

Stock Code : 5434



2022 Annual Shareholders' Meeting

Meeting Handbook

May 30, 2022

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A. 2022 Annual Shareholders' Meeting Procedure

- I 、 Call Meeting to Order
- II 、 Chairman's Address
- III 、 Report Items
- IV 、 Proposed Resolutions
- V 、 Discussion Item
- VI 、 Extemporaneous Motions
- VII 、 Meeting Adjourned

B. 2022 Annual Shareholders' Meeting Agenda

Time : 9:00 a.m., Monday, May 30, 2022

Place : 9Floor, No. 489, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City.

Shareholders meeting is held by means of physical shareholders meeting

I 、 Call Meeting to Order

II 、 Chairman's Address

III 、 Report Items

(1) The 2021 Business Report.

(2) The 2021 Audit Committee's Review Report.

(3) The 2021 Remuneration to Employees and Directors.

(4) The 2021 Earnings Distribution of cash dividends.

IV 、 Proposed Resolutions

(1) The 2021 Financial Statements.

(2) The 2021 Earnings Distribution.

V 、 Discussion Item

(1) Amendment of the Articles of "Procedures for Acquisition or Disposal of Assets".

VI 、 Extemporary Motions

VII 、 Meeting Adjourned

1. Report Items

I 、 The 2021 Business Report.

Explanation:

- (1) The Company's 2021 Business Report is attached hereto as Attachment 1.
Please refer to page 7.
- (2) For adoption.

II 、 The 2021 Audit Committee's Review Report.

Explanation:

- (1) The Company's 2021 Audit Committee's Review Report is attached hereto as Attachment 2. Please refer to pages 9.
- (2) For adoption.

III 、 The 2021 Remuneration to Employees and Directors.

Explanation:

- (1) Pursuant to Article 20 of the Company's Articles of Incorporation, the Company shall set aside no less than 4% of its earnings for the period, if any, as employees' profit-sharing bonus and not more than 3% of its earnings as remuneration to Directors. Notwithstanding the forgoing, the Company shall reserve a sufficient amount of earnings to offset its accumulated losses.
- (2) In accordance with the Company's Articles, 6% of earnings for the period totaling NT\$173,950,000 has been distributed in cash as profit sharing bonus to employees and 2% of earnings totaling NT\$ 57,983,000 in cash distributed as remuneration to directors.
- (3) For adoption.

IV 、 The 2021 Earnings Distribution of cash dividends.

Explanation:

- (1) Pursuant to Article 20 of the Company's Articles of Incorporation, the Board of Directors is authorized to approve the distribution of dividends and bonuses in cash, in whole or in part for submission to the shareholder' meeting for acceptance.
- (2) The Company's proposes to distribute cash dividends in the amount of NT\$ 1,598,956,190 to shareholders (cash dividend at NT\$8.8 per share).
- (3) The Chairman is authorized to set the ex-dividend date and handle other matters in relation to the proposal for distribution of cash dividends.
- (4) For adoption.

2. Proposed Resolutions

I 、 The 2021 Financial Statements. (Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2021 Financial Statements, including Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity, and Cash Flow Statement, were audited by independent auditors Au, Yiu Kwan & Chien, Szu Chuan of KPMG. It was reviewed by Audit Committee and includes Business Reports.
- (2) The Company's 2021 Financial Statements are attached hereto as Attachment 3 and Attachment 4. Please refer to pages 10~25.
- (3) For adoption.

Resolution:

II 、 The 2021 Earnings Distribution. (Proposed by the Board of Directors)

Explanation:

- (1) The Board of Directors resolved to adopt the proposal of the Company's 2021 earnings.
- (2) Earnings Distribution Proposal for the Year 2021 is attached hereto as Attachment 5. Please refer to page 26.
- (3) For adoption.

Resolution:

3. Discussion Item

- I、Amendment of the Articles of “Procedures for Acquisition or disposal of Assets”.
(Proposed by the Board of Directors)

Explanation:

- (1) In accordance with the amendments to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” provided in the Jin-Guan-Zheng-Fa-Zi No. 1110380465 issued by the Financial Supervisory Commission on January 28, 2022, the Company’s “Procedures for Acquisition or disposal of Assets” were amended.
- (2) Comparison Table of Revision to the Company’s Procedures for Acquisition or disposal of Assets is attached hereto as Attachment 6. Please refer to page 27.
- (3) For resolution.

Resolution:

4. Extemporaneous Motions

5. Meeting Adjourned

C. Attachment

Attachment 1.

2021 Business Report

In 2021, as a result of the joint efforts of the management team and all staff members, coupled with the demand for advanced process materials by the semiconductor industry and growth of the Mainland market, we once again hit a historical high in revenue and profit while continuing to scale up our product mix and operations. The Group reported the consolidated revenue of NT\$42.67 billion representing an 18% year-over-year growth, the profit after tax of NT\$2.294 billion, and an EPS of NT\$12.63. Meanwhile, TOPCO Scientific Co. LTD is committed to ESG compliance and was honored with the Excellent in Corporate Social Responsibility – New Star Awards, the Taiwan Corporate Sustainability Award (TCSA), the Taiwan Corporate Sustainability Reporting Silver Award, People Development Award, and Growth through Innovation Award. We were also a long-term sponsor of sports events, and, in 2021, we again received the Sports Activist Award from the Sports Administration of the Ministry of Education.

According to statistics released by the Industrial, Science, and Technology International Strategy Center, Industrial Technology Research Institute (ITRI ISTI), the output value of Taiwan IC industry reached NT\$ 4.08 trillion in 2021, which marks a growth of 26.7% compared to 2020. Revenues from semiconductor materials accounted for around 80% of the consolidated revenue of the Group. Driven by constant innovation of advanced processes, and expansion of production capacities, the demand for advanced process materials such as photoresist, silicon wafers and chemicals kept its growth momentum. Our Foundry Service Platform that matches foundry capacities for IC design houses to accelerate product market entry has experienced a continuous growth in revenue and will keep strengthening the partnership with foundry supply chains to provide a full-range of tape-out service.

In the field of environmental engineering, we have obtained numerous large-scale wastewater treatment, air-conditioning and electromechanical projects in Taiwan and China. We also achieved good results in the development of industrial waste disposal services and chemical sales, as well as in the improvement of waste system flow and the expansion of overseas markets. Through investments, we were able to integrate and develop renewable energy and circular economy achieving environmental sustainability and fueling growth.

As for the livelihood-related business, the Company upholds its founding principles of safeguarding the health of consumers. Our signature products, e.g. the Anyo Santé Premium Silver Perch Essence, garnered the National Biotechnology and Medical Care Quality Award and the Monde Selection Gold Award, and generated consistent growth.

Looking ahead to 2022, the semiconductor industry is still expected to benefit from demand for new applications of AIoT, 5G, automotive and high-speed computing. It is anticipated that the momentum will persist in 2022. Driven by the expansion of advanced process foundry, the demand for related materials such as photoresist hikes will likely lead to a rise in revenue. Topco Group will continue to assess and introduce new products, and build value-added technology and services, including 5G key materials, third-generation semiconductor materials, and electric vehicle market related products; meanwhile, we will pursue suitable strategic alliances and partnerships to expand our agency rights and boost presence in the local market. The deployment of the semiconductor industry is highly influenced by geopolitics, so in addition to establishing service points in the U.S. and expanding the service network in Japan to serve customers in adjacent areas, we will continue to explore opportunities in Singapore, Vietnam, Malaysia and Japan.

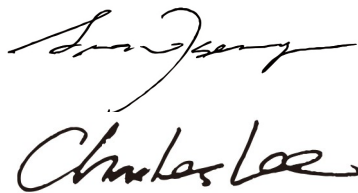
As far as environmental engineering is concerned, we maintain our deep commitment to the circular economy. Relevant initiatives include waste disposal, calcium fluoride sludge resource and reuse, and smart green eco-friendly pig farm. These initiatives are expected to expand our business scale in the field of environmental engineering. In the field related to livelihood, we have integrated the innovative foundry technology, expanded to overseas markets through diverse marketing strategy, built the high-quality and healthy supermarket, Anyo Fresh, and created the professional sports training brand “XPORTS” with the ultimate goal of an all-inclusive linkage and integration of the Group’s resources to develop the healthcare business.

Topco Group has steadfastly fulfilled its role as an industry integrator and technology provider, and joined hands with suppliers and customers in the creation of win-win values. In the future, we will maintain our deep commitment to hi-tech industries, expansion of our overseas service network, and intensification of market deployment to gain the ability to satisfy customer expectations in the field of products and services promptly. We also embrace the diversified development of circular economy concepts and our health business. Finally, we aim to strengthen our efforts in the field of talent recruitment and training, employee care, shareholder rewards, implementation of corporate governance, fulfillment of CSR, and pursuit of corporate sustainability.

