



Ticker Number : 5306

KMC(Kuei Meng) International Inc.
2021 ANNUAL
SHAREHOLDERS' MEETING

MEETING AGENDA
(Translation)

June 24, 2021

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I. Call Meeting to Order

II. Meeting Agenda

KMC (Kuei Meng) International Inc. 2021 Annual Shareholders' Meeting Meeting Agenda (Translation)

Time: 09:00 a.m., June 24th, 2020

Place: Zenda Suites C Hall (Address: No.2, Dasyue Rd., East District, Tainan City 70146, Taiwan.)

- I. Chairman's Address
- II. Report Matters:
 1. 2020 Distribution of Employees' and Directors' Remuneration.
 2. 2020 Business Report.
 3. Audit Committee's review report.
 4. Report on reasons and related matters for the issuance of secured convertible corporate bond.
- III. Acknowledgement Matters:
 1. Adoption of the 2020 Business Report and Financial Statements.
 2. Adoption of the Proposal for Distribution of 2020 Profits.
- IV. Proposals and Discussions:
 1. Amendment to the Articles of Incorporation.
 2. Amendment to the Operational procedures for Acquisition and Disposal of Assets.
- V. Other Business and Special Motion
- VI. Meeting Adjourned

I. Chairman's Address

II. Report Matters

1. 2020 Distribution of Employees' and Directors' Remuneration.

Explanation:

- (1) The Board of Directors approved 2020 employees' profit sharing bonus and directors' compensation on March 15, 2021. The employees' profit sharing bonus and directors' compensation are to be distributed in cash.
- (2) 2020 employees' total profit sharing bonus is NT\$10,606,000, and 2020 directors' compensation is NT\$8,400,000.

2. 2020 Business Report.

Explanation: The 2020 Business Report is attached hereto as Attachment I (page 8-12).

3. Audit Committee's review report.

Explanation: The Audit Committee's review report is attached hereto as Attachment II (page 13).

4. Report on reasons and related matters for the company's 2020 Third issuance of secured convertible corporate bond

Explanation:

- (1) The issuance is based on article 246 of R.O.C. Company Law.
- (2) On October 30, 2020, the Company completed the third issuance of domestic secured convertible corporate bond in order to repay the bank loans. The corporate bond was issued with total amount of NT\$1 billion and each of which was NT\$100,000. The coupon rate was 0% and period will be 3 years. The related matters please refer to Attachment III (page 14).

III. Acknowledgement Matters

1. Proposal: Adoption of the 2020 Business Report and Financial Statements. (Proposed by the Board)

Explanation:

- (1) KMC's 2020 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Mr. Yang, Chao-Chin and Ms. Li, Chi-Chen of Deloitte & Touche.
- (2) The 2020 Business Report, Independent Auditors' Report and the aforementioned Financial Statements were reviewed by Audit Committee.
- (3) Please refer to Attachment I, II, IV (page 8-12, 13, 15-24).

Resolution:

2. Proposal: Adoption of the Proposal for Distribution of 2020 Profits. (Proposed by the Board)

Explanation:

- (1) The Board has adopted a Proposal for Distribution of 2020 Profits in accordance with the Company Act and Articles of Incorporation. Please refer to Attachment V (page 25).
- (2) The Company intends to issue a cash dividend of NT\$7.2 per share; the surplus distribution amounts to NT\$907,200,000 for shareholders' cash dividend. The cash dividend distribution will be calculated to the nearest NT dollar, rounding off the decimals, and the remainder will be recognized as "Other Non-Operating Income" of the Company.
- (3) Upon the approval of cash dividend by the current shareholders' meeting, the Chairman had been authorized by the Board to determine matters related to ex-dividend date and payment date for the cash dividend distribution. Besides, if the number of total shares outstanding change, prior to the ex-dividend date for the distribution, such that the ratio of the cash dividends is affected, the Chairman of the Board will deal relevant matters.

Resolution:

IV. Proposals and Discussions

1. Proposal: Amendment to the Articles of Incorporation.(Proposed by the Board)

Explanation:

- (1) In order to comply with Article 162 of the Company Law and also due to the company's business needs, the company amend the Articles of Incorporation.
- (2) Please refer to Attachment VI for a comparison of the contents before and after amendment (page 26-29).

Resolution:

2. Proposal: Amendment to Operational Procedures for Acquisition and Disposal of Assets. (Proposed by the Board)

Explanation:

- (1) In order to reinforce the evaluation and risk management of derivatives transactions, the company amend the Operational Procedures for Acquisition and Disposal of Assets.
- (2) Please refer to Attachment VII for a comparison of the contents before and after amendment (page 30-31).

Resolution

V. Other Business and Special Motion

VI. Meeting Adjourned

III. Attachment

Attachment I

Attachment I 2020 Business Report

KMC (Kuei Meng) International Inc. 2020 Business Report

Dear Shareholders,

Impacted by COVID-19, 2020 was a year full of unprecedented challenges that put the whole world upside down. Thanks to our employees and the management team, we overcame obstacles and generated record-high performance. In 2020, our operating revenue reached NT\$6.13 billion, a YoY growth of 17%. Net profit after tax reached NT\$1.51 billion, a YoY growth of 50%. EPS was NT\$12, which delivered a second consecutive year of record.

At the beginning of 2020, the shortage of supply appeared in the bicycle industry. With various pandemic prevention measures implemented, the bicycle supply chain suspended for nearly two months while the demand remained stable. Since the inventory was insufficient, the shortage of supply appeared. Meanwhile, the epidemic changed the way that people commute, exercise and recreate. The governments also encouraged people to ride a bicycle, and offered subsidies for buying bicycle components. These all boosted the demand for bicycles. In face of the increasing demand for bicycles around the globe, KMC increased its productivity by 10%, delivering outstanding performance with global deployment and flexible productivity adjustment. In addition, the operation of non-bicycle businesses also rebounded from the third quarter of 2020.

In recent years, KMC released the specialized e-bike chain and chainring to fulfill the high torque and high durability requirements of the e-bikes. The specialized chain and chainring set based on the concept of "Chain Mate" provided e-bikes a comprehensive and highly compatible solution. It is expected that KMC will take a crucial role as the market of e-bikes grows.

I. Business results of 2020:

1. The implementation results of business plan:

In 2020, KMC's consolidated revenue was NT\$6.13 billion, a 17% growth compared to 2019. The consolidated operating net profit was NT\$2.82 billion which increased 31.5% from the 2019 level. The gross margin was 46%. The consolidated net profit after tax was NT\$1.51 billion, a YoY growth of 50.3%. Earnings per share were NT\$12.

As a dedicated advocator of green transportation, KMC continued to promote ESG. In the Sustainalytics's ESG ratings, KMC was ranked top 1 in the bicycle industry, and the top 9% in the global ratings. In 2012, KMC became the first chain manufacturer in the world to obtain carbon footprint verification. In terms of social welfare, KMC carried out activities based on six major themes, initiated by three foundations. In terms of corporate governance, KMC strengthened its

Board diversity, and treated every shareholder equally. In 2020, KMC was honored to be nominated as the company with the best IR team by IR Magazine. In the future, KMC will continue to promote ESG based on the principles of “sustainable environment”, “green supply”, “common welfare”, “equal sharing” and “ethical management”.

The year of 2020 Budget Implementation Status:

Unit: NT\$ thousands

Item	Actual amount	Budget amount	Achieved rate %
Operating revenue	6,130,483	5,500,000	111%
Gross profit	2,819,482	2,300,000	123%
Operating profit	1,974,277	1,350,000	146%
Net profit after tax	1,514,646	1,100,000	138%

Financial and Profitability analysis:

Unit: NT\$ thousands

Item	2020	2019	The percentage changed
Operating revenue	6,130,483	5,239,635	17.0%
Gross profit	2,819,482	2,143,280	31.5%
Operating profit	1,974,277	1,253,552	57.5%
Net profit after tax	1,514,646	1,007,490	50.3%
Gross profit margin	46.0%	40.9%	
Operating margin	32.2%	23.9%	
Net margin	24.7%	19.2%	
EPS in NT\$	12.02	8.00	

2. Research and Development Status:

Adhering to the attitude of “professionalism” and “continued dedication”, KMC has continued to invest in research and development on bicycle and non-bicycle components, and carried out in-depth study and innovation as well as development of high-precision product. The spirit of focusing on R&D and innovation has always been the key to the sustainable growth of KMC. Our R&D team follows the product development trend of each business segment and enhances the added value of our products. By integrating innovative technology and new materials, KMC will create better next-generation products.

