

# Chlitina Holding Limited

## Meeting Hansard of 2022 Regular Shareholders' Meeting (Translation)

*(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)*

Time: 9:00 A.M. on (Wednesday), June 8, 2022

Place: Meeting Room 203, 2F., No.123, Songren Road, Xinyi District, Taipei City

Attending shareholders and proxy representing: 59,539,429 shares (among them, 26,464,479 shares voted via electronic transmission), which accounts for 74.89% of total 79,492,350 outstanding voting shares.

Directors Present : Chen Pi-Hua, Wealthy Garden Investment Limited  
Representative: Chen Pei-Wen\*

Independent Directors Present :

Independent Director and Audit Committee Convenor : Tsai Yu-Chin

Independent Director and Remuneration Committee Convenor : Kao Peng-Wen\*

(\*Attended virtually)

Attendees :

Lin Chun-Yao, the independent auditors of the Pricewaterhouse Coopers

Huang Yu-Ting, the lawyer of Lee, Tsai & Partners

Finance & Accounting Department and Investor Relationship Director Hu An-Rong

Chairman : Chen, Pi-Hua

Recorder : Chen, Yen-Ju

## **I. Issues to be reported**

### **Proposal 1: Proposed business report of 2021.**

**Notes:** (1) Business report of 2021. Please refer to Attachment I.  
(2) Report sincerely.

### **Proposal 2: Proposal for an audit report of 2021 from the audit committee.**

**Notes:** (1) Audit report from the audit committee for 2021, please refer to Attachment II.  
(2) Report sincerely.

### **Proposal 3: Report 2021 employees' profit sharing bonus and directors' compensation.**

**Notes:** (1) Pursuant to Articles 86, 90-1 and 90-2 of the Articles of Incorporation, and compensation committee's resolution on March 10, 2022, propose to distribute directors' compensation bonus and employees' profit sharing of NTD 15,531,171 and NTD 31,062,347 in cash.  
(2) Amount describe previous matched the recognized expense in 2021.  
(3) Release may only begin after it was presented in the 2022 general shareholders' meeting and the Chairman will be authorized to set the release date and related matters.  
(4) Report sincerely.

### **Proposal 4: Proposal for related parties' transactions statements of 2021.**

**Notes:** (1) Follow the requirements in Article 6 Paragraph 3 of the Company's "Rules for Managing Related Party Transactions."  
(2) The report is enclosed herein. Please refer to Attachment III.  
(3) Report sincerely

## **II. Issues to be acknowledged**

### **Proposal 1: Proposed to business report and consolidated financial statements of 2021. (Proposed by the Board of Directors)**

**Notes:** (1) The Company's 2021 business report and consolidated financial statements, including the balance sheet, statement of comprehensive income, statements of changes in equity, statements of cash flow have audited by independent auditors, Lin, Chun-Yao and Chang, Shu-Chiung of PwC Taiwan and to issue a report of unqualified opinion.  
(2) Attach the business report of 2021, consolidated financial statements and audit report, and please refer to the Attachment I and Attachment IV.  
(3) Please acknowledge.

**Resolution:**

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Electronic voting	26,464,479	24,312,062	89,051	0	2,063,366
Attendance	33,074,950	33,074,950	0	0	0
Total	59,539,429	57,387,012	89,051	0	2,063,366
%		96.38%	0.14%	0.00%	3.46%

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

**Proposal 2: Proposed to distribution of earnings of 2021. (Proposed by the Board of Directors)**

- Notes:**
- (1) Net income generated in 2021 was NTD 1,355,257,267, after setting aside the legal reserve of NTD 7,378,906 (legal reserve amounts to the total paid-in capital) and special reserve of NTD 91,894,831, and deducting back NTD changes 203,878 from remeasurements of the net defined benefit liability and adding up the beginning earnings of 774,520,914, total earnings available for distribution reached NTD 2,030,300,566.
  - (2) According to Article 91 of the Articles of Incorporation, a cash distribution to shareholders of NTD 953,908,200 is proposed (cash dividends of NTD 12 per share). Distribution made to is rounded down to NTD one dollar. Total distribution made less than NTD one dollar will be transferred to capital reserve and wait for shareholders' meetings acceptance and further authorization to the Chairperson in setting the Ex-dividends date as well as matters regarding the distribution.
  - (3) In the event that the proposed distribution is affected by a buyback of shares or issuance of new shares for transferring treasury shares to employees or for equity conversion in connection with convertible corporate bonds or employee stock options, it is proposed that the Chairperson be authorized to resolve the relevant issues.
  - (4) Attach the distribution of earnings of 2021, please refer to the Attachment V.
  - (5) Please acknowledge.

**Resolution:**

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
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Electronic voting	26,464,479	24,398,062	3,051	0	2,063,366
Attendance	33,074,950	33,074,950	0	0	0
Total	59,539,429	57,473,012	3,051	0	2,063,366
%		96.52%	0.00%	0.00%	3.46%

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

### III. Issue to be discussed :

#### **Proposal 1: Amendment to part of the company's "Articles of Incorporation." (Proposed by the Board of Directors)**

- Notes:**
- (1) Reflective of the modifications made to the laws and regulations and the Company's needs, revision to part of the Articles of Incorporation is intended.
  - (2) Please refer to the Attachment VI for the comparison table regarding the amendments.
  - (3) Sincere resolution.

#### **Resolution:**

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Electronic voting	26,464,479	24,398,058	3,055	0	2,063,366
Attendance	33,074,950	33,074,950	0	0	0
Total	59,539,429	57,473,008	3,055	0	2,063,366
%		96.52%	0.00%	0.00%	3.46%

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

#### **Proposal 2: Amendment to part of the company's "Procedure for the Acquisition or Disposal of Assets". (Proposed by the Board of Directors)**

- Notes:**
- (1) Reflective of the modifications made to the laws and regulations and the Company's needs, revision to part of the Procedure for the Acquisition or Disposal of Assets is intended.
  - (2) Please refer to the Attachment VII for the comparison table regarding the amendments.
  - (3) Sincere resolution.

#### **Resolution:**

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Electronic voting	26,464,479	24,395,058	3,055	0	2,066,366
Attendance	33,074,950	33,074,950	0	0	0
Total	59,539,429	57,470,008	3,055	0	2,066,366
%		96.52%	0.00%	0.00%	3.47%

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

**Proposal 3: Amendment to part of the company's "Regulations of Procedure for Shareholders Meetings". (Proposed by the Board of Directors)**

- Notes:**
- (1) Reflective of the modifications made to the laws and regulations and the Company's needs, revision to part of the Regulations of Procedure for Shareholders Meetings is intended.
  - (2) Please refer to the Attachment VIII for the comparison table regarding the amendments.
  - (3) Sincere resolution.

**Resolution:**

Voting Results :

shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Electronic voting	26,464,479	24,398,058	3,055	0	2,063,366
Attendance	33,074,950	33,074,950	0	0	0
Total	59,539,429	57,473,008	3,055	0	2,063,366
%		96.52%	0.00%	0.00%	3.46%

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

**IV. Occasional (extemporaneous) motions : None.**

**V. Adjournment of the meeting : Closure of the Meeting at 9:19 a.m.**

## Chlitina Holding Limited 2021 Business Report

Chlitina Holding Limited (hereinafter referred to as the “Company”) hereby reports its 2021 operating results and the summary of the business plan for 2022:

### I. 2021 operating results:

#### 1. Business plan and implementation:

Consolidated revenue of the Company in 2021 was NT\$5,271,313 thousand, up 29.96% as compared to NT\$ 4,055,996 thousand in 2020. Net income after taxes was NT\$1,355,257 thousand in 2021, as compared to NT\$959,636 thousand in 2020, or a 41.23% increase.