Topco Scientific Co., Ltd.



Jeffery Pan
Chairman



Simon Tseng / Charles Lee
President



Nicole Lee
Chief Accounting Officer

Attachment 2.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2011 Business Report, Financial Statements and proposal for Earnings Distribution. Consolidated and parent company only Financial Statements have been audited and certified by Au, Yiu Kwan, CPA, and Chien, Szu-Yuan, CPA of KPMG and audit reports relating to the Financial Statements have been issued. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and determined to be true and accurate by the Audit Committee members of TOPCO SCIENTIFIC CO., LTD. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this

TOPCO SCIENTIFIC CO., LTD.

Chairman of the Audit Committee: Chen Linsen

Chen Linsen

Attachment 3.

Independent Auditors' Report

To the Board of Directors of Topco Scientific Co., Ltd.:

Opinion

We have audited the financial statements of Topco Scientific Co., Ltd. ("the Company") balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other 1 accompanying financial statements present fairly, in all material respects, the financial pos as of December 31, 2021 and 2020, and its financial performance and its cash flows f accordance with the Regulations Governing the Preparation of Financial Reports by Securit

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing Financial Statements by Certified Public Accountants" and the auditing standards gen Republic of China. Our responsibilities under those standards are further described Responsibilities for the Audit of the Financial Statements section of our report. We ar Company in accordance with the Certified Public Accountants Code of Professional Ethics ("the Code"), and we have fulfilled our other ethical responsibilities in accordance wit our audits and the reports of other auditors, we believe that the audit evidence we have obt appropriate to provide a basis of our opinion.

Other Matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance to the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions or conclusions on these matters. We have determined the matters described below to be the key audit matters to be addressed in our report.

1. Recognition of Operating Revenue

Please refer to note 4(o) "Revenue" for accounting policies related to revenue recognition; and note 4(d) "Revenue" for details of revenue.

Description of Key Audit Matters:

Due to the wide variety of the Company's products, different transactions were generated from different customers and product portfolio. Identification of revenue recognition has significant impact on the financial statements of the Company. Therefore, revenue recognition is considered as one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: testing related manual and systematic controls to ensure the revenue recognition policies of the Company are in accordance with the applicable accounting standards; in addition, we examined the sales contracts between the Company and its customers to understand the revenue recognition modality and conditions, evaluating and comparing if revenue recognition is consistent with the terms of the contracts; conducting testing for details of revenue before and after the balance sheet date to ensure revenue recognition is in accordance with the contract terms.

2. Valuation of Accounts Receivable

Please refer to note (4)(f) "Financial instruments" for accounting policies related to accounts receivable; note 5(a) for uncertainties in valuation of accounts receivable; and note 6(d) "Provisions and allowances" for details of accounts receivable.

Description of Key Audit Matters:

Allowance for accounts receivable is evaluated based on the lifetime expected credit loss model. The evaluation is supported by objective evidences. Therefore, valuation of accounts receivable is considered as one of the key audit matters in our audit.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. An adequate system of internal control as management determines is necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report expressing our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit in accordance with the auditing standards generally accepted in the Republic of China will always detect a 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 taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this uncertainty in our auditors' report, or, if applicable, to modify our opinion. Our conclusions are based on the evidence available to us at the end of the audit period.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain independent in our audit opinion.

We communicate with those charged with governance regarding, among other matters, the 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 the relevant 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 of most significance in the audit of the financial statements of the current period and are 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 is not to be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are **Szu-Chuan Chien**.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

Independent Auditors' Report

To the Board of Directors of Topco Scientific Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Topco Scientific Co., Ltd. ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flow for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Reporting of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Responsibilities for the Audit of the Consolidated Financial Statements section of our report, which is independent of the Group in accordance with the Certified Public Accountants Code of Ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We did not audit the financial statements for certain investments accounted for using the cost method in the consolidated financial statements of the Group for 2021 and 2020. The investments accounted for using the cost method are not

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance to the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but do not provide a separate opinion on these matters. We have determined the matters described below to be communicated in our report.

1. Recognition of Operating Revenue

Please refer to note 4(p) "Revenue" for accounting policies related to revenue recognition of construction and the percentage of completion method for construction; and note 6(y) "Revenue" for details of revenue.

Description of Key Audit Matters:

Due to the wide variety of the Group's products, different transactions were generated from different customers and product portfolio. Identification of revenue recognition has significant impact on the consolidated financial statements of the Group. In addition, the budgets for construction projects depend on the management's judgments. The evaluation of above budgets may result in significant income and losses for the reporting period. Therefore, revenue recognition is considered as one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: testing related manual and systematic controls to ensure the revenue recognition policies of the Group is in accordance with the related standards; we examined the sales contracts between the Group and its customers to understand the terms and conditions, evaluating and comparing if revenue recognition is consistent with the terms and conditions; acquiring construction contracts that have significant effects on financial results to verify the difference in the percentage of completion calculated by the Group; conducting testing before and after the balance sheet date and verifying if revenue recognition is in accordance with the terms.

2. Valuation of Accounts Receivable

Please refer to note 4(g) "Financial instruments" for accounting policies related to accounts receivable; note 5(a) for uncertainties in valuation of accounts receivable; and note 6(d) "Accounts receivable".

Description of Key Audit Matters:

Allowance for accounts receivable is evaluated based on the lifetime expected credit loss model. Therefore, valuation of accounts receivable is considered as one of the key audit matters in our audit.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary for 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 whether the Group can continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee. An audit conducted in accordance with the auditing standards generally accepted in the Republic of China is designed to 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

5. Evaluate the overall presentation, structure and content of the consolidated financial statement disclosures, and whether the consolidated financial statements represent the underlying events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the activities within the Group to express an opinion on the consolidated financial statement for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion.

We communicate with those charged with governance regarding, among other matters, the 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 the requirements regarding independence, and to communicate with them all relationships and 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 of most significance in the audit of the consolidated financial statements of the current period, which we describe as key audit matters. We describe these matters in our independent auditors' report unless law or regulation prohibits such disclosure about the matter or when, in extremely rare circumstances, we determine that it is not appropriate to communicate in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Szu-Chuan Chien.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2022

Attachment 4.

2021 Financial Statements

(English Translation of Financial Statements and Report Originally Issued in Chinese)

TOPCO SCIENTIFIC CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity	
		Amount	%	Amount	%		
Current assets:						Current liabilities:	
1100	Cash and cash equivalents (note 6(a))	\$ 389,457	2	1,045,224	6	2100	Short-term borrowings (note 6(n))
1110	Current financial assets at fair value through profit or loss (note 6(b))	6,425	-	7,409	-	2120	Current financial liabilities at fair value through profit or loss (note 6(b))
1170	Notes and accounts receivable, net (note 6(d))	3,385,944	19	3,149,145	19	2130	Current contract liabilities (note 6(u))
1180	Notes and accounts receivable due from related parties, net (notes 6(d) and 7)	117,874	1	96,435	1	2170	Notes and accounts payable
1476	Other current financial assets (notes 6(e), 6(m) and 7, 8)	1,023,441	6	646,176	4	2180	Notes and accounts payable to related parties (note 7)
1311	Inventories, net (note 6(f))	1,881,788	10	1,882,299	12	2200	Other current financial liabilities
1479	Other current assets, others	162,670	1	126,629	1	2251	Current provisions (note 6(p))
		6,967,599	39	6,953,317	43	2280	Current lease liabilities (note 6(o))
Non-current assets:						2365	Current refund liabilities
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	248,329	1	69,705	-	2399	Other current liabilities
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,189,933	7	976,691	6		Non-Current liabilities:
1550	Investments accounted for using equity method (notes 6(g), 6(h), 6(i), 6(j) and 7)	6,929,475	39	5,929,239	36	2570	Deferred tax liabilities and others (note 6(r))
1600	Property, plant and equipment (notes 6(k) and 7)	2,148,800	12	2,172,346	13	2580	Non-current lease liabilities (note 6(o))
1755	Right-of-use assets (note 6(l))	117,766	1	130,827	1	2640	Non-current net defined benefit liabilities (note 6(q))
1840	Deferred tax assets (note 6(r))	87,573	-	116,236	1		
1900	Other non-current assets (notes 6(m) and 8)	149,052	1	59,225	-		Total liabilities

(English Translation of Financial Statements and Report Originally Issued in Chinese)
TOPCO SCIENTIFIC CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings
Per Common Share which is expressed in New Taiwan Dollars)