In 2020, the R&D efforts of KMC on bike components are summarized as follows:

- A. In response to the rapid growth of e-bikes, KMC developed a specialized e-bike chain that works perfectly with various powerful mid drive motor. Our R&D team leveraged the cutting edge technology to reduce the chain elongation and improve its durability. Meanwhile, this technology enables our chain to have 2 to 4 times longer life span than traditional bicycle chain.

- B. Today, the main trend for transmission systems is moving toward higher speeds, no matter it is for traditional transmission system or e-bike transmission system. However, the higher speed requires more plates in the same space and the chain needs to be thinner. As the chain becomes thinner, it also needs to maintain the same or even better strength, resilience and functionality. Therefore, new materials need to be developed to meet the demand for chain. KMC has begun to cooperate with metal material suppliers to jointly develop new materials to achieve thinner but stronger chain. With its long-established precision stamping capability and heat treatment technology, KMC would be able to produce next-generation, super high-end chains and transmission components.

II. Summary of 2021 Business Plan:

1. Business principles and important policies of production and marketing:

Due to the COVID-19, the supply side changed in various industries. Instant supply used to be the principle of the overall supply chain. Yet due to the pandemic, the supply chain couldn't function normally. KMC has already established a comprehensive production and sales network around the world, demonstrating its edge on multiple operations under the influence of the epidemic. The real-time supply established by KMC is no longer based on the lowest cost of the production. We focus more on the demand of the target market, flexible multi-site manufacturing and immediate customer service. In 2021, we will continue to improve our distribution channel to respond to the changes in the global bike industry and other businesses. Additionally, we will also dedicate to improving our product portfolio, increasing the market share in after sales market and high-end product, strengthening the core abilities in technology and equipment development in order to improve our operational momentum.

From 2018, KMC has entered the top 35 of the “Best Global Brand” for three consecutive years and won the “Best Potential Brand of Taiwan”. KMC will continue its outstanding performance and aim at brand globalization, becoming the most influential international brand through global development and branding power.

As for production policy, apart from stably increasing the advanced production capacity to meet the clients' needs, KMC also offered faster and more instant sales support to our customers. Meanwhile, in response to the global trade protectionism, KMC reinforced its short supply chain ability with multiple production bases to ensure KMC maintains the edge that surpasses other rivals. Also, we will put our efforts on sustainability and green policy. By establishing green factories, utilizing green packaging materials, investigating carbon emission, and optimizing the production process, KMC has adopted the green concept into our product and manufacturing process to realize the goal of carbon reduction.

2. Sales volume forecast and the accordance of fact

Bicycle , motorcycle, automobile and GDO market has shown steady growth for many year; however, the sales volume forecast will be evaluated and properly adjusted according to the current industrial environment, market supply and demand and the business exploration ability.

III. Company's development strategy in the future:

KMC has set the goal of "becoming the most valuable chain brand"; therefore, constantly insisting on refinement of product design and innovative manufacturing process is the way to provide consumers and clients with the chain products featuring the highest quality and the best compatible transmission systems. KMC will oriented towards "Professionalism with Hearty Choice"

In 2021, KMC will focus on three aspects of development in automotive parts and components. First of all, it will align with the development trend of electric bikes and increase its stake in the diversification of parts and components for electric bikes. Secondly, KMC seeks to increase its share in the repair market of Europe and USA. As the e-bike and high-end bike are penetrating, the lucrative profit in the repair market will be the prime force driving for profit growth for KMC. Thirdly, it is the chains for high-end sport vehicles. A number of manufacturers will launch ultra-high performance system in new models, which is expected to bring about another wave of upgrade and replacement for new vehicles, and in turn drive the demand for high-end chains. In the operation beyond bicycle chain, KMC will adopt multi-site operation and strengthen its operation in the repair operation in ASEAN region in the area of parts and components for motorcycles. In the area of automotive timing system, KMC will speed up its paces in working in conjunction with major customers in the development of automotive timing system and different parts and components. As for the garage door system, KMC will increase the number of projects of system parts for joint development with customers.

IV. Being Influenced by external environment, regulatory environment and overall business environment

As well as getting along with the rising of global urbanization level, those issues getting more serious including environmental protection, traffic, public health, the governments worldwide have gradually included bicycle as the best option of green vehicle. Countries have been calling people to care for the environment with real actions, reducing the impacts on the Earth, improving our environment, and preventing the damages to the environment. In 2021, the US addressed the issue of carbon emission by holding the online climate summit. 40 leaders worldwide including China leader Xi Jinping, Russian leader Vladimir Putin, and Pop Francis joined the two-day meeting. The US announced that by 2030, its GHG emission will decrease 50% compared to 2005. By 2050, it will reach carbon neutrality. Japan also proposed that by 2030, its GHG emission will decrease 46% compared to 2013; Canada changed its target from 30% to 40 to 45% compared to 2005. China announced that by 2030 it will reach its carbon peak and by 2060, it will reach carbon neutrality. When a country or a region announces its goal of carbon neutrality, it implies that the policy, business models, energy transformation, and environmental regulations shall make changes accordingly. This will bring fundamental impact to alleviating climate change and natural disasters.

The current situation unveils a promising future for the bicycle industry. On one hand, people prefer personal transportation to public transportation to maintain social distance. On the other hand, according to CONEBI's research, the sales of electric bikes in the EU will surge from 4.6 million units in 2020 to 17 million units in 2030. It is anticipated that by 2028, the sales of electric bikes will surpass traditional bikes, which demonstrates a bright future for e-bikes. At the beginning of 2020, the EU set the achievement time of carbon neutrality in 2050. This means a positive and lucrative development for the bike industry. No matter it's environmental awareness, urban transportation, or public health safety, bicycle is undoubtedly the best and the simplest solution.

Looking back in 2020, we saw rapid changes in the external environment and the overall economy. KMC made a breakthrough by turning all the unfavorable factors into strong momentum to push the company forward. We will take practical and prudent attitude to respond to any changes in the future. Your unwavering support and the anticipation from the public have been embedded in our hearts. We will put more efforts in the company operation to generate fruitful result as the returns to shareholders' supports.

I'd like to express my sincere gratitude for your support!

KMC (Kuei Meng) International Inc.
Chairman: Wu, Ying-chin

Attachment II

Attachment II Audit Committee's Review Report

KMC(Kuei Meng) International Inc. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements and the proposal of distribution of earnings. The financial statements including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows) and consolidated financial statements. In addition, the board of directors appointed Chao Chin Yang and Chi Chen Li of Deloitte & Touche to audit KMC's financial statements and has issued an audit report relating to the financial statements.

The Audit Committee is responsible for supervising the company's financial reporting process.

The Company's independent auditors have communicated the following matters with the Audit Committee on their audits of the Company's financial statements:

1. There are no major findings in the audit scope and timing planned by the independent auditors.
2. The independent auditors provided the personnel of the accounting firm who subject to independence regulations to the audit committee that have complied with the statement of independence in the professional ethics of accountants, and there is no other relationships or matters that may be considered to affect the independence of accountants.
3. The independent auditor communicate with the audit committee on key audit matters, and the key audit matters that must be communicated in the audit report have been included in the audit report.

The Company's 2020 Financial Statements, Business Report and the proposal of distribution of earnings which had been resolved by the Board of Directors have been reviewed by the Audit Committee and found that they are in compliance with relevant laws and regulations. According to relevant requirements of the Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law, we hereby submit this report.

KMC(Kuei Meng) International Inc.

Chairman of the Audit Committee

Mr. Wang, Ming-Lung

March 15, 2021

Attachment III Information on the third domestic secured convertible corporate bond

Types of company debt	The third domestic secured convertible corporate bond
Issue (handle) Date	2020.10.30
Denomination	NTD 100,000
Issuance and trading location	Securities counter trading center (listed on the OTC)
Issue price	Issued at 107.5% of the face value
Total	NTD 1,000,000,000
Interest rate	Annual coupon rate 0%
Period	Three-year period, maturity date : 2023.10.30
Repayment method	Unless the bondholders are converted into common stocks of the company in accordance with Article 10 of KMC'S Third Domestic Secured Convertible Corporate Bond Issuance and Convertible Measures, or the company redeemed them in advance in accordance with Article 18 of KMC'S Third Domestic Secured Convertible Corporate Bond Issuance and Convertible Measures, or this convertible corporate bond is bought and cancelled by the business offices of securities firms, this convertible corporate bond will be repaid in cash at the maturity of the bond in a lump sum according to the denomination of the bond
Outstanding principal repayment	NTD 1,000,000,000
Implementation status	As of April 30, 2021, the unconverted balance is NTD 1,000,000,000.