In terms of geographical breakdown, 97.42% of sales, or NT\$5,135,494 thousand, were made in Mainland China, as the region remained the largest market for the Company and its focus for business expansion.

#### 2. Analysis of financial revenues and expenditures and profitability:

For the financial balance and structure, the assets to liabilities ratio in 2021 was 50%, the current ratio was 221%, and the net profit margin was 26% in 2020, with a net cash inflow of NT\$1,797,702 thousand. This demonstrates that even under the severe impact of the epidemic, the Company was still able to maintain ample cash flow, stable profitability, and an excellent financial structure.

#### 3. Performance in research and development

The Company strives to apply the concept of a “medicine-based, beauty-oriented” skincare by providing professional solutions to women’s skin issues. Introducing advanced technology to the industry and focusing on various consumer groups in different market segments, the company continues to launch new products and broaden the distribution of its lines of products. In 2021, the Company’s franchise channels mainly promoted the Youthkeeper Serum – this product integrates the fruit of our own patented R&D, the nanostructured advanced lipid carrier technology, and is formulated with 7 core nanopeptides. Meanwhile, as an extension of our franchise channel, our e-commerce channel launched the co-developed P113+ Oral Care Series aimed at protecting oral microbiota. Different products are launched through different channels in order to satisfy to the greatest extent possible the needs of each individual consumer in terms of personalized skincare and healthy lifestyles.

#### 4. Status of budget implementation

As there was no disclosure of any financial forecast in 2021, there is no information on budget achievement.

### II. Summary of the business plan for 2022:

#### 1. Operating guidelines:

##### 1.1. We will upgrade our overall business strategy, focusing on the beauty + new consumption strategy, branching out from the beauty industry into the health industry, and striving to expand consumers’ quality of life.

The Company also intends to concentrate on the beauty and health industry, enriching its product portfolio around the concepts of “water, microbiome, and regenerative medicine.”

In terms of business model, the Company is evolving from a product-centered business model to one of intensive cultivation of customer value, providing high-quality services and products that meet the full cycle of customers’ needs.

##### 1.2. Regarding the franchise channel, based on the marketing principle of “intensive cultivation,” we will work on improving management at existing franchises to help them increase profitability and overall quality, in the constant pursuit of long-term robust growth. In Mainland China, we will actively tap consumption potential and consumers’ needs in markets where we have low coverage. In each area, we will continue to strengthen the

management at every level, and maintain an efficient network expansion, while also taking into account the quality of that expansion.

In Hong Kong, Taiwan, and Southeast Asia, we will deepen brand awareness and speed up the addition of new stores to the network. We will reach out to local beauty markets by improving and enforcing franchise management strategies that are adapted to local developments. Furthermore, we will research and develop beauty and health products that are suitable for local consumers.

1.3. As far as e-commerce is concerned, the focus will continue to be on optimizing product range structure, and promoting “micro-ecology” products. We will use 24/7 marketing approaches with no geographical limit in order to improve the network deployment and product coverage.

1.4. In the field of aesthetic medicine, we have promoted the development of our own aesthetic medicine clinics. Combining aesthetics, medicine and science, we are providing consumers with comprehensive beauty, health, and anti-ageing services. We also set foot in the high-end cosmetic medicine industry, taking advantage of advanced artificial intelligence and regenerative medicine to bring additional momentum to the Company’s revenue.

2. Future development strategy:

In order to expand the Group’s operational map, the Company will continue to implement the strategies of “product diversification,” “multi-channel selling,” and “diversified marketing” in accordance with the macro environment, industry characteristics, and market preference.

### **III. The impact of external competition, legal environment, and overall business operation environment**

1. The impact of external competition and overall business operation environment:

In 2021, China has maintained its leading position in the world in terms of economic growth and epidemic prevention and control, while taking new steps toward building a new development model, achieving new results in high-quality development, and taking a good start with the “14<sup>th</sup> Five-Year Plan.” According to the “2021 National Economic and Social Development Statistics Bulletin” published by the National Bureau of Statistics of China, in 2021, China’s total economic output amounted to RMB114.4 trillion, or a year-on-year increase of 8.1% and an average growth of 5.1% for the past two years. Tertiary industries accounted for 53.3% of China’s total GDP. Under the stimulation of multiple factors such as industrialization, the development of the information technology and elevated consumer spending, growth in the tertiary, especially in the service industry, remained strong. Consumption drove the GDP by 5.3 percentage points, with an annual contribution of 65.4% to economic growth for the whole year. The level of urbanization keeps on increasing and the income gap between urban and rural residents continues to narrow. Local residents’ income grew faster than economic growth. The annual per capita disposable income increased by 9.1% as compared to the previous year. Excluding price factors, the real growth rate was 8.1%. The development of the service industry, continuing urbanization and the increase of per capita disposable income of urban residents all show the huge potential of the consumer goods market in China. The annual total retail sales of consumer goods reached RMB44.1 trillion, an increase of 12.5% from the previous year. Among the retail sales of goods above the designated size limit, cosmetics saw a growth rate of 14.0%, which was higher than the growth rate for retail sales of consumer goods. This goes to show that cosmetics have strong market support for stable growth.

In 2021, China has adhered to the general principle of seeking progress while maintaining stability, fully implementing new development concepts, accelerating the expansion of national strategic scientific and technological strengths, improving the resilience of the industrial chain, comprehensively deepening reform and opening up, adhering to innovation-driven development, and promoting high-quality development. Supported by a series of innovation and entrepreneurship activities and achievements, new industries, new formats and new models have developed faster, becoming a new driving force for economic growth and structural adjustment. In 2021, online retail sales of physical goods increased by 12.0% over the previous year, accounting for 24.5% of the

total retail sales of consumer goods, a percentage basically unchanged from the previous year.

In a rapidly changing external environment, the markets for beauty and skincare franchise and consumer goods are becoming more and more competitive. In a fragmented competitive market, high-quality brands have a strong market appeal and more opportunities for market integration. At the same time, franchisees' business operations are directly affected by the macroeconomic environment and consumers' disposable income. Under the current urbanization and mass entrepreneurship drives, the development of e-commerce will help break down geographical limits and expand consumer groups, which will bring more business opportunities to the Company. The transformation and upgrading of traditional industries and the online-and-offline integrated marketing methods have further highlighted the Company's competitive advantage in combining unique products and services.

## 2. Impact from the Legal Environment:

To operate skin care products manufacturing and franchise business in China, companies need to obtain numerous licenses and approvals and comply with the following regulations: "Hygienic Standard for Cosmetics," "Regulations Concerning the Hygiene Supervision over Cosmetics," "Detailed Rules for the Implementation of the Regulation on the Hygiene Supervision over Cosmetics," "Industrial Production Authorization Regulations," "Domestic Non-special Purpose Cosmetics Record Management Method," and "Cosmetics Labels Instructions Management Regulations," as well as "Regulation on the Administration of Commercial Franchises." Obtaining relevant licenses in accordance with the laws and regulations has a significant impact on the Company's business operations. As of the date of publication of this annual report, the Company does not need to renew any of the licenses or permits required for business operations.