	2021
	<u>Amount</u>
Operating Revenues: (notes 6(u) and 7)	
4110 Net sales revenue	\$ 23,028,918
4800 Other operating revenue	<u>887,646</u>
Operating revenue, net	23,916,564
Operating costs: (notes 6(f), 7 and 12)	
5110 Cost of sales	20,810,921
5800 Other operating costs	<u>221,273</u>
	<u>21,032,194</u>
Gross profit	<u>2,884,370</u>
Operating expenses: (notes 7 and 12)	
6100 Selling expenses	584,635
6200 Administrative expenses	921,139
6300 Research and development expenses	<u>23,037</u>
Total operating expenses	<u>1,528,811</u>
Net operating income	<u>1,355,559</u>
Non-operating income and expenses:	
7100 Total interest income	1,329
7101 Other income (notes 6(b), 6(c) and 6(w))	72,091
7102 Other gains and losses (notes 6(h), 6(i), 6(j) and 6(w))	21,845
7103 Financial costs	(9,652)
7060 Share of profits of subsidiaries, and joint ventures accounted for using equity method (note 6(g))	<u>1,226,061</u>
	<u>1,311,674</u>
7900 Profit from continuing operations before tax	2,667,233
7950 Less: Income tax expenses (benefits) (note 6(q))	<u>372,775</u>
Profit	<u>2,294,458</u>
8300 Other comprehensive income:	
8310 Items that will not be reclassified to profit or loss	
8311 Gains (losses) on remeasurements of defined benefit plans	(3,670)
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	213,242
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, items that will not be reclassified to profit or loss	(4,880)
8349 Less: Income tax related to items that will not be reclassified to profit or loss	<u>(734)</u>
	<u>205,426</u>
8360 Items that will be reclassified to profit or loss	

(English Translation of Financial Statements and Report Originally Issued in Chinese)

TOPCO SCIENTIFIC CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Other Un- gains from other com- p
Balance at January 1, 2020	\$ 1,816,996	2,340,676	1,268,300	3,649,048	4,917,348	(103,736)	
Profit for the year ended December 31, 2020	-	-	-	2,068,350	2,068,350	-	
Other comprehensive income	-	-	-	(11,377)	(11,377)	3,704	
Total comprehensive income	-	-	-	2,056,973	2,056,973	3,704	
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	172,231	(172,231)	-	-	
Cash dividends	-	-	-	(1,181,047)	(1,181,047)	-	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(26,458)	(26,458)	-	26
Gain on attribute right	-	103	-	-	-	-	
Balance at December 31, 2020	1,816,996	2,340,779	1,440,531	4,326,283	5,766,816	(100,032)	
Profit for the year ended December 31, 2021	-	-	-	2,294,458	2,294,458	-	
Other comprehensive income	-	-	-	(3,000)	(3,000)	(27,365)	
Total comprehensive income	-	-	-	2,291,458	2,291,458	(27,365)	

(English Translation of Financial Statements and Report Originally Issued in Chinese)
TOPCO SCIENTIFIC CO., LTD.

Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Cash flows from (used in) operating activities:	<u>1</u>
Profit before tax	\$
Adjustments:	
Adjustments to reconcile profit (loss):	
Depreciation expense	
Amortization expense	
Expected credit loss	
Net loss (gain) on financial assets at fair value through profit or loss	
Interest expense	
Interest income	
Dividend income	
Gain on disposal of subsidiaries	
Loss on disposal of investments accounted for using equity method	
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	
Net gains on disposal of property, plant and equipment	
Others	
Total adjustments to reconcile profit (loss)	<u> </u>
Changes in operating assets and liabilities:	
Changes in operating assets:	
Increase in notes and accounts receivable	
Decrease (increase) in inventories	
Decrease in financial assets at fair value through profit or loss	
Increase in other current assets	
Decrease (increase) in other current financial assets	
Total changes in operating assets	<u> </u>
Changes in operating liabilities:	
Increase in notes and accounts payable	
Increase (decrease) in contract liabilities	
Increase in other current financial liabilities	
Decrease in current provisions	
Decrease in current refund liabilities	
(Decrease) increase in other current liabilities	
Decrease in net defined benefit liabilities	
Total changes in operating liabilities	<u> </u>
Total changes in operating assets and liabilities	<u> </u>
Total adjustments	<u> </u>
Cash inflow generated from operations	
Interest received	
Interest paid	
Dividends received	
Income taxes paid	
Net cash flows from operating activities	<u> </u>
Cash flows from (used in) investing activities:	
Proceeds from capital reduction of financial assets at fair value through profit or loss	
Proceeds from disposal of financial assets at fair value through other comprehensive income	
Acquisition of financial assets at fair value through profit or loss	
Proceeds from liquidation of financial assets at fair value through profit or loss	
Proceeds from capital reduction of financial assets through profit or loss	
Acquisition of investments accounted for using equity method	
Proceeds from disposal of investments accounted for using equity method	
Proceeds from capital reduction of investments accounted for using equity method	
Acquisition of property, plant and equipment	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020			
		Amount	%	Amount	%		
Assets						Liabilities and Equity	
Current assets:						Current liabilities:	
1100	Cash and cash equivalents (note 6(a))	\$ 3,751,564	15	3,371,555	16	2100	Short-term borrowings (note 6(p))
1110	Current financial assets at fair value through profit or loss (note 6(b))	329,565	1	434,918	2	2120	Current financial liabilities at fair value through profit or loss (note 6(b))
1140	Current contract assets (note 6(y))	918,686	4	487,677	2	2130	Current contract liabilities (note 6(y))
1170	Notes and accounts receivable, net (note 6(d))	6,965,296	28	5,573,659	26	2170	Notes and accounts payable
1180	Notes and accounts receivable due from related parties, net (notes 6(d) and 7)	93,550	-	105,595	-	2180	Notes and accounts payable to related parties (note 7)
1476	Other current financial assets (notes 6(e), 6(o) and 8)	1,093,217	4	1,000,545	5	2200	Other current financial liabilities (note 6(i))
1300	Inventories, net (note 6(f))	3,336,418	13	3,195,814	15	2250	Current provisions (note 6(s))
1479	Other current assets, others	409,071	2	264,707	1	2280	Current lease liabilities (note 6(r))
		<u>16,897,367</u>	<u>67</u>	<u>14,434,470</u>	<u>67</u>	2320	Long-term borrowings, current portion (note 6(q))
Non-current assets:						2365	Current refund liabilities
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	265,417	1	85,857	-	2399	Other current liabilities
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,212,851	5	1,004,425	5		
1550	Investments accounted for using equity method (note 6(g))	1,844,403	7	1,786,506	8	Non-Current liabilities:	
1600	Property, plant and equipment (note 6(k))	3,505,682	14	3,276,146	15	2540	Long-term borrowings (note 6(q))
1755	Right-of-use assets (note 6(l))	464,543	2	454,843	2	2580	Non-current lease liabilities (note 6(r))
1760	Investment property, net (notes 6(m) and 8)	168,750	1	182,193	1	2670	Deferred tax liabilities and others (note 6(i) and 6(v))
1780	Total intangible assets (note 6(j) and 6(n))	516,011	2	52,223	-	2640	Non-current net defined benefit liabilities
1840	Deferred tax assets (notes 6(u))	95,283	-	116,951	1		
1900	Other non-current assets (note 6(o) and 8)	<u>204,136</u>	<u>1</u>	<u>58,101</u>	<u>1</u>	Total liabilities	
		8,777,076	22	7,017,365	22	Equity attributable to owners of parent:	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share
which is expressed in New Taiwan Dollars)