Attachment IV

Attachment IV Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
KMC (KUEI MENG) International Inc.

Opinion

We have audited the accompanying consolidated financial statements of KMC (KUEI MENG) International Inc. and its subsidiaries (collectively, the Group), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Taiwan, the Republic of China (ROC).

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a

whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is as follows:

Revenue recognition

The Group sells its products in Asia, the Americas and Europe. Sales revenue is significant to the consolidated financial statements and is presumed risk account under the Regulations Governing Auditing and Attestation of Financial Statements; thus, we deemed the validity and occurrence of sales of specific customers whose gross margin rate has significant growth than last year to be key audit matter.

The main audit procedures we performed in response to the key audit matter described above were as follows:

1. We understood and tested the operating effectiveness of internal controls and operation procedures in sales and payment collection cycle.
2. We selected a moderate number of samples from sales revenue and inspected delivery documents, documents of customs and relevant documents of collections to tested the authenticity of the sales.

Other Matter

We have also audited the parent company only financial statements of KMC (KUEI MENG) International Inc. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chao-Chin Yang and Chi-Chen Li.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2021.

Notice to Readers

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

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

KMC (KUEI MENG) INTERNATIONAL INC. AND SUBSIDIARIES
**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

ASSETS	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,991,392	19	\$ 1,765,933	18
Financial Assets at fair value through profit or loss-current (Notes 4, 7 and 21)	1,100	-	-	-
Financial assets at amortized cost - current (Notes 4, 8 and 9)	271,263	2	59,396	1
Notes receivable (Notes 4, 10 and 28)	88,294	1	107,758	1
Notes receivable from related parties (Notes 4, 10, 28 and 35)	16,110	-	-	-
Accounts receivable (Notes 4, 10 and 28)	1,137,324	11	870,226	9
Accounts receivable from related parties (Notes 4, 10, 28 and 35)	62,872	-	52,471	-
Other receivables (Note 35)	29,970	-	35,606	-
Current tax assets (Notes 4 and 30)	17,043	-	20,768	-
Inventories (Notes 4 and 11)	819,819	8	880,476	9
Prepayments (Note 13)	291,313	3	216,037	2
Other current assets (Note 13)	74,171	1	64,404	1
Total current assets	4,800,671	45	4,073,075	41
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 4 and 14)	12,793	-	12,764	-
Property, plant and equipment (Notes 4, 15 and 35)	3,114,632	29	3,072,048	31
Right-of-use assets (Notes 4, 16 and 35)	897,719	8	908,305	9
Investment properties (Notes 4 and 17)	126,140	1	133,458	1
Goodwill (Notes 4 and 19)	1,340,187	13	1,339,550	13
Other intangible assets (Notes 4 and 20)	223,003	2	273,515	3
Deferred tax assets (Notes 4 and 30)	59,182	1	85,605	1
Other financial assets - non-current (Note 12)	3,244	-	3,244	-
Other non-current assets (Note 13)	82,710	1	59,608	1
Total non-current assets	5,859,610	55	5,888,097	59
TOTAL	\$ 10,660,281	100	\$ 9,961,172	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 22)	\$ 604,368	6	\$ 898,177	9
Short-term bills payable (Notes 4 and 22)	119,834	1	99,955	1
Financial Liabilities at fair value through profit or loss - current (Notes 4 and 7)	58	-	-	-
Notes payable (Note 23)	944	-	944	-
Accounts payable (Note 23)	425,423	4	300,948	3
Accounts payable to related parties (Notes 23 and 35)	49,602	-	35,725	-
Other payables (Note 24)	292,810	3	283,846	3
Current tax liabilities (Notes 4 and 30)	299,448	3	143,778	2
Lease liabilities - current (Notes 4, 16 and 35)	3,110	-	2,828	-
Current portion of long-term borrowings (Notes 4 and 22)	-	-	1,270,000	13
Deferred revenue - current (Notes 4 and 25)	7,178	-	7,060	-
Other current liabilities (Notes 24 and 28)	94,418	1	37,993	-
Total current liabilities	1,897,193	18	3,081,254	31
NON-CURRENT LIABILITIES				
Bonds Payable (Notes 4 and 21)	979,427	9	-	-
Long-term borrowings (Notes 4 and 22)	859,419	8	1,085,000	11
Deferred tax liabilities (Notes 4 and 30)	469,048	4	472,527	5
Lease liabilities - non-current (Notes 4, 16 and 35)	4,500	-	1,791	-
Deferred revenue - non-current (Notes 4 and 25)	-	-	7,060	-
Net defined benefit liabilities - non-current (Notes 4 and 26)	45,409	1	32,926	-
Other non-current liabilities	2,287	-	2,131	-
Total non-current liabilities	2,360,090	22	1,601,435	16
Total liabilities	4,257,283	40	4,682,689	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 27)				
Capital stock - common stock	1,260,000	12	1,260,000	13
Capital surplus	1,633,538	15	1,541,021	15
Retained earnings				
Legal reserve	550,646	5	449,234	4
Special reserve	810,893	8	571,153	6
Unappropriated earnings	2,864,157	27	2,267,714	23
Total retained earnings	4,225,696	40	3,288,101	33
Other equity	(716,465)	(7)	(810,893)	(8)
Total equity attributable to owners of the Company	6,402,769	60	5,278,229	53
NON - CONTROLLING INTERESTS	229	-	254	-
Total equity	6,402,998	60	5,278,483	53
TOTAL	\$ 10,660,281	100	\$ 9,961,172	100

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

KMC (KUEI MENG) INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 28, 35 and 40)	\$ 6,130,483	100	\$ 5,239,635	100
OPERATING COSTS (Notes 11, 29 and 35)	<u>3,311,001</u>	<u>54</u>	<u>3,096,355</u>	<u>59</u>
GROSS PROFIT	<u>2,819,482</u>	<u>46</u>	<u>2,143,280</u>	<u>41</u>
OPERATING EXPENSES (Notes 29 and 35)				
Selling and marketing expenses	368,905	6	389,771	7
General and administrative expenses	430,451	7	450,905	9
Research and development expenses	48,815	1	34,104	1
Expected credit loss (gain)	<u>(8,312)</u>	<u>-</u>	<u>9,049</u>	<u>-</u>
Total operating expenses	<u>839,859</u>	<u>14</u>	<u>883,829</u>	<u>17</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 29 and 35)	<u>(5,346)</u>	<u>-</u>	<u>(5,899)</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>1,974,277</u>	<u>32</u>	<u>1,253,552</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 7, 14, 21, 25, 29 and 35)				
Interest income	24,641	-	24,949	1
Other income	72,855	1	67,697	1
Other gains and losses	(64,763)	(1)	(18,516)	-
Share of profit of associates	492	-	624	-
Finance cost	<u>(28,097)</u>	<u>-</u>	<u>(35,354)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>5,128</u>	<u>-</u>	<u>39,400</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,979,405	32	1,292,952	25
INCOME TAX EXPENSE (Notes 4 and 30)	<u>464,759</u>	<u>7</u>	<u>285,462</u>	<u>6</u>
NET PROFIT	<u>1,514,646</u>	<u>25</u>	<u>1,007,490</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 26)	(12,574)	-	8,291	-
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss (Note 30)	<u>2,515</u>	<u>-</u>	<u>(1,658)</u>	<u>-</u>

(Continued)