Chairperson: Chen, Pi-Hua



Manager: Chao, Chen-Yu



Accounting Supervisor: Yeh, Chien-Chih





## Chlitina Holding Limited Audit Report from the Audit Committee

The Board of Directors has submitted the Company's 2021 business report, financial statements, and earnings appropriation proposal. Independent auditors, Lin, Chun-Yao and Chang, Shu-Chiung of PwC Taiwan, were retained by the Board to audit the financial statements and has issued an audit report accordingly. The business report and financial statements, and earnings appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Attn.

2022 General Shareholders' Meeting of Chlitina Holding Limited

Chlitina Holding Limited

Audit Committee

Convened by: Tsai, Yu-Ching



Handwritten signature of Tsai, Yu-Ching

March 10, 2022

## Summary in Related parties transactions

[Attachment III]

**Proposed summary of the related parties' transactions in Q4 2021 as shown in the appendix:**

(I) Name and relationship of the related parties:

Name of related party	Major business	Region	Relationship with the consolidated companies
Kelti (China) Daily Product Co., Ltd. (hereinafter referred to as Kelti (China) Co., Ltd.)	Manufacture, sell and direct sell skin-care and cosmetic	China	Affiliates companies
Chlitina International Trade Co., Ltd. (hereinafter referred to as Chlitina International Trade Co., Ltd.)	Distribute and direct sell skin-care products	Republic of China	Affiliates companies
Zhaocang (Shanghai) Trading Co., Ltd. (hereinafter referred to as Zhaocang (Shanghai) Trading )	Distribute and direct sell skin-care products	China	Affiliates companies
Sagittarius Life Science Corp. (hereinafter referred to as Sagittarius Life Science Corp.)	Manufacture health products	Republic of China	Affiliates companies
Chaoneng Biochemical Technology Co., Ltd. (hereinafter referred to as Chaoneng Co., Ltd.)	Manufacture health products and others products	Republic of China	Affiliates companies
Charming Biotech Corporation (hereinafter referred to as Charming Biotech Corporation)	Manufacture health products	Republic of China	Affiliates companies
Jin Yen (Shanghai) Biotech Co., Ltd. (hereinafter referred to as Jin Yen)	Manufacture health products	China	Affiliates companies
Jin Yongji Co., Ltd. (hereinafter referred to as Jin Yongji Co., Ltd.)	Investment and leasing business	Republic of China	Affiliates companies
New Kinpo Group Co., Ltd. (hereinafter referred to as New Kinpo Group Co., Ltd.)	Real estate investment and skin-care product	Hong Kong	Affiliates companies
Lee, Tsai & Partners (hereinafter referred to as Lee, Tsai & Partners)	General legal affairs	Republic of China	The representative of the law firm is a Board Director of the
Kangsi Co., Ltd. (original Global Interactive Marketing Co., Ltd.) (hereinafter referred to as Kangsi Co., Ltd.)	Online shop	Republic of China	Affiliates companies
MC. Reene Co. Ltd. (hereinafter referred to as MC. Reene)	Agency and importing business	Thailand	Affiliates companies
Shanghai Guangqiao Biotechnology Co., (hereinafter referred to as Guangqiao Biotechnology)	Technology development within the field of bio-	China	Affiliates companies
Shanghai Zhongye Trading Co., Ltd. (hereinafter referred to as Shanghai Zhongye Trading)	Food and daily necessities distribution	China	Affiliates companies
Chlitina International Trade Co., Ltd., Taiwan Branch (hereinafter referred to as Chlitina International)	Other cosmetic product and health product selling	Republic of China	Affiliates companies
Chen, Wu-Kang	Natural person	Natural person	The Chairman is a first-degree relative
Biodynasty Co., Ltd. (hereinafter referred to as Biodynasty)	Other chemical product and food selling	Republic of China	Affiliates companies
General Biologicals Corp. (hereinafter referred to as General Biologicals)	Development and sales of biological reagents	Republic of China	Affiliates companies
Max Exchange Corp. (hereinafter referred to as Max Exchange)	Medical equipment wholesale and retail	Republic of China	Affiliates companies
Long Chuang Daily Product (Guangzhou) Co., Ltd. (hereinafter referred to as Long Chuang Daily Product)	Soap and detergent production selling	Republic of China	Affiliates companies
Dongguan Pucheng Biotechnology Co., Ltd. (hereinafter referred to as Dongguan Pucheng)	Sales of medical monitoring reagents and health care products	China	Affiliates companies

## (II) Substantial Trading Events with Related Parties

## 1. Operating revenues

	Q4 of 2021		Q4 of 2020	
	RMB	NTD	RMB	NTD
Product sales:				
Shanghai Zhongye Trading	\$70	302	\$415	1,785
Kelti (China) Co., Ltd.	0	0	105	466
Other (below RMB 500 K)	68	300	90	387
Total	<b>\$138</b>	<b>602</b>	<b>\$610</b>	<b>2,638</b>

  

	2021		2020	
	RMB	NTD	RMB	NTD
Shanghai Zhongye Trading	\$112	485	\$602	2,579
Kelti (China) Co., Ltd.	90	390	940	4,022
Other (below RMB 500 K)	245	1,066	282	1,206
Total	<b>\$447</b>	<b>1,941</b>	<b>\$1,824</b>	<b>7,807</b>

Selling prices from the Consolidated Company to associated companies are not significantly different from that to regular customers. The associate company payment term is 60 days; sales to regular customers are prepaid.

## 2. Purchase of Goods

	Q4 of 2021		Q4 of 2020	
	RMB	NTD	RMB	NTD
Charming Biotech Corporation	\$2,380	10,380	\$1,703	7,479
Sagittarius Life Science Corp.	0	5	5	82
Kelti (China) Co., Ltd.	2,855	12,423	36	158
Biodynasty	567	2,470	370	1,588
Zhaocang (Shanghai) Trading Co.,	422	1,835	134	692
New Kinpo Group Co., Ltd.	768	3,337	0	96
General Biologicals	242	1,053	0	0
Other (below RMB 500 K)	0	1	664	2,847
Total	<b>\$7,234</b>	<b>31,504</b>	<b>\$2,912</b>	<b>12,942</b>

  

	2021		2020	
	RMB	NTD	RMB	NTD
Charming Biotech Corporation	\$13,381	58,077	\$9,801	41,962
Sagittarius Life Science Corp.	1,052	4,567	2,617	11,205
Kelti (China) Co., Ltd.	10,199	44,266	353	1,509
Biodynasty	2,178	9,454	594	2,541
Zhaocang (Shanghai) Trading Co.,	1,474	6,397	5,165	22,114
New Kinpo Group Co., Ltd.	1,843	7,998	4,146	17,749
General Biologicals	947	4,110	115	490
Other (below RMB 500 K)	31	133	761	3,259
Total	<b>\$31,105</b>	<b>135,002</b>	<b>\$23,552</b>	<b>100,829</b>

Purchasing prices from the associated companies are through mutual negotiation and is payable within 60 days, which is not significant different from purchase from non-related vendors.