	<u>2021</u>
	<u>Amount</u>
Operating Revenues: (notes 6(y) and 7)	
4110 Net sales revenue	\$ 37,48
4520 Construction revenue	3,61
4800 Other operating revenue	<u>1,57</u>
Operating revenue, net	42,66
Operating costs: (notes 6(f), 6(u), 7 and 12)	
5110 Cost of sales	33,58
5500 Construction cost	3,23
5800 Other operating costs	<u>63</u>
	37,43
5910 Less: Unrealized profit (loss) from sales	
Gross profit	<u>5,21</u>
Operating expenses: (notes 6(v), 6(x), 7 and 12)	
6100 Selling expenses	1,32
6200 Administrative expenses	1,23
6300 Research and development expenses	<u>10</u>
Total operating expenses	<u>2,66</u>
Net operating income	<u>2,55</u>
Non-operating income and expenses:	
7100 Interest income	2
7010 Other income (notes 6(b), 6(i) and 6(aa))	10
7020 Other gains and losses (notes 6(g), 6(j) and 6(aa))	(11)
7050 Finance costs	(34)
7060 Share of profits of associates and joint ventures accounted for using equity method (note 6(g))	42
7670 Impairment loss (note 6(k))	<u>(16)</u>
	48
Profit before tax	3,03
7950 Less: Income tax expenses (note 6(v))	<u>73</u>
Profit	<u>2,30</u>
Other comprehensive income:	
Items that will not be reclassified to profit or loss	
8311 Gains (losses) on remeasurements of defined benefit plans	0
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	20
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that will not be reclassified to profit or loss	
8349 Less: income tax related to items that will not be reclassified to profit or loss (note 6(v))	
	<u>20</u>
Items that will be reclassified to profit or loss	
8361 Exchange differences on translation of foreign financial statements	(34)
8399 Less: income tax related to items that will be reclassified to profit or loss (note 6(u))	<u>0</u>
	<u>(34)</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TOPCO SCIENTIFIC CO., LTD. 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 parent							
	Retained earnings					Other equity		
						Unrealized gains (losses) from financial assets measured at fair value		
						Exchange differences on translation of	foreign financial statements	through other comprehensive income
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	foreign financial statements	through other comprehensive income	Total other equity
Balance at January 1, 2020	\$ 1,816,996	2,340,676	1,268,300	3,649,048	4,917,348	(103,736)	540,930	437,194
Profit for the year ended December 31, 2020	-	-	-	2,068,350	2,068,350	-	-	-
Other comprehensive income	-	-	-	(11,377)	(11,377)	3,704	181,680	185,357
Total comprehensive income	-	-	-	2,056,973	2,056,973	3,704	181,680	185,357
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	172,231	(172,231)	-	-	-	-
Cash dividends	-	-	-	(1,181,047)	(1,181,047)	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(26,458)	(26,458)	-	26,458	26,458
Gain on attribute right	-	103	-	-	-	-	-	-
Balance at December 31, 2020	1,816,996	2,340,779	1,440,531	4,326,285	5,766,816	(100,032)	749,068	649,036
Profit for the year ended December 31, 2021	-	-	-	2,294,458	2,294,458	-	-	-
Other comprehensive income	-	-	-	(3,000)	(3,000)	(27,765)	208,426	180,661

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Cash flows from (used in) operating activities:	_____
Profit before tax	\$ _____
Adjustments:	
Adjustments to reconcile profit:	
Depreciation expense	
Amortization expense	
Expected credit loss (reversal gain)	
Net gain on financial assets at fair value through profit or loss	
Interest expense	
Interest income	
Dividends income	
Share of profit of associates and joint ventures accounted for using equity method	
Loss (gain) on disposal of property, plant and equipment and others	
Gain on disposal of investments accounted for using equity method	
Impairment loss	
Gain on disposal of subsidiaries	
Others	
Total adjustments to reconcile profit (loss)	_____
Changes in operating assets and liabilities:	
Changes in operating assets:	
Increase in notes and accounts receivable	
Decrease (increase) in inventories	
Decrease (increase) in financial assets at fair value through profit or loss	
Decrease (increase) in other current assets	
Decrease in other current financial assets	
Decrease (increase) in contract assets	
Total changes in operating assets	_____
Changes in operating liabilities:	
Increase in notes and accounts payable	
Increase (decrease) in contract liabilities	
Increase in other current financial liabilities	
Decrease in current provisions	
Decrease in current refund liabilities	
Increase (decrease) in other current liabilities	
Decrease in other operating liabilities	
Total changes in operating liabilities	_____
Total changes in operating assets and liabilities	_____
Total adjustments	_____
Cash inflow generated from operations	
Interest received	
Dividends received	
Interest paid	
Income taxes paid	
Net cash flows from operating activities	_____
Cash flows from (used in) investing activities:	
Acquisition of financial assets at fair value through profit or loss	
Proceeds from disposal of financial assets at fair value through profit or loss	
Proceeds from disposal of financial assets at fair value through other comprehensive income	
Proceeds from capital reduction of financial assets at fair value through profit or loss	
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	
Proceeds from liquidation of financial assets at fair value through profit or loss	
Acquisition of investments accounted for using equity method	
Proceeds from disposal of investments accounted for using equity method	
Proceeds from capital reduction of associates accounted for investments accounted for using equity method	
Proceeds from disposal of property, plant and equipment	
Acquisition of property, plant and equipment	
Increase in refundable deposits	
Acquisition of intangible assets	
Net payment for acquisition of subsidiaries	

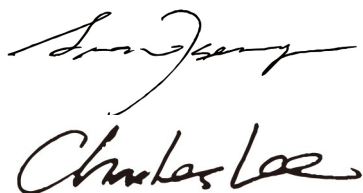
Attachment 5.

Topco Scientific Co., Ltd. Earnings Distribution Proposal for the Year 2021

Unit:NT\$	
Item	Amount
Unappropriated retained earnings of previous years	2,669,637,402
Add(Subtract) :	
Remeasurement of defined benefit plans	(3,000,495)
Adjusted unappropriated retained earnings of previous years	2,666,636,907
Net income of 2021	2,294,458,181
Retained earnings available for distribution as of December 31,2021	4,961,095,088
Subtract : 10% Leagal reserve	(229,145,769)
Distribution item- Dividends to common shares holders (cash dividend at NT\$8.8 per share)	(1,598,956,190)
Unappropriated retained earnings	3,132,993,129



Chairman: Jeffery Pan



President: Simon Tseng
Charles Lee



Chief Accounting Officer: Nicole Lee

Attachment 6.

Comparison Table of Revisions to the Procedures for Acquisition or Disposal of Assets

After the Revision	Before the Revision	Notes
4.4 <u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline standards of affiliated associations and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</u>	None	Text Added in accordance with the Regulation.
8.1.1 When acquiring or disposing of securities, the Company 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 CPA, 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 CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. 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 FSC.	8.1.1 When acquiring or disposing of securities, the Company 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 CPA, 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 CPA 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, he or she shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (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 FSC.	Text Amended in accordance with the Regulation.
9.33 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 CPA shall be render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the	9.3.3 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 CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason	As above

After the Revision	Before the Revision	Notes
<p>appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	<p>for the discrepancy and the appropriateness of the transaction price:</p> <p>(1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	
<p>10.3 <u>When transactions pursuant to Article10.2 are to be conducted by the Company or its subsidiary which is not a domestic public company and the transaction amount reaches 10 percent or more of the Company’s total assets, the Company may not proceed to enter into a transaction contract or make a payment until the documents prescribed in Article 10.2 have been submitted to and approved by the shareholders’ meeting; however, this requirement does not apply to transactions between the Company and its parent or subsidiaries, or between its subsidiaries.</u></p>	None	Text Added in accordance with the Regulation.
<p>10.2.3With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles <u>10.4 and 10.5.</u></p>	<p>10.2.3With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles <u>10.3 and 10.4.</u></p>	Amended the serial number.
<p><u>10.4.2</u>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.</p>	<p><u>10.3.2</u>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.</p>	As above
<p><u>10.4.3</u>When acquiring real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, the Company shall also engage a CPA to</p>	<p><u>10.3.3</u>When acquiring real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, the Company shall also engage a CPA to</p>	As above

After the Revision	Before the Revision	Notes
check the appraisal and render a specific opinion.	check the appraisal and render a specific opinion.	
<u>10.4.4</u> Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the preceding three paragraphs do not apply:	<u>10.3.4</u> Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the preceding three paragraphs do not apply:	As Above
<u>10.5</u> 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 accordance with the following Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:	<u>10.4</u> 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 accordance with the following Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:	As Above
<u>10.5.1</u> Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: (1) Where undeveloped land is appraised in accordance with the means in 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 three 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. (2) 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	<u>10.4.1</u> Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: (1) Where undeveloped land is appraised in accordance with the means in 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 three 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. (2) 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	

After the Revision	Before the Revision	Notes
<p>area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p><u>10.5.2</u>When acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party, the Company provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p>	<p>area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p><u>10.4.2</u>When acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party, the Company provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p>	
<p><u>10.6</u>When 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:</p>	<p><u>10.5</u>When 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:</p>	As above
<p><u>10.7</u>The Company may not utilize the special reserve set aside under the preceding paragraph until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been</p>	<p><u>10.6</u>The Company may not utilize the special reserve set aside under the preceding paragraph until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been</p>	As above

After the Revision	Before the Revision	Notes
restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.	restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.	
<u>10.8</u> 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.	<u>10.7</u> 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.	As above
<u>10.9</u> The transaction amount referred to in Article 10.2 and 10.3 shall be calculated in accordance with Article 15.2. "Within the preceding year" as therein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted for approval by the <u>Shareholders' Meeting and Board of Directors</u> in accordance with these procedures need not be counted toward the transaction amount.	<u>10.8</u> The transaction amount referred to in Article 10.2 shall be calculated in accordance with Article 15.2. "Within the preceding year" as therein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted for approval by the Board of Directors in accordance with these procedures need not be counted toward the transaction amount.	1.Amended the serial number. 2.Text Amended in accordance with the Regulation.
<u>10.10</u> With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction amount is within NT\$200 million and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting: <u>10.10.1</u> Acquisition or disposal of equipment or right-of-use assets thereof held for business use. <u>10.10.2</u> Acquisition or disposal of real property or right-of-use assets thereof held for business use.	<u>10.9</u> With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction amount is within NT\$200 million and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting: <u>10.9.1</u> Acquisition or disposal of equipment or right-of-use assets thereof held for business use. <u>10.9.2</u> Acquisition or disposal of real property or right-of-use assets thereof held for business use.	Amended the serial number.
11.3Expert opinion on intangible assets or right-of-use assets thereof or memberships When acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion	11.3Expert opinion on intangible assets or right-of-use assets thereof or memberships When acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the	Text Amended in accordance with the Regulation.