KMC (KUEI MENG) INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
	<u>(10,059)</u>	<u>-</u>	<u>6,633</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 27)	94,411	1	(239,199)	(4)
Income tax expense relating to items that may be reclassified subsequently to profit or loss (Notes 27 and 30)	<u>-</u>	<u>-</u>	<u>(535)</u>	<u>-</u>
	<u>94,411</u>	<u>1</u>	<u>(239,734)</u>	<u>(4)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>84,352</u>	<u>1</u>	<u>(233,101)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,598,998</u>	<u>26</u>	<u>\$ 774,389</u>	<u>15</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,514,654	25	\$ 1,007,486	19
Non-controlling interests	<u>(8)</u>	<u>-</u>	<u>4</u>	<u>-</u>
	<u>\$ 1,514,646</u>	<u>25</u>	<u>\$ 1,007,490</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,599,023	26	\$ 774,379	15
Non-controlling interests	<u>(25)</u>	<u>-</u>	<u>10</u>	<u>-</u>
	<u>\$ 1,598,998</u>	<u>26</u>	<u>\$ 774,389</u>	<u>15</u>
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$ 12.02</u>		<u>\$ 8.00</u>	
Diluted	<u>\$ 11.94</u>		<u>\$ 7.99</u>	

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

(Concluded)

KMC (KUEI MENG) INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company						Total	Non-controlling Interests	Total Equity
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Other Equity Exchange Differences on Translating the Financial Statements of Foreign Operations			
BALANCE, JANUARY 1, 2019	\$ 1,260,000	\$ 1,541,021	\$ 354,469	\$ 448,150	\$ 2,038,363	\$ (571,153)	\$ 5,070,850	\$ 244	\$ 5,071,094
Appropriation of the 2018 earnings (Note 27)									
Legal reserve	-	-	94,765	-	(94,765)	-	-	-	-
Special reserve	-	-	-	123,003	(123,003)	-	-	-	-
Cash dividends distributed by the Company - NT\$ 4.5 per share	-	-	-	-	(567,000)	-	(567,000)	-	(567,000)
Net profit for the year ended December 31, 2019	-	-	-	-	1,007,486	-	1,007,486	4	1,007,490
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	6,633	(239,740)	(233,107)	6	(233,101)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	1,014,119	(239,740)	774,379	10	774,389
BALANCE, DECEMBER 31, 2019	1,260,000	1,541,021	449,234	571,153	2,267,714	(810,893)	5,278,229	254	5,278,483
Appropriation of the 2019 earnings (Note 27)									
Legal reserve	-	-	101,412	-	(101,412)	-	-	-	-
Special reserve	-	-	-	239,740	(239,740)	-	-	-	-
Cash dividends distributed by the Company - NT\$ 4.5 per share	-	-	-	-	(567,000)	-	(567,000)	-	(567,000)
Equity component of convertible bonds issued by the company (Note 27)	-	92,517	-	-	-	-	92,517	-	92,517
Net profit for the year ended December 31, 2020	-	-	-	-	1,514,654	-	1,514,654	(8)	1,514,646
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(10,059)	94,428	84,369	(17)	84,352
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,504,595	94,428	1,599,023	(25)	1,598,998
BALANCE, DECEMBER 31, 2020	\$ 1,260,000	\$ 1,633,538	\$ 550,646	\$ 810,893	\$ 2,864,157	\$ (716,465)	\$ 6,402,769	\$ 229	\$ 6,402,998

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

KMC (KUEI MENG) INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,979,405	\$ 1,292,952
Adjustments for:		
Depreciation expenses	299,793	292,281
Amortization expenses	56,211	52,170
Expected credit loss recognized (reserved) on accounts receivable	(8,312)	9,049
Finance costs	28,097	35,354
Interest income	(24,641)	(24,949)
Share of profit of associates	(492)	(624)
Loss on disposal of property, plant and equipment	5,346	5,899
Unrealized loss on foreign currency exchange	8,871	12,646
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(100)	-
Notes receivable	3,354	15,384
Accounts receivable	(260,503)	46,908
Accounts receivable from related parties	(10,145)	3,739
Other receivables	10,249	(1,154)
Inventories	69,408	233,921
Prepayments	(75,276)	(104,568)
Other current assets	(9,767)	(4,869)
Financial liabilities mandatorily classified as at fair value through profit or loss	58	-
Notes payable	-	(5,563)
Accounts payable	124,455	(36,139)
Accounts payable to related parties	9,255	(1,559)
Other payables	18,803	(52,127)
Deferred revenue	(7,022)	14,668
Other current liabilities	56,425	6,681
Net defined benefit liability	<u>12,483</u>	<u>(7,833)</u>
Cash generated from operations	2,285,955	1,782,267
Income tax paid	<u>(284,816)</u>	<u>(316,384)</u>
Net cash generated from operating activities	<u>2,001,139</u>	<u>1,465,883</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(211,867)	(50,842)
Acquisition of subsidiaries	-	(347,046)
Acquisition of property, plant and equipment	(312,481)	(305,162)
Proceeds from disposal of property, plant and equipment	3,010	13,467
Increase in prepayments for equipment	(5,705)	-
Increase in refundable deposits	(1,186)	(1,739)
Decrease in refundable deposits	4,488	2,095
Acquisition of other intangible assets	(2,888)	(4,240)
Acquisition of investment properties	-	(2,612)

(Continued)

KMC (KUEI MENG) INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Decrease in other non-current assets	1,829	129
Interest received	<u>20,490</u>	<u>22,949</u>
Net cash used in investing activities	<u>(504,310)</u>	<u>(673,001)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	7,917,564	11,087,120
Repayments of short-term borrowings	(8,211,426)	(11,923,642)
Proceeds from short-term bills payable	920,000	3,250,000
Repayments of short-term bills payable	(901,125)	(3,152,401)
Proceeds from issuance of convertible bonds	1,074,972	-
Proceeds from long-term borrowings	7,423,592	5,150,000
Repayments of long-term borrowings	(8,919,000)	(4,795,000)
Proceeds from guarantee deposits received	129	-
Refund of guarantee deposits received	-	(281)
Repayment of the principal portion of lease liabilities	(3,344)	(3,251)
Cash dividends	(567,000)	(567,000)
Interest paid	<u>(27,429)</u>	<u>(33,004)</u>
Net cash used in financing activities	<u>(1,293,067)</u>	<u>(987,459)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>21,697</u>	<u>(112,919)</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	225,459	(307,496)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,765,933</u>	<u>2,073,429</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,991,392</u>	<u>\$ 1,765,933</u>

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

(Concluded)

Attachment V

Attachment V 2020 Profit Distribution Table

KMC (Kuei Meng) International Inc.
2020 Profit Distribution Table

Unit: NT\$

Items	Amount
Accumulated un-appropriated earnings at the beginning of the period	1,359,562,093
Retained earnings adjustment for the beginning of the period	(10,059,355)
Adjusted Accumulated un-appropriated earnings at the beginning of the period	1,349,502,738
2020 Net Profit	1,514,653,960
Less: appropriated as legal reserve (10%)	(150,459,461)
Plus: reversal of special reserve	94,428,222
Earnings available for appropriation at the end of 2020	2,808,125,459
Allocation Items	
Cash Dividends to Shareholders(NT\$7.2 per share)	(907,200,000)
Un-appropriated Earnings	1,900,925,459

Attachment VI

Attachment VI The comparison of the contents before and after amendment for the Articles of Incorporation.

Before Amendment	After Amendment
<p>Article 6: The share certificates of the Corporation shall all be name-bearing share certificates, bearing with the signatures or seals by at least three Directors and issued in accordance with Company Act. After the Corporation has officially listed on stock exchange, the Corporation may issue shares without printing share certificates.</p>	<p>Article 6 <u>The company's stocks are all registered, signed or stamped by the representative of the company's directors, and issued after obtaining a visa according to law. After the company's public offering, stocks may be issued without a physical entity, and other securities are the same, but they should be registered with the securities centralized custodial institution.</u></p>
<p>Article 6, Session 1: The Corporation may merge the share certificates specified with large quantities under the request made by Taiwan Depository & Clearing Corporation.</p>	<p>Article 6, Session 1: Delete</p>
<p>Article 21, Section 1: In case there is surplus in the fiscal year, after paying taxes in accordance with the laws and offset the losses, the Corporation shall set aside 10% as legal capital reserves. In case the statutory reserves have equaled the total paid-in capital of the Corporation, no allocation shall be made. Then, set aside special capital reserve in accordance with relevant laws or regulations; in case there are earnings left over, the Board of Directors shall propose the plan of distribution of surplus to the shareholder's meeting for approval. The industrial development of the Corporation is undergoing the business expansion phase and in great demand for funds; consequently, the distribution of surplus should be made in accordance with Company Act and the Corporation's articles of incorporation subject to the management of Corporation's capital and the business performance before determining the method of stock dividend. The principle of stock</p>	<p>Article 21, Section 1: <u>The distribution of earnings or the covering of losses may be made on a quarterly basis after the close of each quarter. When the earnings are to be distributed in cash, the distribution shall be approved by the Board of Directors in accordance with Article 228-1 and Paragraph V of Article 240 of the Company Law and reported to the shareholders' meeting, instead of being submitted to the shareholders' meeting for acceptance.</u> <u>The Corporation shall not pay dividends or bonuses to shareholders when there are no earnings. When allocating the earnings, the Corporation shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Corporation, then set aside a special capital reserve in accordance with relevant laws or regulations or as requested</u></p>