## 3. Receivables With Related Party

	31-Dec-21		31-Dec-20	
	RMB	NTD	RMB	NTD
Accounts receivable - related				
Other (below RMB 500 K)	\$115	500	\$502	2,195
Subtotal	<b>\$115</b>	<b>500</b>	<b>\$502</b>	<b>2,195</b>
Other receivables - related parties:				
Other (below RMB 500 K)	\$455	1,977	\$194	849
Subtotal	<b>\$455</b>	<b>1,977</b>	<b>\$194</b>	<b>849</b>
Total	<b>\$570</b>	<b>2,477</b>	<b>\$696</b>	<b>3,044</b>

Receivables from related parties are not secured and are interest free.

#### 4. Payable with related parties

	31-Dec-21		31-Dec-20	
	RMB	NTD	RMB	NTD
Accounts payable - related parties:				
Charming Biotech Corporation	\$1,589	6,902	\$710	3,106
Zhaocang (Shanghai) Trading Co.,	930	4,039	117	510
Kelti (China) Co., Ltd.	4,189	18,197	1,993	8,722
Other (below RMB 500 K)	461	2,006	374	1,640
Subtotal	<b>\$7,169</b>	<b>31,144</b>	<b>\$3,194</b>	<b>13,978</b>
Other accounts payable - related				
Kelti (China) Co., Ltd.	\$417	1,811	\$1,938	8,483
Lee, Tsai & Partners	0	0	643	2,814
Other (below RMB 500 K)	51	222	65	285
Subtotal	<b>\$468</b>	<b>2,033</b>	<b>\$2,646</b>	<b>11,582</b>
Total	<b>\$7,637</b>	<b>33,177</b>	<b>\$5,840</b>	<b>25,560</b>

Receivables from related parties are not secured and are interest free.

#### 5. Prepaid with related parties

	31-Dec-21		31-Dec-20	
	RMB	NTD	RMB	NTD
Prepaid - related parties:				
Other (below RMB 500 K)	170	738	44	193
Subtotal	<b>\$170</b>	<b>738</b>	<b>\$44</b>	<b>193</b>

#### 6. Work Compensation

	Q4 of 2021		Q4 of 2020	
	RMB	NTD	RMB	NTD
Kelti (China) Co., Ltd.	\$127	555	\$180	781
Lee, Tsai & Partners	(1)	(3)	(\$137)	(\$574)
Other (below RMB 500 K)	0	0	0	0
Total	<b>\$126</b>	<b>552</b>	<b>\$43</b>	<b>207</b>

  

	2021		2020	
	RMB	NTD	RMB	NTD
Kelti (China) Co., Ltd.	\$989	4,292	\$651	2,787
Lee, Tsai & Partners	377	1,636	390	1,670
Other (below RMB 500 K)	0	0	0	0
Total	<b>\$1,366</b>	<b>5,928</b>	<b>\$1,041</b>	<b>4,457</b>

Charges and payment terms of professional service provided by the associated companies are agreed through mutual negotiation.

7. Lease

	31-Dec-21		31-Dec-20	
	RMB	NTD	RMB	NTD
Rent real estate property				
Kelti (China) Co., Ltd.	\$0	0	\$17,784	76,137
Jin Yongji Co., Ltd.	\$0	0	\$8,152	34,900
New Kinpo Group Co., Ltd.	3,087	13,434	0	0
Chen, Wu-Kang	0	0	9,387	40,187
Long Chuang Daily Product	0	0	0	0
Chaoneng Co., Ltd.	0	0	557	2,383
Other (below RMB 500 K)	0	0	0	0
Total	<b>\$3,087</b>	<b>13,434</b>	<b>\$35,879</b>	<b>153,607</b>

	31-Dec-21		31-Dec-20	
	RMB	NTD	RMB	NTD
Lease liabilities				
Kelti (China) Co., Ltd.	\$10,561	45,877	\$15,205	66,552
Jin Yongji Co., Ltd.	5,382	23,378	7,974	34,900
New Kinpo Group Co., Ltd.	2,490	10,816	551	2,411
Chen, Wu-Kang	15,380	66,811	16,889	73,923
Long Chuang Daily Product	1,933	8,399	3,162	13,839
Chaoneng Co., Ltd.	277	1,203	544	2,383
Other (below RMB 500 K)	0	0	0	2
Total	<b>\$36,023</b>	<b>\$156,484</b>	<b>\$44,325</b>	<b>194,010</b>

	Q4 of 2021		Q4 of 2020	
	RMB	NTD	RMB	NTD
Interest expenses				
Other (below RMB 500 K)	318	1,167	158	691
Total	<b>\$318</b>	<b>\$1,167</b>	<b>\$158</b>	<b>691</b>

	2021		2020	
	RMB	NTD	RMB	NTD
Interest expenses				
Other (below RMB 500 K)	1,151	4,996	777	3,327
Total	<b>\$1,151</b>	<b>\$4,996</b>	<b>\$777</b>	<b>3,327</b>

Lease fees contracted between the associated companies are based on market reference rates and negotiation and are settled with normal payment terms.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

***Opinion***

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public 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 Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

## **Accuracy of sales discounts and allowances calculation and recognition**

### Description

Refer to Note 4(27) for accounting policy on sales discounts and allowances.

The Group offers sales discounts and allowances to customers based on mutual agreement which is recorded as deduction to operating revenue. Given its mathematical complexity, large volume and its significance in determining the Group's operating performance and financial condition for the investors and key management, we consider it one of the key audit matters.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Tested whether the internal controls over sales and collection process (including manual and system controls) are effectively designed and performed.
- B. Obtained documentation reviewed and approved by key management to verify whether the estimates and calculation on sales discounts and allowances are accurate.
- C. Tested selected samples of sales discounts and allowances transaction, reviewed the supporting documentation and confirmed whether they are accurate.

## **Accounting estimates on inventory valuation**

### Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(5) for details of inventories.

The Group is primarily engaged in the research and development, manufacturing and sales of skincare products. Due to the short expiration dates of its products, the Group is exposed to higher risks of inventory valuation loss or overdue loss when purchase orders are modified or sales deteriorates unexpectedly. The Group evaluates inventories stated at the lower of cost and net realisable value and recognises provision based on the length of time to the products' expiration date.

Since the amount of inventories is significant, the inventory items are numerous, the evaluation of inventories is subject to management's judgement and the accounting estimations will have a significant influence on the inventory values, we consider the valuation of inventories as one of the key audit matters.



#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed whether the policy on the allowance for inventory valuation loss is reasonable based on our understanding of the Group's operations and industry.
- B. Tested whether the market value on which the net realisable value is estimated is consistent with the Group's policy, and validated, on a test basis, the selling price and the accuracy of net realisable value calculation.
- C. Obtained the detailed listings of products' expiration date, and inspected the related supporting documents and proper recognition in the financial statements.

#### ***Responsibilities of management and those charged with governance for the consolidated financial statements***

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

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

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



### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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Lin, Chun-Yao

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Chang, Shu-Chiung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2022

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.



**CHLITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of dollars)

	Asset	Notes	December 31, 2021			December 31, 2020		
			CNY	TWD	%	CNY	TWD	%
<b>Current Assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 1,375,044	\$ 5,973,191	60	\$ 1,221,784	\$ 5,347,749	60
1136	Financial assets at amortized cost - current	6(1)(3)and 8	241,962	1,051,083	10	-	-	-
1150	Notes receivable, net	5	5	22	-	-	-	-
1170	Accounts receivable, net	6(4)	723	3,141	-	792	3,467	-
1180	Accounts receivable - related parties, net	6(4)and 7	115	500	-	502	2,195	-
1200	Other receivables		15,136	65,751	1	6,459	28,273	-
1210	Other receivables - related parties	7	455	1,977	-	194	849	-
130X	Inventories	6(5)	104,711	454,865	4	106,782	467,385	5
1410	Prepayments		23,402	101,655	1	15,676	68,613	1
1470	Other current assets	2	2	10	-	-	-	-
11XX	<b>Total current assets</b>		<u>1,761,555</u>	<u>7,652,195</u>	<u>76</u>	<u>1,352,189</u>	<u>5,918,531</u>	<u>66</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value through profit or loss - non current	6(2)	21,046	91,424	1	21,618	94,622	1
1535	Financial assets at amortized cost - non current	6(1)(3)	-	-	-	112,000	490,224	6
1550	Investments accounted for using equity method	6(6)	49,636	215,619	2	49,824	218,080	2
1600	Property, plant and equipment, net	6(7)	303,842	1,319,890	13	314,456	1,376,374	15
1755	Right-of-use assets	6(8)and 7	112,940	490,611	5	131,519	575,659	6
1760	Investment property, net		16,737	72,706	1	17,731	77,609	1
1780	Intangible assets, net	6(9)	15,104	65,612	1	18,001	78,790	1
1840	Deferred income tax assets	6(24)	14,212	61,737	-	12,018	52,603	1
1900	Other non-current assets		15,021	65,250	1	18,573	81,294	1
15XX	<b>Total non-current assets</b>		<u>548,538</u>	<u>2,382,849</u>	<u>24</u>	<u>695,740</u>	<u>3,045,255</u>	<u>34</u>
1XXX	<b>Total assets</b>		<u>\$ 2,310,093</u>	<u>\$ 10,035,044</u>	<u>100</u>	<u>\$ 2,047,929</u>	<u>\$ 8,963,786</u>	<u>100</u>

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**CHLITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of dollars)

		December 31, 2021		December 31, 2020	
		CNY	TWD	CNY	TWD
Liabilities and Equity					
	Notes		%		%
<b>Current liabilities</b>					
2100	Short-term borrowings	\$	252,969	\$	1,098,897
2130	Current contract liabilities		96,496		419,179
2170	Accounts payable		15,577		67,666
2180	Accounts payable - related parties		7,169		31,144
2200	Other payables		184,516		801,538
2220	Other payables - related parties		468		2,033
2230	Current income tax liabilities		58,475		254,015
2280	Lease liabilities - current		31,393		136,371
2320	Long-term borrowings - current portion		63,720		276,800
2645	Guarantee deposits		86,194		374,425
21XX	<b>Total current liabilities</b>		796,977		3,462,068
<b>Non-current liabilities</b>					
2540	Long-term borrowings		259,978		1,129,345
2570	Deferred income tax liabilities		18,712		81,285
2580	Lease liabilities - non-current		84,311		366,245
2640	Net defined benefit liabilities		707		3,073
25XX	<b>Total non-current liabilities</b>		363,708		1,579,948
2XXX	<b>Total liabilities</b>		1,160,685		5,042,016
<b>Equity attributable to shareholders of the parent</b>					
<b>Share capital</b>					
3110	Common stock		161,772		794,924
<b>Capital surplus</b>					
3200	Capital surplus		276,621		1,372,879
<b>Retained earnings</b>					
3310	Legal reserve		173,010		787,546
3320	Special reserve		105,661		473,279
3350	Unappropriated retained earnings		435,294		2,129,574
<b>Other equity</b>					
3410	Financial statements translation differences of foreign operations	(	3,379)	(	567,040)
3420	Unrealised gains (losses) from financial assets at fair value through other comprehensive income		429		1,866
3XXX	<b>Total equity</b>		1,149,408		4,993,028
<b>Significant contingent liabilities and unrecognised contract commitments</b>					
3XX	<b>Significant events after the balance sheet date</b>				
3XX	<b>Total liabilities and equity</b>	\$	2,310,093	\$	10,035,044

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

**CHLITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of dollars, except earnings per share data)

Items	Notes	For the year ended December 31, 2021			For the year ended December 31, 2020		
		CNY	TWD	%	CNY	TWD	%
4000 <b>Operating revenue</b>	6(18)and 7	\$ 1,214,532	\$ 5,271,313	100	\$ 947,375	\$ 4,055,996	100
5000 <b>Operating costs</b>	6(5)(23)and 7	( 205,914)	( 893,709)	( 17)	( 141,212)	( 604,571)	( 15)
5900 <b>Gross profit</b>		1,008,618	4,377,604	83	806,163	3,451,425	85
<b>Operating expenses</b>	6(23)and 7						
6100 Selling expenses		( 424,604)	( 1,842,866)	( 35)	( 366,185)	( 1,567,748)	( 39)
6200 Administrative expenses		( 175,852)	( 763,233)	( 14)	( 178,313)	( 763,411)	( 19)
6000 <b>Total operating expenses</b>		( 600,456)	( 2,606,099)	( 49)	( 544,498)	( 2,331,159)	( 58)
6900 <b>Operating profit</b>		408,162	1,771,505	34	261,665	1,120,266	27
<b>Non-operating income and expenses</b>							
7101 Interest income	6(19)	22,338	96,951	2	18,765	80,339	2
7010 Other income	6(20)	31,364	136,126	2	30,811	131,911	3
7020 Other gains and losses	6(21)	20,476	88,870	2	24,270	103,907	3
7050 Finance costs	6(22)and 7	( 9,738)	( 42,265)	( 1)	( 12,211)	( 52,279)	( 1)
7060 Share of profit or loss of associates and joint ventures accounted for using equity method	6(6)	512	2,222	-	2,293	9,817	-
7000 <b>Total non-operating income and expenses</b>		64,952	281,904	5	63,928	273,695	7
7900 <b>Profit before tax</b>		473,114	2,053,409	39	325,593	1,393,961	34
7950 Income tax expense	6(24)	( 160,857)	( 698,152)	( 13)	( 101,447)	( 434,325)	( 11)
8200 <b>Profit for the year</b>		\$ 312,257	\$ 1,355,257	26	\$ 224,146	\$ 959,636	23
<b>Other comprehensive income (loss)</b>							
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>							
8311 Losses on remeasurements of defined benefit plans	6(13)	( 47)	( 204)	-	( 25)	( 108)	-
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(6)	318	1,391	-	111	475	-
<b>Total components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>		271	1,187	-	86	367	-
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>							
8361 Financial statements translation differences of foreign operations		( 10,179)	( 80,185)	( 2)	8,675	90,079	2
8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(6)	( 3,128)	( 13,576)	-	( 3,130)	( 13,399)	-
<b>Total comprehensive income (loss) that will be reclassified to profit or loss</b>		( 13,307)	( 93,761)	( 2)	5,545	76,680	2
<b>Other comprehensive income (loss) for the year</b>		( 13,036)	( 92,574)	( 2)	5,631	77,047	2
8500 <b>Total comprehensive income for the year</b>		\$ 299,221	\$ 1,262,683	24	\$ 229,777	\$ 1,036,683	25
<b>Earnings per share (in dollars)</b>	6(25)						
9750 Basic earnings per share		\$ 3.93	\$ 17.05		\$ 2.82	\$ 12.09	
9850 Diluted earnings per share		\$ 3.92	\$ 17.02		\$ 2.82	\$ 12.07	