After the Revision	Before the Revision	Notes
regarding the reasonableness of the transaction price if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more.	reasonableness of the transaction price if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more. The aforesaid certificate public accountant shall do so in accordance with the provisions of Statement of Auditing Standards published by the ARDF.	
<p>15 Public Disclosure of Information:</p> <p>15.1 Under any of the following circumstances, the Company shall publicly announce the disclosure items and disclosure criteria within two days (including) from the date of occurrence of the event:</p> <p>...(omitted)</p> <p>15.1.7 Where an asset transaction other than any of those referred to in the preceding six subparagraphs, or an investment in the Mainland China reaches 20 percent or more of the Company's paid-in capital or NT\$300 million except for the followings:</p> <p>(1) Trading of domestic government bonds <u>or international bonds issued by a foreign central government with a sovereign rating not lower than the sovereign rating of the R.O.C..</u></p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>15 Public Disclosure of Information:</p> <p>15.1 Under any of the following circumstances, the Company shall publicly announce the disclosure items and disclosure criteria within two days (including) from the date of occurrence of the event:</p> <p>...(omitted)</p> <p>15.1.7 Where an asset transaction other than any of those referred to in the preceding six subparagraphs, or an investment in the Mainland China reaches 20 percent or more of the Company's paid-in capital or NT\$300 million except for the followings:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	As above
<p>21 History:</p> <p>The Procedures were adopted on 10 April, 1998...(omitted) the twelfth on 20 June 2017; the thirteenth on 28 December, 2018; the fourteenth on 8 May, 2019; the fifteenth on 27 March, 2020 <u>and the sixteenth on 15 March, 2022.</u></p>	<p>21 History:</p> <p>The Procedures were adopted on 10 April, 1998...(omitted) the twelfth on 20 June 2017; the thirteenth on 28 December, 2018; the fourteenth on 8 May, 2019 and the fifteenth on 27 March, 2020.</p>	Add revision dates

Appendix

Appendix 1.

Rules and Procedures of Shareholders' Meeting

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with the Rules and Procedures.
2. Shareholders attending the Meeting shall sign in the attendance book or the attendance cards shall be submitted for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance book or the attendance cards submitted as well as the proxies submitted in hard copy or electronically.
3. Attendance and voting at the shareholders' meeting shall be calculated in accordance with the number of shares.
4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
5. The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the representative or one of the Directors shall preside at the Meeting. If the Meeting is convened by another person entitled to convene the Meeting, such person shall be the Chairman to preside at the Meeting. Where there are two or more persons having the convening right, the Chairman of the Meeting shall be elected from among themselves.
6. The Company may appoint designated legal counsel, Certified Public Accountant or other related to attend the Meeting. Persons handling affairs of the Meeting shall wear an identification card or badge.
7. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be kept for at least one year except in the event of a litigation filed by shareholders in accordance with Article 189 of the Company Act, the relevant audio or video recordings shall be kept until the litigation is concluded.
8. The Chairman shall call the Meeting to order if the number of shares represented by the shareholders present at the Meeting has reached the quorum at the time scheduled for the Meeting. Where the quorum has not been reached at the time scheduled for the Meeting, the Chairman may postpone the meeting. The postponements shall be limited to two times at the most and the Meeting shall not be postponed for long than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one third of the total outstanding shares, tentative resolutions by more than 50 percent of the shareholders present may be made in accordance with Section 1, Article 175 of the Company Act. If during the process of the Meeting the number of outstanding shares represented by the shareholders present at the Meeting becomes sufficient to constitute the quorum, the Chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act.
9. The agenda of the Meeting shall be set by the Board of Directors and the Meeting shall proceed in accordance with the agenda unless otherwise resolved at the Meeting. The Chairman shall refrain anyone from making the speech shall he or she be in violation of the meeting procedures and advise such person to speak during special motion. The aforementioned provision applies *mutatis mutandis* to cases where the Meeting is convened by any person, other than the Board of directors, entitled to convene such Meeting. The shareholders cannot designate any other person as Chairman and continue the Meeting in the same or other place after the Meeting is adjourned.
10. When a shareholder present at the Meeting wishes to speak, a Speech Note shall be filled out with summary of the speech, the shareholders' number (or the number of the Attendance Card)

and the name of the shareholder. The sequence of speeches by shareholders shall be determined by the Chairman. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech shall be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of the actual speech shall prevail. Unless otherwise permitted by the Chairman and the shareholder speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the Chairman shall stop such interruption.

11. Each shareholder making a speech shall not speak for more than three minutes except where the Chairman permits, the speech may be extended for an additional two minutes. The Chairman may terminate the speech shall the allotted time be exceeded.
12. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times, and each time not exceeding 3 minutes. In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.
13. Corporate shareholders may only designate one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
14. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.
15. The Chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.
16. Except otherwise specified in the Company Act or the Company's Articles of Incorporation of, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the Chairman.
17. If there is amendment to or substitute for a discussion item, the Chairman shall decide the sequence of voting for such discussion item, the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
18. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the Chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
19. During the Meeting, the Chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the Chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will resume. If the Meeting is unable to continue at the same place prior to the discussion items (including special motions) listed in the agenda being resolved, shareholders present at the meeting may resolve to find another alternative location to continue the meeting. Shareholders present at the Meeting may resolve either to postpone or resume the Meeting within five days in accordance with Article 182 of the Company Act.
20. The Chairman may conduct the disciplinary officers or (security guards) to assist in keeping order of the Meeting place. Such disciplinary officers (or security guards) shall wear badges for identification purpose.
21. Attendees of the Meeting shall obey the instructions given by the Chairman or the disciplinary officers or (security guards) who are authorized to remove anyone who violates the rules and orders from the premise. Anyone who is ordered to leave the premise shall do so immediately.
22. Any matters not covered herein shall be governed by the Company Act and the Company's Articles of Incorporation.
23. The Rules and Procedures and any amendments hereafter shall be effective from the date approved by the shareholders' meeting.

Adopted on April 23, 1999.

First revision on May 17, 2002.

Second revision on June 6, 2012.

Appendix 2.

Articles of Incorporation

Chapter 1 General Provision

- Article 1 The Company is incorporated under the Company Act and its name is Topco Scientific Co., Ltd.
- Article 2 The Company engages in the following business activities:
- (1) CB01010 Machinery and Equipment Manufacturing
 - (2) CB01030 Pollution Controlling Equipment Manufacturing
 - (3) CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery
 - (4) CC01080 Electronic Parts and Components Manufacturing
 - (5) CC01090 Batteries Manufacturing
 - (6) E103101 Environmental Protection Construction
 - (7) E599010 Pipe Lines Construction
 - (8) E601010 Electric Appliance Construction
 - (9) E603040 Fire Fighting Equipment Construction
 - (10) E603050 Cybernation Equipment Construction
 - (11) E604010 Machinery Installation Construction
 - (12) E701030 Restrained Telecom Radio Frequency Equipment and Materials Construction
 - (13) E701040 Basic Telecommunications Equipment Construction
 - (14) F102170 Wholesale of Food and Grocery
 - (15) F106050 Wholesale of Pottery, Porcelain and Glassware
 - (16) F107990 Wholesale of Other Chemical Products
 - (17) F108031 Wholesale of Drugs, Medical Supplies
 - (18) F108040 Wholesale of Cosmetics
 - (19) F113010 Wholesale of Machinery
 - (20) F113020 Wholesale of Household Appliance
 - (21) F113100 Wholesale of Pollution Controlling Equipment
 - (22) F113110 Wholesale of Batteries
 - (23) F117010 Wholesale of Fire Fighting Equipment
 - (24) F119010 Wholesale of Electronic Materials
 - (25) F203010 Retail of Food Products and Groceries
 - (26) F208031 Retail of Medical Equipment
 - (27) F208040 Retail of Cosmetics
 - (28) F213010 Retail of Household Appliances
 - (29) F213080 Retail of Machinery and Equipment
 - (30) F213100 Retail of Pollution Controlling Equipment
 - (31) F213110 Retail of Batteries
 - (32) F217010 Retail of Fire Fighting Equipment
 - (33) F219010 Retail of Electronic Materials
 - (34) F401010 International Trade
 - (35) F401021 Restrained Telecom Radio Frequency Equipment and Materials Construction
 - (36) IG03010 Energy Technical Services
 - (37) J101030 Waste Disposal Services
 - (38) J101040 Waste Treatment Services
 - (39) J101080 Waste Recycling Services

- (40) J802010 Sport Training Business
- (41) J803020 Sport and Competition Business
- (42) ZZ99999 All other business activities not prohibited or restricted by law.