Before Amendment	After Amendment
<p>dividend shall follow the stability and balance policy, and the method of stock dividend (cash dividend or stock dividend) and the amount will be proposed by the Board of Directors in accordance with the business results, financial status and the management of capital before adopted by the annual regular shareholders meeting. In accordance with the dividend policy of the Corporation, the annual allocation of surplus to the shareholders shall not be less than 20%, the method of dividend can be made by cash or stock. While the cash dividend shall not be less than 20% of the total amount of cash and stock dividend.</p>	<p><u>by the authorities in charge.</u></p> <p>The industrial development of the Corporation is undergoing the business expansion phase and in great demand for funds; consequently, the distribution of surplus should be made in accordance with Company Act and the Corporation's articles of incorporation subject to the management of Corporation's capital and the business performance before determining the method of stock dividend. The principle of stock dividend shall follow the stability and balance policy, and the method of stock dividend (cash dividend or stock dividend) and the amount will be proposed by the Board of Directors in accordance with the business results, financial status and the management of capital before adopted by the annual regular shareholders meeting.</p> <p>In accordance with the dividend policy of the Corporation, the annual allocation of surplus to the shareholders shall not be less than 20%, the method of dividend can be made by cash or stock. While the cash dividend shall not be less than 20% of the total amount of cash and stock dividend.</p> <p><u>Distribute all or part of dividends and bonuses or statutory surplus reserve and capital reserve, if cash is distributed, authorize the board of directors to attend with more than two-thirds of the directors, and after more than half of the attending directors agree, and report Shareholders meeting.</u></p>

Before Amendment	After Amendment
<p>Article 24 The Statute was established on February 20th, 1989. The first revised edition of the statute was made on October 12th, 1989. The second revised edition of the statute was made on November 11th, 1990. The third revised edition of the statute was made on December 9th, 1990. The fourth revised edition of the statute was made on June 15th, 1991. The fifth revised edition of the statute was made on July 4th, 1991. The sixth revised edition of the statute was made on June 12th, 1992. The seventh revised edition of the statute was made on June 4th, 1993. The eighth revised edition of the statute was made on April 15th, 1994. The ninth revised edition of the statute was made on April 28th, 1995. The tenth revised edition of the statute was made on May 17th, 1996. The eleventh revised edition of the statute was made on June 12th, 1997. The twelfth revised edition of the statute was made on May 14th, 1998. The thirteenth revised edition of the statute was made on May 26th, 2000. The fourteenth revised edition of the statute was made on June 20th, 2002. The fifteenth revised edition of the statute was made on June 25th, 2004. The sixteenth revised edition of the statute was made on May 3rd, 2007. The seventeenth revised edition of the statute was made on June 22nd, 2009. The eighteenth revised edition of the statute was made on June 4th, 2010. The nineteenth revised edition of the statute was made on October 4th, 2011. The twentieth revised edition of the statute was made on June 21st, 2012. The twenty-first revised edition of the statute was made on June 25th, 2013. The twenty-second revised edition of the statute was made on June 24th, 2014. The twenty-third revised edition of the statute was made on June 24th, 2016.</p>	<p>Article 24 The Statute was established on February 20th, 1989. The first revised edition of the statute was made on October 12th, 1989. The second revised edition of the statute was made on November 11th, 1990. The third revised edition of the statute was made on December 9th, 1990. The fourth revised edition of the statute was made on June 15th, 1991. The fifth revised edition of the statute was made on July 4th, 1991. The sixth revised edition of the statute was made on June 12th, 1992. The seventh revised edition of the statute was made on June 4th, 1993. The eighth revised edition of the statute was made on April 15th, 1994. The ninth revised edition of the statute was made on April 28th, 1995. The tenth revised edition of the statute was made on May 17th, 1996. The eleventh revised edition of the statute was made on June 12th, 1997. The twelfth revised edition of the statute was made on May 14th, 1998. The thirteenth revised edition of the statute was made on May 26th, 2000. The fourteenth revised edition of the statute was made on June 20th, 2002. The fifteenth revised edition of the statute was made on June 25th, 2004. The sixteenth revised edition of the statute was made on May 3rd, 2007. The seventeenth revised edition of the statute was made on June 22nd, 2009. The eighteenth revised edition of the statute was made on June 4th, 2010. The nineteenth revised edition of the statute was made on October 4th, 2011. The twentieth revised edition of the statute was made on June 21st, 2012. The twenty-first revised edition of the statute was made on June 25th, 2013. The twenty-second revised edition of the statute was made on June 24th, 2014. The twenty-third revised edition of the statute was made on June 24th, 2016.</p>

Before Amendment	After Amendment
<p>The twenty-fourth revised edition of the statute was made on June 23rd, 2017.</p> <p>The twenty-fifth revised edition of the statute was made on June 20rd, 2019</p> <p>The twenty-sixth revised edition of the statute was made on June 24rd, 2020</p>	<p>The twenty-fourth revised edition of the statute was made on June 23rd, 2017.</p> <p>The twenty-fifth revised edition of the statute was made on June 20rd, 2019</p> <p>The twenty-sixth revised edition of the statute was made on June 24rd, 2020</p> <p><u>The twenty-seven revised edition of the statute was made on June 24rd, 2021</u></p>

Attachment VII

Attachment VII The comparison of the contents before and after amendment for the Operational procedures for Acquisition and Disposal of Assets.

Before Amendment	After Amendment
<p>Article 18 Trading principle and approach</p> <ol style="list-style-type: none"> 1. When the Company engage in derivatives trading, the type of derivatives are used for hedging purpose only, which includes foreign exchange forward and foreign exchange option. 2. Operating or hedging strategies: The foreign exchange derivatives transactions mentioned in the preceding paragraph is used for reducing the foreign exchange risk during operating and fund dispatching. The Company shall not engage in trades on any other derivatives for trading purpose. And the currency of the position held shall be the same as the one used actually in the Company's import/export transactions. 3. Authorization: Finance treasury management: Responsible for foreign exchange management system, for example: collect market information about foreign exchange; evaluate trend and risk and familiar with financial instruments and transaction skill. Besides, accepting the instructions from financial officer, being authorized to manage the foreign exchange positions and preventing risk in accordance with Company's policy then submitting the report of hedged and non-hedged position on Board meeting periodically. General accounting department: Responsible for the transaction confirmation, settlement and enter the transaction into the account book. Audit department: To measure, monitor and control the risk of transactions in financial department and report to the Board of Directors in the event of a material deficiency. 	<p>Article 18 Trading principle and approach</p> <ol style="list-style-type: none"> 1. When the Company engage in derivatives trading, the type of derivatives are used for hedging purpose only, which includes foreign exchange forward and foreign exchange option. 2. Operating or hedging strategies: The foreign exchange derivatives transactions mentioned in the preceding paragraph is used for reducing the foreign exchange risk during operating and fund dispatching. The Company shall not engage in trades on any other derivatives for trading purpose. And the currency of the position held shall be the same as the one used actually in the Company's import/export transactions. 3. Authorization: Finance treasury management: Responsible for foreign exchange management system, for example: collect market information about foreign exchange; evaluate trend and risk and familiar with financial instruments and transaction skill. Besides, accepting the instructions from financial officer, being authorized to manage the foreign exchange positions and preventing risk in accordance with Company's policy then submitting the report of hedged and non-hedged position on Board meeting periodically. General accounting department: Responsible for the transaction confirmation, settlement and enter the transaction into the account book. Audit department: To measure, monitor and control the risk of transactions in financial department and report to the Board of Directors in the event of a material deficiency.