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

**CHITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(expressed in thousands of dollars)

Notes	Equity attributable to shareholders of the parent						Other equity					
	Retained earnings						Unrealised gains (losses) from financial assets at fair value through other comprehensive income					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	CNY	TWD	CNY	TWD	Treasury stocks	Total equity
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
For the year ended December 31, 2020												
Balance at January 1, 2020	\$ 161,772	\$ 794,924	\$ 271,792	\$ 1,351,932	\$ 548,377	\$ 1,166,727	\$ 548,377	\$ 1,351,932	\$ 4,383	\$ 549,959	\$ -	\$ 1,017,840
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	-
Change in capital surplus accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-	-	-	-	-
Other additional paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury stocks	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stocks transferred to employees	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	\$ 161,772	\$ 794,924	\$ 277,143	\$ 1,375,164	\$ 150,794	\$ 691,593	\$ 123,415	\$ 549,959	\$ 283,991	\$ 1,469,479	\$ 9,928	\$ 1,007,154
For the year ended December 31, 2021												
Balance at January 1, 2021	\$ 161,772	\$ 794,924	\$ 277,143	\$ 1,375,164	\$ 150,794	\$ 691,593	\$ 123,415	\$ 549,959	\$ 283,991	\$ 1,469,479	\$ 9,928	\$ 1,007,154
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations of 2020 earnings	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	-
Change in capital surplus accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021	\$ 161,772	\$ 794,924	\$ 276,621	\$ 1,372,879	\$ 173,010	\$ 787,546	\$ 105,661	\$ 473,279	\$ 435,294	\$ 2,129,574	\$ 3,379	\$ 1,149,408

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



CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of dollars)

		For the year ended December 31, 2021		For the year ended December 31, 2020	
	Notes	CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Profit before tax		\$ 473,114	\$ 2,053,409	\$ 325,593	\$ 1,393,961
Adjustments					
Adjustment to reconcile profit (loss)					
Depreciation	6(7)(8)(21)(23)	72,085	312,864	67,795	290,250
Amortization	6(9)(23)	3,252	14,115	5,491	23,510
Net gain on financial assets at fair value through profit or loss	6(2)(21)	( 2,288)	( 9,930)	( 2,875)	( 12,309)
Interest expense	6(22)	9,738	42,265	12,211	52,279
Interest income	6(19)	( 22,338)	( 96,951)	( 18,765)	( 80,339)
Compensation cost of share-based payments	6(14)	-	-	2,532	10,893
Share of profit (loss) of associates and joint venture accounted for using equity method	6(6)	( 512)	( 2,222)	( 2,293)	( 9,817)
(Gains) losses on disposal of property, plant and equipment	6(21)	136	590	144	618
(Gains) losses from lease modifications	6(8)(21)	( 5)	( 22)	50	214
Changes in operating assets and liabilities relating to operating activities					
Changes in operating assets					
Financial assets at fair value through profit or loss		2,288	9,930	2,875	12,309
Notes receivable		( 5)	( 22)	3	13
Accounts receivable		69	299	( 734)	( 3,142)
Accounts receivable - related parties		387	1,680	( 339)	( 1,451)
Other receivables		( 2,036)	( 8,837)	( 239)	( 1,023)
Other receivables - related parties		( 261)	( 1,133)	4	17
Inventories		2,071	8,989	( 17,912)	( 76,687)
Prepayments		( 7,726)	( 33,532)	4,984	21,338
Changes in operating liabilities					
Contract liabilities		14,289	62,017	26,200	112,170
Accounts payable		2,400	10,416	( 2,130)	( 9,119)
Accounts payable - related parties		3,975	17,252	( 2,670)	( 11,431)
Other payables		6,163	26,749	53,587	229,422
Other payables - related parties		( 2,178)	( 9,453)	( 150)	( 642)
Net defined benefit liabilities		5	22	( 415)	( 1,777)
Guarantee deposits		10,060	43,662	5,788	24,780
Cash provided by operating activities		562,683	2,442,157	458,735	1,964,037
Interest paid		( 9,934)	( 43,116)	( 12,451)	( 53,306)
Income tax paid		( 138,551)	( 601,339)	( 90,880)	( 389,085)
Net cash provided by operating activities		414,198	1,797,702	355,404	1,521,646

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CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of dollars)

		For the year ended December 31, 2021		For the year ended December 31, 2020	
	Notes	CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at amortised cost		(\$ 129,962)	(\$ 564,061)	(\$ 112,000)	(\$ 479,506)
Proceeds from disposal of financial assets at amortised cost		-	-	1	4
Acquisition of financial assets at fair value through profit or loss		-	-	( 21,618)	( 92,553)
Increase in other current assets		( 2)	( 9)	123	527
Increase in investments accounted for using equity method		-	-	( 43,189)	( 177,624)
Acquisition of property, plant and equipment	6(7)	( 22,187)	( 96,297)	( 23,017)	( 98,543)
Proceeds from disposal of property, plant and equipment		-	-	56	240
Acquisition of intangible assets	6(9)	( 506)	( 2,197)	( 109)	( 467)
Decrease in other non-current assets		3,690	16,015	3,164	13,546
Interest received		15,697	68,128	15,878	67,978
Net cash used in investing activities		( 133,270)	( 578,421)	( 180,711)	( 766,398)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Repayment of the principal portion of lease liabilities	6(26)	( 34,372)	( 149,181)	( 33,928)	( 145,256)
Increase (decrease) in short-term borrowings	6(26)	106,319	461,447	( 223,353)	( 956,239)
Proceeds from long-term borrowings	6(26)	263,062	1,141,742	342,594	1,466,746
Repayments of long-term borrowings	6(27)	( 280,760)	( 1,218,555)	( 34,012)	( 145,616)
Purchase of treasury stocks		-	-	( 11,003)	( 46,821)
Treasury stocks transferred to employees		-	-	11,003	46,821
Payment of cash dividends	6(17)	( 156,445)	( 675,685)	( 245,814)	( 1,033,401)
Net cash flows used in financing activities		( 102,196)	( 440,232)	( 194,513)	( 813,766)
Effects due to changes in exchange rates		( 25,472)	( 153,607)	( 25,872)	( 50,217)
Increase (decrease) in cash and cash equivalents		153,260	625,442	( 45,692)	( 108,735)
Cash and cash equivalents at beginning of year		1,221,784	5,347,749	1,267,476	5,456,484
Cash and cash equivalents at end of year		\$ 1,375,044	\$ 5,973,191	\$ 1,221,784	\$ 5,347,749

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



Chlitina Holding Limited  
Distribution of Earnings in 2021

[Attachment V]

Unit: NT\$

Unappropriated retained earnings for previous year	774,520,914
Less: Re-measurement on benefit plans	203,878
Add: Net profit after tax in this year	1,355,257,267
Withheld items	
Less: Legal reserve - 10% (legal reserve amounts to the total paid-in capital)	7,378,906
Less: Special earnings reserve - Other equity interest	91,894,831
Distribution of earnings for this year	2,030,300,566
Appropriation items:	
Shareholders' dividend - Cash	953,908,200
Unappropriated retained earnings for this year	1,076,392,366
Note: Cash dividends per share was NTD 12	