- Article 2-1 The Company may provide guarantees to external parties and in return charge the company receiving the guarantee a guarantee fee where appropriate.
- Article 2-2 The Company may, for business requirements, re-invest in other business enterprises and shall not be bound by Article 13 of the Company Act which stipulates that the total value of investments in such other business enterprises shall not exceed 40% of the Company's paid-up capital.
- Article 3 The registered office of the Company is located in Taipei City and whenever the Company deems necessary the Board of Directors may resolve to set up representative and branch offices at various locations within and outside the territory of the Republic of China.
- Article 4 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Capital Stock

- Article 5 The total capital stock of the Company shall be in the amount of NT\$2,200,000,000, divided into 220,000,000 common shares with a par value of NT\$10. The Board of Directors may resolve to issue any unissued shares from time to time. The Company shall reserve NT\$100,000,000 of the capital stock mentioned in the preceding paragraph for issuing 10,000,000 shares employee stock options with a par value of NT\$10. The Board of Directors may resolve to issue the employee stock options in instalments. The Board of Directors is authorized to administer the buy-back of the Company's shares where required by law.
- Article 6 Deleted.
- Article 7 The Company may issue shares without physical printed certificates provided that it arranges for book-entry registration with a central securities depository.
- Article 8 Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of general meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Meeting of Shareholders

- Article 9 Shareholders' meetings of the Company are of two types, namely: (1) general meetings and (2) special meetings. General meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.
- Article 9-1 Matters to be resolved at a shareholders' meeting shall be as follows:
1. Adoption of and amendment to these Articles of Incorporation.

2. Election and discharge of directors.
3. Authorize a director who does anything for himself or on behalf of another person that is within the scope of the Company's business.
4. Enter into, amend, or terminate any contract for lease of the Company's business in whole, or for entrusted business, or for regular joint operations with others.
5. Transfer the whole or any essential part of its business or assets.
6. Accept the transfer of another's whole business or assets, which has great bearing on the business operation of the Company.
7. Resolution on any other matters required by law or regulation.

- Article 10 A shareholder appointing a person as proxy to attend a shareholders' meeting in the place of the shareholder shall sign or affix his/her seal thereon a proxy form printed and issued by the Company. A shareholder may issue only one proxy form and appoint only one proxy for a meeting. Shareholders appointing a person as proxy to attend a shareholders' meeting shall be handled in accordance with the relevant provision of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".
- Article 11 Each shareholder of the Company is entitled to one vote for each share held, except those with no voting rights stipulated in Articles 179 and 197-1 of the Company Act.
- Article 12 Unless otherwise provided by the Company Act or other applicable laws or regulations, a resolution of a shareholders' meeting shall be made with the approval of a majority of the voting rights of the shareholders present at a meeting at which shareholders representing a majority of the total issued shares are present.
- Article 12-1 Meetings of shareholders shall be handled in accordance with the Company Act and the Articles of Incorporation as well as the Company's "Rules and Procedures of Shareholders' Meetings". All resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes and handled in accordance with Article 183 of the Company Act.

Chapter 4 Directors

- Article 13 The Company shall have seven to nine Directors, serving a term of office of three (3) years. Directors shall be elected under the candidate nomination system of directors set out in Article 192-1 of the Company Act at the shareholders meetings and are eligible for re-election and re-appointment. The election shall adopt the cumulative voting system.
The aforesaid Board of Directors must have at least three (3) Independent Directors. The number of Independent Directors shall constitute at least one-fifth or more of the total number of Directors. Independent Directors shall be elected from the list of Independent Directors' nominees. The qualification of Independent Directors shall comply with the relevant regulations of the governing authority.
- Article 13-1 The Board of Directors is authorized to determine the remuneration to the Chairman and Directors with industry norm as the benchmark.
The Company may purchase indemnity insurance to cover the liabilities of Directors appropriate for exercising their business duties during their office.
- Article 14 Any Director who has transferred more than one half of his or her shares owned at the time of being elected during office shall be subject to ipso facto dismissal. In the case that vacancies

on the Board of Directors exceed, for any reason, one third of the total number of the Directors, then the Board of Directors shall convene an extraordinary shareholders' meeting within sixty (60) days of the occurrence of the event to elect new Directors to fill such vacancies.

The number of name-bearing shares of the Company held by the Directors, shall be no less than a specified percentage of the Company's total number of issued shares. The aforesaid percentage shall be stipulated in accordance with Article 26, paragraph 2 of the "Minimum Percentages of Registered Shares to Be Held by Directors and Supervisors" of the Securities and Exchange Act.

- Article 14-1 Duties of the Board of Directors: The duties of the Board of Directors are to conduct the Company's business activities. The Board of Directors is authorised to resolve any matters other than those that require the resolution at the Shareholders' Meeting in accordance with the Company Act or the Company's Articles of Incorporation. The Company's Board of Directors may resolve to establish a Remuneration Committee or other functional committees to meet business and operational requirements.
- Article 14-2 Meeting of the Board of Directors: Except otherwise provided by the Company Act, the Chairman shall convene at least one meeting of the Board of Directors each quarter and may host special meetings where required. The aforementioned meetings shall be convened in accordance with the provisions of Articles 203 and 204 of the Company Act and the Company's "Rules and Procedures for Meetings of Board of Director".
- Article 15 Where the Chairman is on leave or is unable to be present at the meeting to exercise his or her duties, he or she can appoint a representative in accordance with Article 208 of the Company Act.
- Article 15-1 Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution of the Board of Directors shall be made with the approval of a majority of the Directors present at a meeting at which a majority of the Directors is present. Directors shall be present in person at meetings of the Board of Directors. A Director unable to be present at a meeting may appoint another Director to act at the meeting on behalf of such absent Director, but shall in each instance issue a proxy form specifying the scope of authorization with respect to the reasons of the meeting limited to one proxy per attending Director.
- Article 16 Deleted.
- Article 16-1 The Audit Committee and its members are responsible for carrying out the duties of supervisors set out in the Company Act, Securities and Exchange Act and other relevant laws and regulations.
- Article 16-2 Deleted.
- Article 16-3 Deleted.

Chapter 5 Managerial Officers

- Article 17 The Company may appoint one or more President(s). The appointment or dismissal of the Company's President(s) shall be approved at a meeting of Board of Directors by a majority of the Directors present at the meeting attended by a majority of the

Directors. The President is authorized for the appointment or dismissal of other managerial officers. The Company's managerial officers are authorized to sign on behalf of the Company in accordance with the Company's relevant rules and within the authorization limit granted.

Chapter 6 Accounting

- Article 18 After the close of each fiscal year, the Board of Directors shall prepare and submit the following reports to the ordinary shareholders' meeting for acceptance: (1) Business Report; (2) Financial Statements; (3) Proposal for Distribution of Earnings or Covering of Losses.
- Article 19 Deleted.
- Article 20 The Company shall set aside no less than 4% of its earnings for the period, if any, as employees' profit-sharing bonus and not more than 3% of its earnings as remuneration to Directors. Notwithstanding the forgoing, the Company shall reserve a sufficient amount of earnings to offset its accumulated losses. Where remuneration to employees are distributed by way of shares or cash, employees of affiliated enterprises of the Company may be eligible provided that certain criteria are met that approved by the Board of Directors.
The Company's earnings for the current fiscal year shall be distributed in the following order: (1) first to be offset against losses; (2) 10 percent of the remaining earnings, if any, be set aside as legal reserve; (3) allocate or reverse special reserve in accordance with regulations or rules of the governing authority; (4) the sum of any balance remaining and accumulated retained earnings for the current period will be accumulated earnings available for distribution. The aforesaid accumulated earnings may be distributed in the manner set out in the proposal put forward by the Board of Directors and upon adoption at the meeting of shareholders.
The Company authorizes the Board of Directors to resolve by a majority vote at a Board of Directors' meeting attended by at least two-thirds of the total number of directors to distribute dividends or bonuses in whole or in part by way of cash or to distribute the legal reserve and capital reserve in whole or in part and report such distributions to the shareholders' meeting.
- Article 20-1 The Company may distribute dividends by way of cash or issuance of new shares, taking into account earnings for the current fiscal year and the overall industry environment, provided that the total value of cash dividends distributed shall be at least 10 percent of the total value of dividends distributed and any shortfall may be supplemented by the issuance of new shares upon resolution at a shareholders' meeting pursuant to the Company Act.
- Article 21 Any matters not covered herein shall be governed by the Company Act.
- Article 22 These Articles of Incorporation were adopted on February 6, 1990. The first amendment was made on September 29, 1992; the second on April 15, 1993; the third on May 10, 1993; the fourth on August 10, 1994; the fifth on March 1, 1995; the sixth on February 1, 1996; the seventh on March 25, 1996; the eighth on June 10, 1997; the ninth on September 5, 1997; the tenth on April 10, 1998; the eleventh on April 23, 1999; the twelfth on July 13, 1999; the thirteenth on April 17, 2000; the fourteenth on April 17, 2000; the fifteenth on May 7, 2001; the sixteenth on May 7, 2001; the seventeenth on May 17, 2002; the eighteenth on June 12, 2003; the nineteenth on June