Before Amendment	After Amendment
<p>4. Performance evaluation: When engaging in derivatives transactions, the Company shall daily record the transactions in detail in order to control the performance, and shall also settle exchange gains and losses monthly, quarterly, half yearly and yearly.</p> <p>5. Transaction contract dollar amount:</p> <p>(1) Transactions to avoid exchange risk: The total amount of the contracts shall not exceed the aggregate amount of import and export in the current year.</p> <p>(2) Transactions to avoid interest rate risk: The total amount of the contracts shall not exceed the amount of total debt.</p> <p>(3) Transactions to avoid the exchange rate and interest rate risk arising from projects: The total amount of the contracts shall not exceed the aggregate amount of the project budget.</p> <p>6. Maximum loss limit: The maximum loss limit for all contracts is US\$100,000.</p>	<p>4. Performance evaluation: When engaging in derivatives transactions, the Company shall daily record the transactions in detail in order to control the performance, and shall also settle exchange gains and losses monthly, quarterly, half yearly and yearly.</p> <p>5. Transaction contract dollar amount:</p> <p>(4) Transactions to avoid exchange risk: The total amount of the contracts shall not exceed the aggregate amount of import and export in the current year.</p> <p>(5) Transactions to avoid interest rate risk: The total amount of the contracts shall not exceed the amount of total debt.</p> <p>(6) Transactions to avoid the exchange rate and interest rate risk arising from projects: The total amount of the contracts shall not exceed the aggregate amount of the project budget.</p> <p>6. <u>Maximum loss limit:</u> <u>For hedging transactions, the upper limit of losses is 20% of the contract amount for all contracts in aggregate or for any individual contract.</u></p>

Appendix

Appendix I

Appendix I Shareholding of Directors

KMC(Kuei Meng) International Inc.
Shareholding of Directors

1. In accordance with Article 26 of the Securities and Exchange Act, the Company's directors shall at least hold a total of 8,000,000 shares.
2. As of April 26, 2021, the entire directors of the Company held 48,697,340 shares. The shareholdings of directors recorded in the shareholder register is as follows:

Book closure date: April 26th, 2021

Position	Name	Number of shares held
Chairman	KMC TRANSTON INDUSTRIES LIMITED Representative Wu, Ying-Chin	47,412,256
Director	KMC TRANSTON INDUSTRIES LIMITED Representative Wu, Jui-Chang	47,412,256
Director	Kao, Ting-Nan	1,285,084
Director	Hsu, Yang-Kang	0
Independent Director	Wang, Ming-Lung	0
Independent Director	Tseng, Wen-Che	0
Independent Director	Tsai, Hsueh-Ling	0
Shareholdings of all directors		48,697,340

Note 1: Total Issued shares: 126,000,000 shares on April 26th, 2021 (book closure date).

Appendix II

Appendix II Articles of Incorporation (Before Amendment)

Articles of Incorporation of KMC (Kuei Meng) International Inc

Chapter 1 General Provisions

Article 1: The Corporation shall be incorporated under Company Act and its name shall be KMC (Kuei Meng) International Inc. in English language.

Article 2: The scope of business of the Corporation shall be as follows:

- I. CC01060 Wired Communication Equipment and Apparatus Manufacturing
- II. CC01070 Telecommunication Equipment and Apparatus Manufacturing
- III. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
- IV. F401010 International Trade
- V. CC01110 Computers and Computing Peripheral Equipment Manufacturing
- VI. F114030 Wholesale of Automotive and Motorcycle Parts and Supplies
- VII. F214030 Retails of Automotive and Motorcycle Parts and Supplies
- VIII. CD01040 Motor Vehicles and Parts Manufacturing
- IX. CD01050 Bicycle and Parts Manufacturing
- X. CD01990 Other Transportation and Parts Manufacturing
- XI. F114040 Wholesale of Bicycle Parts and Supplies
- XII. F114990 Wholesale of Other Transportation Equipment and Parts.
- XIII. F214040 Retails of Bicycles and Parts
- XIV. F214990 Retails of Other Transport Equipment and Parts
- XV. ZZ99999 Other business items that are not prohibited or restricted by law.

Article 2, Section 1: The Corporation shall authorize its Board of Directors to reinvest relative business, and the total amount of the Corporation's reinvestment shall not be subject to the restriction of not exceed forty percent of the Corporation's paid-up capital as provided in Article 13 of Company Act.

Article 2, Section 2: The Corporation may make external endorsements and guarantees depending on business needs.

Article 3: The Corporation has held its head office in Tainan City, Republic of China. Upon approval of government authorities in charge, the Corporation can set up branch offices or representative offices at locations within or without the territory of Republic of China.

Article 4: Public announcements of the Corporation shall be made in accordance with Article 28 of Company Act.

Chapter 2 Capital Stock

Article 5: The total capital stock of the Corporation shall be in the amount of two billion (2,000,000,000) New Taiwan Dollars, divided into two hundred million (200,000,000) shares, at ten New Taiwan Dollars, and may be paid-up in installments. The Corporation has authorized the Board of Directors to issue the reserved capital stock paid-up in installment depending on business needs. A total of 16 million (16,000,000) shares among the above mentioned total capital stock should be reserved for issuing employee stock options or for being used as Corporate bond with warrant.

Article 6: The share certificates of the Corporation shall all be name-bearing share certificates, bearing with the signatures or seals by at least three Directors and issued in accordance with Company Act.
After the Corporation has officially listed on stock exchange, the Corporation may issue shares without printing share certificates.

Article 6, Session 1: The Corporation may merge the share certificates specified with large quantities under the request made by Taiwan Depository & Clearing Corporation.

Article 6, Session 2: The Corporation shall comply with relevant provisions of government authorities in charge whenever managing the matters of its capital stock.

Article 7: Registration for transfer of shares shall be suspended sixty (60) days before the date of regular meeting of shareholders, or thirty (30) days before the date of any special meeting of shareholders, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Chapter 3 Shareholder's meeting

Article 8: Shareholder's meetings are of two types, the regular meetings and special meetings. Regular 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.

Article 9: If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it to exercise on his/her behalf holding the power of attorney bearing the signature or seal clearly specifies the scope of representation.

Article 10: Each share of stock of the Corporation shall be entitled to one vote except the circumstances set forth in the Article 179 of Company Act.

Article 11: The resolution of the shareholders' meeting shall be in accordance with Company Act. In addition, the meeting should be attended by more than a half of the shareholders represent the total number of its outstanding shares, and the resolution shall be adopted by a half of the shareholders at the meeting.

Chapter 4 Directors and audit committee charter (Financial Advisors)

Article 12: The Corporation shall have five to nine Directors, whose term of office is three (3) years. The company has an audit committee composed of all independent directors, which implements the company law, securities trading law and other laws and regulations to replace the supervisory authority. Regarding the audit committee's responsibilities, organizational regulations, exercise of powers and other matters that should be complied with, it is known to be in accordance with the company law, the securities trading law and related laws and regulations.

Article 12, Session 1:

The Corporation shall have five to seven Directors, (Financial Advisors) whose term of office is three (3) years. And the Directors shall be elected in the shareholder's meeting, and all Directors shall be eligible for re-election.

The company has an audit committee composed of all independent directors, which implements the company law, securities trading law and other laws and regulations to replace the supervisory authority. Regarding the responsibilities of the audit committee, organizational regulations, exercise of powers and other matters to be complied with, compliance with the company law, securities trading law and related laws and regulations is required.

Article 13: The Directors shall elect from among themselves a Chairman of the Board of Directors in a meeting attended by over two-third of the Directors. Depending on business needs, the Directors may elect a Vice Chairman of the Board of Directors. The Chairman of the Board of Directors shall be the Chairman of the shareholder's meeting internally and the representative of the Corporation externally.

Article 14: In case the Chairman of the Board of Directors is absent (due to taking leaves), the Vice Chairman of the Board of Directors shall be acting for him/her. In case there's no Vice Chairman of the Board of Directors, or the Vice Chairman of the Board of Directors is absent (due to taking leaves), the Chairman of the Board of Directors may appoint another Director to attend the meeting on his/her behalf. In case of no appointment, the Directors can elect a Director act as proxy.

Article 15: Director shall attend the meetings; in case a director is not able to attend the meeting, he/she may, by written authorization, appoint another Director to attend on his/her behalf; the Director who represents the absent Director shall not act as proxy for more than one other Director.

