao, Virginia Shu and WH Wu

Independent director (also act as Audit Committee member and Compensation Committee member) present：
Jason Chen

On leave director：
Kang-Lung Wang (Ordinary director)
Tom Chang (Independent director also act as Audit Committee member and Compensation Committee member)
Norman Cheng (Independent director also act as Audit Committee member and Compensation Committee member)
KM Tsai (Independent director also act as Audit Committee member and Compensation Committee member)

1. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

2. Chairman Remarks (omitted)

3. 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.

4. 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.

Voting results：shares represented at the time of voting：20,173,843 shares

Votes	Voting shares	% of the total represented share present
Votes in favor	19,780,001	98.04%
Votes against	5,136	0.02%
Votes invalid	0	0.00%
Votes abstained	388,706	1.92%

RESOLVED, that Operation report and financial statements for 2021 is hereby accepted as submitted.

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.

Voting results：shares represented at the time of voting：20,173,843 shares

Votes	Voting shares	% of the total represented share present
Votes in favor	19,793,000	98.11%
Votes against	5,131	0.02%
Votes invalid	0	0.00%
Votes abstained	375,712	1.86%

RESOLVED, that Profit distribution for 2021 is hereby accepted as submitted.

5. 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.

Voting results：shares represented at the time of voting：20,173,843 shares

Votes	Voting shares	% of the total represented share present
Votes in favor	19,792,980	98.11%
Votes against	5,153	0.02%
Votes invalid	0	0.00%
Votes abstained	375,710	1.86%

RESOLVED, that Amendment on "Procedures for Handling the Acquisition and Disposal of Assets" is hereby accepted as submitted.

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.

Voting results：shares represented at the time of voting：20,173,843 shares

Votes	Voting shares	% of the total represented share present
Votes in favor	19,632,976	97.31%
Votes against	165,160	0.81%
Votes invalid	0	0.00%
Votes abstained	375,707	1.86%

RESOLVED, that Issue new restricted employee shares is hereby accepted as submitted.

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.	