12, 2003; the twentieth on June 15, 2004; the twenty-first on June 15, 2004; the twenty-second on June 14, 2005; the twenty-third on June 14, 2005; the twenty-fourth on June 14, 2006; the twenty-fifth on June 15, 2007; the twenty-sixth on June 13, 2008; the twenty-seventh on June 19, 2009; the twenty-eighth on June 15, 2010; the twenty-ninth on June 15, 2011; the thirtieth on June 6, 2012; the thirty-first on June 17, 2013; the thirty-second on June 15, 2016; the thirty-third on June 14, 2017; the thirty-fourth on June 10, 2019. the thirty-fifth on June 22, 2020.

Topco Scientific Co., Ltd.

Chairman: Jeffery Pan

Appendix 3. Procedures for Acquisition or Disposal of Assets

- 1 Law Source:

The Procedures are stipulated in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and other relevant laws and regulations prescribed by the Financial Supervisory Commission (“FSC”).
- 2 The term “Assets” used herein includes the followings:
 - 2.1 Securities: including equity stocks, bonds, corporate bonds, bank debentures, securities representing interest in funds, depository receipts, call (put) warrants, beneficiary securities and asset-based securities.
 - 2.2 Real property: including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
 - 2.3 Memberships.
 - 2.4 Intangible assets: including patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - 2.5 Right-of-use assets.
 - 2.6 Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 - 2.7 Derivatives.
 - 2.8 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 - 2.9 Other major assets.
- 3 Terms used in the Procedures are defined as follows:
 - 3.1 Derivatives:

Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
 - 3.2 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 or other laws and regulations 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 the Company Act.
 - 3.3 Related party or subsidiary:

As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers
 - 3.4 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.
 - 3.5 Date of occurrence:

Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board 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.
 - 3.6 Mainland China area investment:

Refers to investments in Mainland China 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.

- 4 Professional appraisers and their officers, certified public accounts (CPA), 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:
 - 4.1 Shall not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, 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 three 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.
 - 4.2 Shall not be a related party or de facto related party of any party to the transaction.
 - 4.3 If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers shall not be related parties or de facto related parties of each other.
- 5 For acquisition or disposal of assets through court auction procedures, the appraisal report or CPA's opinion can be replaced by documents issued by the courts.
- 6 The following limits apply on investments made by the Company or subsidiaries in real property and right-of-use assets thereof not for business use or marketable securities:
 - 6.1 The total value of investment in real property and right-of-use assets thereof not for business use shall not exceed the Company's net worth reported in the most recent audited financial statements.
 - 6.2 The total value of investment in marketable securities shall not exceed the Company's net worth reported in the most recent audited financial statements.
 - 6.3 The total value of investment in individual marketable securities shall not exceed 50 percent of the Company's net worth reported in the most recent audited financial statements.
- 7 Board of Directors' meeting Record:

Where the proposal to acquire or dispose of assets by the Company is required to be submitted to the Board of Directors for approval, more than one half of all audit committee members must consent to the proposal prior to it being submitted the Board of Directors for resolution.

If the aforesaid proposal was not consented by at least one half of all the audit committee members, the proposal may be adopted by at least two third of all the Directors with the resolution of the audit committee clearly recorded in the minutes of the Board of Directors' meeting.

All members of the audit committee and all directors referred to in the preceding paragraph shall be those that are currently in office.
- 8 Procedures for acquisition or disposal of marketable securities
 - 8.1 Appraisal procedures:
 - 8.1.1 When acquiring or disposing of securities, the Company 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 CPA, 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 CPA 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, he or she shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (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 FSC.
 - 8.1.2 When acquiring or disposing of securities traded on a stock exchange or an OTC market,

the transaction price shall be negotiated and agreed upon according to the market prices at the time of disposal or acquisition.

- 8.1.3 When acquiring or disposal of securities not traded on a stock exchange or an OTC market, the transaction price shall be negotiated and agreed with reference to the future prospect and prevailing values at the time of disposal or acquisition.

8.2 Operating procedures:

8.2.1 Authorization limit

- (1) Short-term investment- currency-based investment (bond, fund, convertible bond, commercial paper, bankers' acceptance, bank term deposit and callable bond)

Level	Authorization Limit
Chairman	In excess of NT\$ 100 million
Chief Executive Officer	Less than NT\$100 million

- (2) Long-term and short-term investment- equity investment

Level	Authorization Limit
Board of Directors resolution	In excess of NT\$ 100 million
Chairman	Less than NT\$100 million

8.3 Expert opinion:

When acquiring or disposing of securities, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price if any of the followings applies and that the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more:

8.3.1 Acquiring or disposal of securities not traded on a stock exchange or an OTC market.

8.3.2 Acquiring or disposal of securities through private placement.

9 Procedures for acquisition or disposal of real property, plant or right-of-use assets thereof

9.1 Appraisal procedures:

9.1.1 When acquiring or disposing of real property or right-of-use assets thereof, the Company shall refer to the publicly announced current value, appraised value and settlement prices of neighboring properties to negotiate and agree on the terms and price of the transaction.

9.1.2 When acquiring or disposal of equipment or right-of-use assets thereof, the Company shall negotiate and agree on the price through making price inquiry, price comparison or tender.

9.2 Operating procedures:

9.2.1 Authorization limit

1.Acquiring or disposing of real property or equipment

Level	Authorization Limit
Board of Directors resolution	In excess of NT\$ 50 million
Chairman	Less than NT\$ 50 million

2.Acquiring or disposing of right-of-use assets of real property or equipment

Level	Authorization Limit
Board of Directors resolution	In excess of NT\$ 200 million
Chairman	In excess of NT\$ 50 million but under NT\$200 million
Chief Executive Officer	Under NT\$50 million

9.2.2 Implementation and transaction process

Implementation and the transaction process shall be handled in accordance with the Company's "Real Property, Plant Equipment Workflow" and "Investment Workflow".

9.3 When acquiring or disposing of real property, equipment, or right-of-use assets thereof, where

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

- 9.3.1 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.
- 9.3.2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- 9.3.3 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 CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (3) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (4) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- 9.3.4 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.

10 Related-party transactions

- 10.1 When the Company engages in any acquisition or disposal of assets from or to a related party, the provisions set out in this Article should be complied with in addition to complying with the provisions of Articles 5, 8, 9 or 11 of the Procedures herein. Where 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 accordance with the provisions of the aforesaid Articles. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- 10.2 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and a resolution at the Board of Directors' meeting:
 - 10.2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - 10.2.2 The reason for choosing the related party as a transaction counterparty.
 - 10.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 10.3 and 10.4.
 - 10.2.4 The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the

- Company and the related party.
- 10.2.5 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 fund utilization.
- 10.2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with Article 10.1.
- 10.2.7 Restrictive covenants and other important stipulations associated with the transaction.
- 10.3 Evaluate the reasonableness of the transaction costs:
- 10.3.1 The Company shall evaluate the reasonableness of the transaction costs by the following means when acquiring real property or right-of-use assets thereof from a related party:
- (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 one year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- 10.3.2 Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- 10.3.3 When acquiring real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, the Company shall also engage a CPA to check the appraisal and render a specific opinion.
- 10.3.4 Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the 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 five 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 and the right-of-use assets thereof for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital.
- 10.4 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 accordance with the following Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- 10.4.1 Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

- (3) 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 three 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.
 - (4) 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.
- 10.4.2 When acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party, the Company provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- 10.5 When 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:
- 10.5.1 A special reserve shall be set aside in accordance with of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost and shall not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the Company.
 - 10.5.2 Members of the Audit Committee who are Independent Directors shall comply with the provision of Article 218 of the Company Act.
 - 10.5.3 Provision of a special reserve and handling of affairs by Independent Directors 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.
- 10.6 The Company may not utilize the special reserve set aside under the preceding paragraph until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
- 10.7 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.
- 10.8 The transaction amount referred to in Article 10.2 shall be calculated in accordance with Article 15.2. "Within the preceding year" as therein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted for approval by the Board of Directors in accordance with these procedures need not be counted toward the transaction amount.
- 10.9 With respect to the types of transactions listed below, when to be conducted between the

Company and its subsidiaries, or between its subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction amount is within NT\$200 million and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:

10.9.1 Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

10.9.2 Acquisition or disposal of real property or right-of-use assets thereof held for business use.

11 Acquisition or disposal of intangible assets or right-of-use assets thereof

11.1 Appraisal procedures:

11.1.1 When acquiring or disposing of memberships, the Company shall refer to the fair market value to negotiate and agree on the transaction price and prepare the analysis in a report for submission to the Chairman.