Article 16: The Board of Directors is authorized to determine the salary for all the Directors (Financial Advisors) by taking into account the extent and value of the services provided for the management of Corporation and the standards of the Industry nationwide and worldwide.
The remuneration to independent Directors (Financial Advisors) adopts regular amount.

Article 16, Session 1: The company may purchase liability insurance for the Directors (Financial Advisors) to reduce the risk of being sued by shareholders or other related people.

Article 17: The functions of the Board of Directors are as follows:

1. Review the operation principles and the mid-term and long-term development plan.
2. Review and supervise the execution of the business plan.
3. Review the budget proposal and resolution.
4. Review the capital increase/decrease plan.
5. Review the solution for distribution of surplus or using to surplus to cover deficits.
6. Review the important external contracts.
7. Review the existing or revised articles of incorporation.
8. Review and approve the organizations and rules of the Corporation and important business rules.
9. Review and approve the establishment, reorganization or revocation of branch offices or representative offices.
10. Review and approve major plans of capital expenditure.
11. Appoint or discharge the managerial personnel.
12. Execute all resolution adopted at the shareholder's meeting.
13. Review the proposals drawn up by the managerial personnel.
14. Convene the shareholder's meeting and business report.
15. Manage all the other matters in accordance of Company Act.

Article 18: Delete

Chapter 5 Managerial personnel

Article 19: The Corporation may appoint one or more managerial personnel. Appointment, discharge and remuneration of the managerial personnel shall be decided in accordance with the provisions provided in Article No. 29 of Company Act.

Chapter 6 Accounting (Financial Report)

Article 20: After the close of each fiscal year, the following reports shall be prepared by the Board of Directors: 1. Business Reports; 2. Financial Statements; 3. Proposals Concerning distribution of surplus or covering of losses. All the prepared reports shall be submitted to the regular shareholder's meeting for acceptance.

Article 21: In case there is surplus after the close of each fiscal year, the Corporation shall allocate 0.5~5% as the remuneration for employees and the remuneration may be distributed by ways of stock dividend or cash dividend. The subjects of the distribution shall include the employees of the subordinate company with certain conditions and proportion of the distribution authorized by the Board of Directors.

Less than 3% of above mentioned earnings of the Corporation can be distributed as the remuneration for the Directors (Financial Advisors) in accordance with the resolution of the Board of Directors. The subject of the distribution shall not include the managerial personnel who act as proxy of the Directors. The distribution of remuneration to employees, Directors (Financial Advisors) shall be reported at the shareholder's meeting. In case the Corporation still has accumulated losses, a certain amount of earnings shall be reserved before the distribution of remuneration to employees, Directors (Financial Advisors) in accordance with the proportion mentioned in the preceding paragraph.

Article 21, Section 1: In case there is surplus in the fiscal year, after paying taxes in accordance with the laws and offset the losses, the Corporation shall set aside 10% as legal capital reserves. In case the statutory reserves have equaled the total paid-in capital of the Corporation, no allocation shall be made. Then, set aside special capital reserve in accordance with relevant laws or regulations; in case there are earnings left over, the Board of Directors shall propose the plan of distribution of surplus to the shareholder's meeting for approval.

The industrial development of the Corporation is undergoing the business expansion phase and in great demand for funds; consequently, the distribution of surplus should be made in accordance with Company Act and the Corporation's articles of incorporation subject to the management of Corporation's capital and the business performance before determining the method of stock dividend. The principle of stock dividend shall follow the stability and balance policy, and the method of stock dividend (cash dividend or stock dividend) and the amount will be proposed by the Board of Directors in accordance with the business results, financial status and the management of capital before adopted by the annual regular shareholders meeting. In accordance with the dividend policy of the Corporation, the annual allocation of surplus to the shareholders shall not be less than 20%, the method of dividend can be made by cash or stock. While the cash dividend shall not be less than 20% of the total amount of cash and stock dividend.

Chapter 7 Annex

Article 22: The Organization Procedure of the Corporation may be set separately.

Article 23: Unsettled matters not included in the article of incorporation shall be managed in accordance with the provisions of Company Act.

Article 24: The Statute was established on February 20th, 1989.

The first revised edition of the statute was made on October 12th, 1989.

The second revised edition of the statute was made on November 11th, 1990.

The third revised edition of the statute was made on December 9th, 1990.

The fourth revised edition of the statute was made on June 15th, 1991.

The fifth revised edition of the statute was made on July 4th, 1991.

The sixth revised edition of the statute was made on June 12th, 1992.

The seventh revised edition of the statute was made on June 4th, 1993.

The eighth revised edition of the statute was made on April 15th, 1994.

The ninth revised edition of the statute was made on April 28th, 1995.

The tenth revised edition of the statute was made on May 17th, 1996.

The eleventh revised edition of the statute was made on June 12th, 1997.

The twelfth revised edition of the statute was made on May 14th, 1998.

The thirteenth revised edition of the statute was made on May 26th, 2000.

The fourteenth revised edition of the statute was made on June 20th, 2002.

The fifteenth revised edition of the statute was made on June 25th, 2004.

The sixteenth revised edition of the statute was made on May 3rd, 2007.

The seventeenth revised edition of the statute was made on June 22nd, 2009.

The eighteenth revised edition of the statute was made on June 4th, 2010.

The nineteenth revised edition of the statute was made on October 4th, 2011.

The twentieth revised edition of the statute was made on June 21st, 2012.

The twenty-first revised edition of the statute was made on June 25th, 2013.

The twenty-second revised edition of the statute was made on June 24th, 2014.

The twenty-third revised edition of the statute was made on June 24th, 2016.
The twenty-fourth revised edition of the statute was made on June 23rd, 2017.
The twenty-fifth revised edition of the statute was made on June 20rd, 2019
The twenty-sixth revised edition of the statute was made on June 24rd, 2020

Appendix III

Appendix III Operational Procedures for Acquisition and Disposal of Assets (Before Amendment)

KMC (Kuei Meng) International Inc. ("the Company") Disposition Procedures for the Acquisition and Disposal of Assets

Chapter 1 General Principles

Article 1

The Disposition Procedures are promulgated pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and other relevant laws and rules.

Article 2

The Company shall comply with these Disposition Procedures when handling the acquisition and disposal of assets, provided that where another act or regulation provides otherwise, the provisions of such act shall prevail.

Article 3

The term "assets" as used in these Regulations includes the following:

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

Article 4

Terms used in these Regulations are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 5

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

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:
 - (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
 - (2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
 - (3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
 - (4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Chapter 2 Disposition Procedures

Section 1 Establishment of Disposition Procedures

Article 6

After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where the Company's audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 7

With respect to a the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where the Company's audit committee has been established in accordance with the provisions of the Act, any transaction involving major assets or derivatives shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

Article 8

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

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC

Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 9

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

Article 10

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

Article 10-1

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 33, herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 11

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

Article 12

The procedures for acquisition or disposal of assets by the Company and the limitation of amounts thereof should be as follows:

1. The acquisition or disposal of long term security investment should be reviewed and appraised by the department responsible therefor and implemented after approval by the Board of Directors while the Board can authorize the Chairman to handle the matter and report to the Board for recognition on an after-the-event basis.

2. The acquisition or disposal of short term security investment should be reviewed and appraised by the department responsible therefor and implemented within the limits of amount set forth in this Article.
3. The acquisition or disposal of real estate should be reviewed and appraised by the department responsible therefor and implemented after approval by the Board, while the Board can authorize the Chairman to handle the matter and report to the Board for recognition on an after-the-event basis.
4. The acquisition of other fixed assets, memberships or intangible assets should be handled by the department responsible therefor in accordance with relevant internal rules of the Company after approval by the Board. The disposal of other fixed assets should be directly handled by the department responsible therefor in accordance with relevant internal rules of the Company.
5. Responsible Departments:
 Acquisition or disposal of long/short term security investments: Finance Department or other related departments.
 Acquisition or disposal of real estate and other fixed assets, memberships and intangible assets: Management Department or other related departments.
6. Limits of Amount:
 Total amount of investments that acquisition of real estate or securities by the Company and its subsidiaries for non-operating purpose shall be limited as follows:
 - (1) The accumulated amount of all short term security investments for short term fund dispatching shall not exceed 50% of the Company's shareholders' equity as stated in its latest financial statement and the net value of security acquisition from the same company shall not exceed 20% of the Company's shareholders' equity as stated in its latest financial statement. Each subsidiary's investments in the preceding paragraph shall not exceed 20% and 10% of its shareholders' equity as stated in its latest financial statement.
 - (2) The accumulated amount of all long term security investments shall not exceed 60% of the Company's shareholders' equity as stated in its latest financial statement and the net value of security acquisition from the same company shall not exceed 30% of the Company's shareholders' equity as stated in its latest financial statement. The subsidiary which is not investment holding company, its investments in the preceding paragraph shall not exceed 20% and 10% of its shareholders' equity as stated in its latest financial statement.