Chairperson: Chen, Pi-Hua



Manager: Chao, Chen-Yu



Accounting Supervisor: Yeh, Chien-Chih



# Chlitina Holding Limited

## Articles of Incorporation

After amendment	Before amendment	Reasons for amendment
THE COMPANIES <u>ACT</u> ( <u>AS</u> REVISED) COMPANY LIMITED BY SHARES	THE COMPANIES <u>LAW</u> (REVISED) COMPANY LIMITED BY SHARES	Amended the title of the Company Act (as revised) of the Cayman Islands.  Note: The amendment is limited to the content in English. The content of the translated version in Chinese remains unchanged.
1  The Regulations contained or incorporated in Table A of the First Schedule of the Companies <u>Act</u> ( <u>As</u> Revised) of the Cayman Islands (as amended from time to time) shall not apply to this Company.	1  The Regulations contained or incorporated in Table A of the First Schedule of the Companies <u>Law</u> (Revised) of the Cayman Islands (as amended from time to time) shall not apply to this Company.	Amended the title of the Company Act (as revised) of the Cayman Islands.  Note: The amendment in this article is limited to the content in English. The content of the translated version in Chinese remains unchanged
2  (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:  .....  Chairman       .....(omitted)  Class or Classes <u>any</u> class or classes of Shares as may from time to time be issued by the Company;  Commission       .....(omitted)	2  (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:  .....  Chairman       .....(omitted)  Class or Classes <u>Any</u> class or classes of Shares as may from time to time be issued by the Company;  Commission       .....(omitted)	1. Amended the wording, the title of the Company Act (as revised), and the Electronic Transactions Act of the Cayman Islands. in Paragraph 1.  Note: The amendment in this paragraph is limited to the content in English. The content of the translated version in

After amendment	Before amendment	Reasons for amendment
<p>.....</p> <p>Director .....(omitted)</p> <p>electronic shall have the meaning given to it in the Electronic Transactions <u>Act</u> (2003 Revision) (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;</p> <p>Family Relationship within Second Degree of Kinship .....(omitted)</p> <p>.....</p> <p>Juristic Person .....(omitted)</p> <p>Law the Companies <u>Act</u> (As Revised) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;</p> <p>Lease Contract .....(omitted)</p> <p>(2)~(4) (omitted)</p> <p>(5) <u>a reference to a meeting: shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Shareholder, or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Companies Act (As</u></p>	<p>.....</p> <p>Director .....(omitted)</p> <p>electronic shall have the meaning given to it in the Electronic Transactions <u>Law</u> (2003 Revision) (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force including every other law incorporated therewith or substituted therefore;</p> <p>Family Relationship within Second Degree of Kinship .....(omitted)</p> <p>.....</p> <p>Juristic Person .....(omitted)</p> <p>Law the Companies <u>Law</u> (Revised) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;</p> <p>Lease Contract .....(omitted)</p> <p>(2)~(4) (omitted)</p>	<p>Chinese remains unchanged</p> <p>2. In response to the amendments to articles pertaining to convening a virtual shareholder meeting, the definition of “a meeting” in Paragraph 5 is newly incorporated.</p>

After amendment	Before amendment	Reasons for amendment
<u>Revised) and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly.</u>		
<p>24-1</p> <p><u>A general meeting may also be held by means of video-conference or other methods promulgated by the R.O.C. authorities in charge of the Company Act of the R.O.C.. Under the circumstances of calamities, incidents, or other force majeure, the R.O.C. authorities in charge of the Company Act of the R.O.C. may promulgate a ruling that authorizes the company within a certain period of time to convene a general meeting by means of video conference or other promulgated methods in which case the Company is permitted to convene general meeting in accordance with the rules and regulations promulgated by the R.O.C. authorities in charge of the Company Act of the R.O.C.. Participation in such a meeting shall constitute presence in person at such meeting. The Company shall comply with all prerequisites, procedures, and other matters under the Applicable Listing Rules, including but not limited to the Securities and Exchange Act of the R.O.C., to the extent that they do not contravene the laws of the Cayman Islands, for general meetings that are held via electronic facilities in whole or in part.</u></p>	<p>(Newly incorporated.)</p>	<p>Newly incorporated due to the company's need and in accordance with Article 172-2 of the Company Act, Notice 1 of the Tai-Zheng-Shang-Er-Zi 1111700674 Notice of March 11, 2022 issued by TWSE as well as Section 2 of the Checklist for Protection of Rights and Interests of Shareholders in the Foreign Issuer's Registered Country.</p>
<p>25</p> <p>During the Relevant Period, all <u>physical</u> general meetings shall be held in the R.O.C.. Any <u>physical</u> general meeting held outside the R.O.C. territory shall be approved by the TWSE within two (2) days after the resolution determined by the Board or the approval of the competent authorities obtained by the</p>	<p>25</p> <p>During the Relevant Period, all general meetings shall be held in the R.O.C.. Any general meeting held outside the R.O.C. territory shall be approved by the TWSE within two (2) days after the resolution determined by the Board or the approval of the competent authorities obtained by the Shareholders</p>	<p>Amended in accordance with Section 2 of the Checklist for Protection of Rights and Interests of Shareholders in the Foreign Issuer's Registered Country.</p>

After amendment	Before amendment	Reasons for amendment
Shareholders to convene a general meeting.	to convene a general meeting.	
<p>28</p> <p>At any time other than during the Relevant Period, at least seven (7) days notice in writing prior to the scheduled date of any annual general meetings and five (5) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. During the Relevant Period, at least thirty (30) days notice in writing prior to the scheduled date of any annual general meetings and fifteen (15) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall specify the place (save for a meeting which is to be held electronically without a physical place of meeting), the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent from the Members or as permitted by the Law and the Applicable Listing Rules. <u>If a general meeting is to be held by way of electronic facilities in whole or in part, the notice of general meeting shall include a statement to such effect and with details of the electronic facilities to be provided for attendance and participation by electronic means at such meeting or in any event, such details shall be made available by the Company prior to the meeting.</u></p>	<p>28</p> <p>At any time other than during the Relevant Period, at least seven (7) days notice in writing prior to the scheduled date of any annual general meetings and five (5) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. During the Relevant Period, at least thirty (30) days notice in writing prior to the scheduled date of any annual general meetings and fifteen (15) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. The period of notice shall be exclusive of the day on which it is served and of the day on which the general meeting is to be held. Such notice shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent from the Members or as permitted by the Law and the Applicable Listing Rules.</p>	<p>With the amendments to articles pertaining to convening a virtual shareholder meeting, Article 28 is amended to stipulate that if a general meeting is to be held by way of electronic facilities, the details shall be made available to the shareholders in the general meeting notice.</p>
<p>30</p> <p>During the Relevant Period, the Company shall prepare a manual for</p>	<p>30</p> <p>During the Relevant Period, the Company shall prepare a manual for</p>	<p>Amended in accordance with Article 6 of the Regulations Governing Content and Compliance</p>