11.1.2 When acquiring or disposing of intangible assets or right-of-use assets thereof, the Company shall consider the formation costs of the intangible asset, the subsequent benefits derived from its use and its fair market value to negotiate and agree on the transaction terms and price and prepare the analysis in a report for submission to the Chairman.

11.2 Operating procedures:

11.2.1 Authorization limit

Level	Authorization Limit
Board of Directors resolution	In excess of NT\$ 20 million
Chairman	Less than NT\$ 20 million

11.2.2 Implementation and transaction process

Implementation and the transaction process shall be handled in accordance with the Company's "Investment Workflow".

11.3 Expert opinion on intangible assets or right-of-use assets thereof or memberships

When acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more. The aforesaid certificate public accountant shall do so in accordance with the provisions of Statement of Auditing Standards published by the ARDF.

12 Acquisition or disposal of claims of financial institutions

The Company does not currently engage in the acquisition or disposal of claims of financial institutions. Notwithstanding the forgoing, the Company shall seek the approval of the Board of Directors shall such need arises subsequently and upon approval by the Board of Directors, the Company shall stipulate the relevant appraisal and operating procedures.

13 Acquisition or disposal of derivatives

Derivative trading shall be handled in accordance with the Company's "Procedures for Acquisition or Disposal of Assets: Derivative Trading".

14 Procedures for conducting merger, demerger, acquisition or transfer of shares

14.1 Appraisal and operating procedures:

14.1.1 When conducting a merger, demerger, acquisition, or transfer of shares, the Company shall engage a CPA, attorney, or securities underwriter to engage in a joint discussion of a preliminary schedule of the legal procedures and summon a special taskforce to execute the schedule in accordance with the legal procedures; and prior to convening the Board of Directors' meeting to resolve on the matter, engage the aforesaid experts

to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders for submission to the Board of Directors for deliberation and resolution. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempt in the case of a merger between the Company and its 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.

- 14.1.2 The Company shall, when participating in a merger, demerger, acquisition, or transfer of shares, 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 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.
- 14.2 Other matters:
- 14.2.1 Date of Board of Directors' meeting and shareholders' meeting:
The Company shall, when participating in a merger, demerger, or acquisition convene a Board of Directors' meeting and shareholders' meeting with other participating companies on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise provided by other laws and regulations or the FSC is notified in advance of extraordinary circumstances and grants consent. The Company shall, when participating in a transfer of shares, convene a Board of Directors' meeting with other participating companies on the day of the transaction unless otherwise provided by other laws and regulations or the FSC is notified in advance of extraordinary circumstances and grants consent.
- 14.2.2 When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference and inspection:
- (1) Basic identification data for personnel: Including the position 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.
- 14.2.3 When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within two days (including) from the date of the Board of Directors resolution, 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.
- 14.2.4 Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its

shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

14.2.5 Confidentiality agreement:

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 shall not disclose the content of the plan prior to public disclosure of the information and may not trade, in his or her 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.

14.2.6 Principles governing the alteration of the share exchange ratio or acquisition price:

The Company shall not, when participating in a merger, demerger, acquisition, or transfer of shares, arbitrarily alter the share exchange ratio or acquisition price unless under the circumstances listed below, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- (1) Capital increase by cash, 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

14.2.7 Contents of the contract:

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 followings:

- (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 participating entities or the number of entities participating.
- (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 handling procedures.

14.2.8 Change in the number of participating companies:

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

where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing its board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

- 14.2.9 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 14.2.1 to Article 14.2.5 (inclusive) and Article 14.2.8 of the procedures herein.

15 Public Disclosure of Information:

- 15.1 Under any of the following circumstances, the Company shall publicly announce the disclosure items and disclosure criteria within two days (including) from the date of occurrence of the event:

- 15.1.1 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.
- 15.1.2 Merger, demerger, acquisition, or transfer of shares.
- 15.1.3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- 15.1.4 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:
- (1) Where the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (2) Where the Company's paid-in capital is more than NT\$10 billion, the transaction amount reaches NT\$1 billion or more.
- 15.1.5 Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- 15.1.6 Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- 15.1.7 Where an asset transaction other than any of those referred to in the preceding six subparagraphs, or an investment in the Mainland China reaches 20 percent or more of the Company's paid-in capital or NT\$300 million except for the followings:
- (3) Trading of domestic government bonds.
 - (4) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- 15.2 "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with

the procedures herein need not be counted toward the transaction amount.

15.2.1 The amount of any individual transaction.

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

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

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

15.3 Deadline for public announcement and declaration of information:

The Company shall, within two days (including) from the date of occurrence of the event, publicly announce the information on assets acquired or disposed of by the Company in the format prescribed by the FSC on the information reporting website designated by the FSC.

15.4 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 (including) from the date of knowing of such error or omission.

15.5 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's premise, where they shall be retained for 5 years except otherwise provided by other laws and regulations.

15.6 Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with this Article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days (including) from the date of occurrence of the event:

15.6.1 Change, termination, or rescission of a contract signed in regard to the original transaction.

15.6.2 The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

15.6.3 Change to the originally publicly announced and reported information.

16 Subsidiary companies

16.1 The Company shall ensure that its subsidiary companies stipulate and implement the "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets" and the aforesaid procedures and any amendments hereafter shall be adopted by the subsidiary's Board of Directors.

16.2 Information required to be publicly announced and reported in accordance with the provisions of Article 15 on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.

16.3 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 16, paragraph 2.

17 For the calculation of 10 percent of total assets under the procedures herein, the total assets stated in the Company's most recent financial report or individual financial reports prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a subsidiary company of which shares has no par value or has a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these procedures, 10 percent of equity attributable to owners of the parent company shall be substituted; for calculations under the provisions of these procedures regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to equity owners of the parent company shall be substituted.

18 Disciplinary Measures

Any employee of the Company in violation of the provisions of the procedures herein shall be subject to the Company's "Employee Award and Discipline Policy".

19 Any matters not covered herein shall be handled in accordance with the relevant laws and regulations.

20 Adoption and amendments

The Procedures and any amendments hereafter shall be approved by Audit Committee and Board of Directors for consent at shareholders' meeting.

If the aforesaid proposal was not consented by at least one half of all the audit committee members, the proposal may be adopted by at least two third of all the Directors with the resolution of the audit committee clearly recorded in the minutes of the Board of Directors' meeting.

All members of the audit committee and all directors referred to in the preceding paragraph shall be those that are currently in office.

21 History:

The Procedures were adopted on 10 April, 1998. The first amendment was made on 8 December, 1998; the second on 23 November, 1999; the third on 21 December, 1999; the fourth on 17 May, 2002; the fifth on 18 February 2003; the sixth on 15 June, 2004; the seventh on 23 April, 2007; the eighth on 30 December, 2011; the ninth on 19 March, 2012; the tenth on 24 June, 2014; the eleventh on 9 June, 2015; the twelfth on 14 June 2017; the thirteenth on 28 December, 2018; and the fourteenth on 8 May, 2019 and the fifteenth on 27 March, 2020.

Appendix 4.

The Impact of the Issuance of Bonus Shares on the Company's Operating Performance, Earnings Per Share and Return on Shareholders' Investment :

None.

Appendix 5.

Shareholding All of the Company's Directors

1. Pursuant to Article 26 of the Securities and Exchange Act and the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” , the minimum number of shares and percentage of shares held by the all of the Company's Directors are as follows:

The Company's issued ordinary shares	181,699,567 shares
Percentage of shares held by All Directors required by law	6%
Number of shares held by All Directors required by law	10,901,974 shares

2. The numbers of shares held by the directors and supervisors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date (April 1, 2022) for that shareholders' meeting.

Title	Name	Shareholding
Director	J. W. Kuo	7,333,759
Director	Jeffery Pan	1,500,817
Director	Simon Tseng	1,029,950
Director	Charles Lee	593,948
Director	Jia Pin Investment Development Co., Ltd. Representative: Robert Lai	6,979,382
Director	Pei-fen, Chang	1,198,963
Independent Director	Chen, Linsen	0
Independent Director	Sun, Pi-Chuan	0
Independent Director	Cheng, Jen-Wei	0
Number of shareholding by all Directors		18,636,819