The amount which is authorized by the Board of Directors:

 - (1) When engaging in derivatives transactions, the Company shall follow the Section 4 in the Disposition Procedures.
 - (2) Except for the derivatives transactions, the chairman may acquire or dispose of assets within 50 million of each case.

Section 3 Related Party Transactions

Article 13

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

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10-1 herein.

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

Article 14

When a 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 board of directors and recognized by the supervisors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
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 Article 15 and Article 16.
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.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 33, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between a the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 12 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where the Company's audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

Article 15

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

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

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion. Where The Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

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

Article 16

When the results of The Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (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 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (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 area and

transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

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

Article 17

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

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

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. When The Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 18 Trading principle and approach

1. When the Company engage in derivatives trading, the type of derivatives are used for hedging purpose only, which includes foreign exchange forward and foreign exchange option.
2. Operating or hedging strategies: The foreign exchange derivatives transactions mentioned in the preceding paragraph is used for reducing the foreign exchange risk during operating and fund dispatching. The Company shall not engage in trades on any other derivatives for trading purpose. And the currency of the position held shall be the same as the one used actually in the Company's import/export transactions.
3. Authorization:
Finance treasury management: Responsible for foreign exchange management system, for example: collect market information about foreign exchange; evaluate trend and risk and familiar with financial instruments and transaction skill. Besides, accepting the instructions from financial officer, being authorized to manage the foreign exchange positions and preventing risk in accordance with

Company's policy then submitting the report of hedged and non-hedged position on Board meeting periodically.

General accounting department: Responsible for the transaction confirmation, settlement and enter the transaction into the account book.

Audit department: To measure, monitor and control the risk of transactions in financial department and report to the Board of Directors in the event of a material deficiency.

4. Performance evaluation: When engaging in derivatives transactions, the Company shall daily record the transactions in detail in order to control the performance, and shall also settle exchange gains and losses monthly, quarterly, half yearly and yearly.
5. Transaction contract dollar amount:
 - (1) Transactions to avoid exchange risk: The total amount of the contracts shall not exceed the aggregate amount of import and export in the current year.
 - (2) Transactions to avoid interest rate risk: The total amount of the contracts shall not exceed the amount of total debt.
 - (3) Transactions to avoid the exchange rate and interest rate risk arising from projects: The total amount of the contracts shall not exceed the aggregate amount of the project budget.
6. Maximum loss limit: The maximum loss limit for all contracts is US\$100,000.

Article 19 Operating procedures

1. Level of authorization:

The level of authorization for derivatives transactions: The Company shall engage in transactions after chairman's approval.

2. The unit responsible for implementation and transaction process:
 - (1) Execution of transactions: The financial department trading personnel shall engage in transactions with financial institutions after chairman's approval in accordance with the provisions of the preceding paragraph. After the complete, the trading personnel shall fill out the transaction form indicate the content in accordance with the transaction record provided from financial institutions, assess the position and provide a copy of the transaction record to general accounting department personnel after supervisory ratification.
 - (2) Confirmation of transactions: The general accounting department personnel shall confirm the transaction terms in accordance with the copy of transaction record provided from trading personnel and then make the settlement and enter the transaction into the account book. The treasury personnel shall maintain the statement monthly and provide to the general accounting department personnel for accounting evaluation basis.
3. When engaging in derivatives transaction, the Company shall comply with these Disposition Procedures to authorize relevant personnel and submit in the coming Board meeting.

Article 20 Risk management measures

1. Scope of risk management:

- (1) Credit risk management: The Company shall only deal with to those counterparties who have banking relationship with. After trading, the general accounting department personnel who enter the transaction into the account book shall finish the form of budget control and check the bank statement with the counterparties regularly.
- (2) Market/ price risk management: General accounting department personnel who enter the transaction into the account book should always check whether the total amount of transaction meets the limits in accordance with the Disposition Procedures. General accounting department personnel should always conduct market assessment, and pay attention to the impact on the possible position of the profit and loss due to the market fluctuation. °
- (3) Liquidity, cash flow risk management: To ensure to market liquidity, the Company shall choose the financial institutions with adequate equipment, information and trading capacity. Trading personnel shall always pay attention to cash flow to make sure the Company has the sufficient cash to make the settlement.
- (4) Operating risk management: The Company shall comply with the authorized trading amount and

the rules of operating procedure.

- (5) Legal risk management: Any legal document between the Company and banks shall be based on the principle of financial department signature. And document shall be signed after reviewing by internal legal personnel if necessary.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

Article 21 Internal audit system:

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

Article 22 Regular evaluation methods and the handling of irregular circumstances

The positions of derivatives shall be evaluated by financial department once a week; however, for hedging purpose, the positions shall be evaluated every two weeks. Trading position, term of contract, evaluation of loss/gain contingency and the points of future management shall be listed in the report and then submit to the Board of Directors periodically.

Board of Directors shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk and periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance. Senior management personnel authorized by the Board of Directors shall periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the Disposition Procedures. When irregular circumstances are found in the evaluation report (for example, trading position is excess than the limits of loss), the report shall be submitted to the board of directors immediately and appropriate measures shall be adopted. Where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.

Article 23 Public disclosure of information

1. In the event of losses by engaging in derivatives transactions up to the maximum loss limit on total trading or for individual contracts, the Company shall publicly announce and report the relevant information on the FSC's designated website within 2 days counting inclusively from the date of occurrence of the event.
2. The Company shall enter the information on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

Article 24

The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under the preceding article shall be recorded in detail in the log book. The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing. Where independent directors have been appointed in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors. Where the Company's audit committee has been established in accordance with the provisions of the Act, the provisions of paragraph 2 relating to supervisors shall apply mutatis mutandis to the audit committee.

Article 25

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

Article 26

The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 27

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

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

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

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

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(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 3 and 4.

Article 28

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

Article 29

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

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 30

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

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

Article 31

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

Article 32

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not the Company, the Company shall sign an agreement with that company whereby the latter is required to abide by the provisions of Article 27, Article 28, and Article 31.

Chapter 3 Public Disclosure of Information

Article 33

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

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (1) For The Company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more

- (2) For The Company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
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 public 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.
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.
7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of domestic government bonds.
 - (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 - (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
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.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
5. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When The Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. 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, where they shall be retained for 5 years except where another act provides otherwise.

Article 34

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

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

Article 35

Information required publicly announced and reported in accordance with the provisions of Chapter 3 on acquisitions and disposals of assets by a subsidiary of the Company that is not The Company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to Article 33 requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20% of paid-in capital or 10% of the total assets. For the calculation of 10% of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 36

Where an audit committee has been established in accordance with the provisions of the Act, the provisions regarding supervisors set out in Articles 6, 8, and 14, and in Article 21, paragraph 2, shall apply mutatis mutandis to the audit committee. And the provisions regarding independent directors set out in Article 17, paragraph 1, subparagraph 2 shall apply mutatis mutandis to the audit committee.

Article 37

When handling with the acquisition and disposal of assets, the personnel of the Company shall comply with these Disposition Procedures for preventing losses by the inappropriate operations. If there is any violation of related regulations and the Disposition Procedures, the penalty is in accordance with related Personnel Articles of the Company.

Article 38

The Disposition Procedures shall be enforced after approved by the Board of Directors and consented by the shareholders' meeting; the same procedure shall be followed when amended.

Appendix IV

Appendix IV Rules of Procedure for Shareholder Meetings

KMC(Kuei Meng) International Inc. Rules of Procedure for Shareholder Meetings

- Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles.
- Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
- This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
- The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
- A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
- Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder

proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 6

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

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

Article 10 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation,

that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

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

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

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

Article 14 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Article 16 On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

LINK TO PERFECTION