After amendment	Before amendment	Reasons for amendment
<p>each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission, the GTSM or TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules. <u>In the case of the Company with an issued share capital reaching NT\$10 billion or more as of the last day of the most recent financial year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more of the total number of issued shares of the Company as registered in the Register at the time of convening the annual general meeting in the most recent financial year, the Company shall upload the aforesaid electronic files thirty (30) days prior to the scheduled day of the relevant annual general meeting.</u></p>	<p>each general meeting, and such manual and relevant materials shall be published on the website designated by the Commission, the GTSM or TWSE (where applicable) twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.</p>	<p>Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies, Notice 2 of the Tai-Zheng-Shang-Er-Zi 1111700674 Notice of March 11, 2022 issued by TWSE as well as Section 2 of the Checklist for Protection of Rights and Interests of Shareholders in the Foreign Issuer's Registered Country.</p>
<p>35</p> <p>A general meeting may be adjourned by an Ordinary Resolution from place to place <u>(where there is a physical place for holding such general meeting)</u> within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting <u>(if there is a physical place for holding such general meeting)</u> shall be given as in the case of an original meeting.</p>	<p>35</p> <p>A general meeting may be adjourned by an Ordinary Resolution from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.</p>	<p>Amended matters related to the location of the adjourned general meeting under Article 35.</p>
<p>45</p> <p>To the extent permitted by the Law, the Board <u>shall</u>, subject to the Applicable</p>	<p>45</p> <p>To the extent permitted by the Law, <u>votes may be exercised in writing or by</u></p>	<p>Amended due to the company's need and in accordance with Article 177-1 of the Company</p>

After amendment	Before amendment	Reasons for amendment
<p>Listing Rules, <u>recognize</u> electronic transmission as one of the ways for the Members to exercise their voting powers. If a written instrument or electronic transmission for voting is required to be used, the relevant methods and procedures shall be specified in the notice of that meeting</p>	<p><u>way of electronic transmission as the Board thinks fit, subject to the Applicable Listing Rules, provided that electronic transmission shall be provided as one of the ways for the Members to exercise their voting powers if the Company meets the Scope Applying for Electronic Transmission to Companies prescribed by the Commission.</u> If a written instrument or electronic transmission for voting is proposed or required to be used, the relevant methods and procedures shall be specified in the notice of that meeting.</p>	<p>Act, Notice 1 of the Tai-Zheng-Shang-Er-Zi 1111700674 Notice of March 11, 2022 issued by TWSE as well as Section 2 of the Checklist for Protection of Rights and Interests of Shareholders in the Foreign Issuer's Registered Country.</p>
<p>(Removed)</p>	<p>73-2</p> <p><u>Subject to the condition that the Board does not or is unable to convene a general meeting, the Independent Director who is a member of the Audit Committee may, for the benefit of the company, call a general meeting if necessary.</u></p>	<p>Removed in accordance with Notice 2 of the Tai-Zheng-Shang-Er-Zi 1101701488 Notice of May 14, 2021 issued by TWSE as well as Section 3 of the Checklist for Protection of Rights and Interests of Shareholders in the Foreign Issuer's Registered Country.</p>

Chlitina Holding Limited  
Procedure for the Acquisition or Disposal of Assets

[Attachment VII]

After revision	Before revision	Reasons for revision
<p>Aeticle5 Regulations governing the appraisal report or opinions For the appraisal report or the opinions from the CPA, the attorney, or the securities underwriter obtained by the Company, the professional appraiser and the appraisal staff, CPA, attorney or securities underwriter shall meet the following requirements:</p> <p>(I)No finalized sentence in prison of at least one year due to a violation of the Securities Exchange Act, the Company Act, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act or frauds, breach of trust, embezzlement, forgery or criminal act during business operations. This, however, does not apply to those having served their sentence in prison, probation period, or when it has been three years following a pardon.</p> <p>(II)No correlation or substantial relationship with the parties to the transaction</p> <p>(III)If the appraisal report is to be obtained from at least two professional appraisers, different professional appraisers or appraisal staff may not be related to one another or are substantially correlated.</p> <p>The said parties in the preceding paragraph, to issue an appraisal report or opinions, shall follow <a href="#">the self-regulatory rules of the trade associations to which it belongs and</a> the requirements below:</p> <p>(I)Prior to undertaking a case, careful self-assessment of professionalism, practical experiences, and independence shall be performed.</p> <p>(II)When <a href="#">executing</a> a case, appropriate operating procedures shall be properly planned and enforced in</p>	<p>Aeticle5 Regulations governing the appraisal report or opinions For the appraisal report or the opinions from the CPA, the attorney, or the securities underwriter obtained by the Company, the professional appraiser and the appraisal staff, CPA, attorney or securities underwriter shall meet the following requirements:</p> <p>(I)No finalized sentence in prison of at least one year due to a violation of the Securities Exchange Act, the Company Act, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act or frauds, breach of trust, embezzlement, forgery or criminal act during business operations. This, however, does not apply to those having served their sentence in prison, probation period, or when it has been three years following a pardon.</p> <p>(II)No correlation or substantial relationship with the parties to the transaction</p> <p>(III)If the appraisal report is to be obtained from at least two professional appraisers, different professional appraisers or appraisal staff may not be related to one another or are substantially correlated.</p> <p>The said parties in the preceding paragraph, to issue an appraisal report or opinions, shall follow the requirements below:</p> <p>(I)Prior to undertaking a case, careful self-assessment of professionalism, practical experiences, and independence shall be performed.</p> <p>(II)When <a href="#">auditing</a> a case, appropriate operating procedures shall be properly planned and enforced in order to render a conclusion and produce a report or</p>	<p>1.As is required by No. 1110380465 letter (Released by Securities and Futures Bureau) on January 28, 2022. The revision is to cooperate with company operations and strengthen the management of related party transactions.</p> <p>2.The main points of the amendment are to strengthen the management of related party transactions, improve the quality of the opinions issued by relevant experts, and relax the information disclosure of some transactions. Therefore, the current proviso is revised.</p>



After revision	Before revision	Reasons for revision
<p>order to render a conclusion and produce a report or opinions accordingly and the procedure enforced, data collected, and conclusions reached shall be truthfully and thoroughly documented in the work sheet.</p> <p>(III)For the sources of data, parameters, and information, among others, used, the <u>appropriateness</u> and legitimacy shall be evaluated item by item and accordingly the appraisal report or opinions may be issued.</p> <p>(IV)The disclaimer shall cover the statement that related staff has the professionalism and is independent and that the information used has been determined to be <u>appropriate</u> and reasonable and compliant with the applicable laws and regulations.</p>	<p>opinions accordingly and the procedure enforced, data collected, and conclusions reached shall be truthfully and thoroughly documented in the work sheet.</p> <p>(III)For the sources of data, parameters, and information, among others, used, the <del>integrity,</del> <del>accuracy,</del> and legitimacy shall be evaluated item by item and accordingly the appraisal report or opinions may be issued.</p> <p>(IV)The disclaimer shall cover the statement that related staff has the professionalism and is independent and that the information used has been determined to be reasonable and <del>accurate</del> and compliant with the applicable laws and regulations.</p>	
<p>Article9 Procedure for the Acquisition or Disposal of Real Estate, Equipment or User Right-associated Assets</p> <p>(I)Evaluation and operating procedure: The acquisition or disposal of the Company's real estate and equipment or the user right-associated assets is consistently based on the real estate, plants and equipment cycles of the Company's internal control system and related regulations.</p> <p>(II)Procedure for Deciding the Transaction Conditions</p> <p>1.Procedure for the Acquisition or Disposal of Real Estate or the User Right-associated Assets</p> <p>(1)The announced current value, the rated value, the actual transaction price of real estate or the user right-associated assets in the surroundings shall be referred to in deciding the transaction conditions and the transaction price; the analysis report will be prepared and submitted to the Chairman.</p> <p>(2)When a single transaction value is more than</p>	<p>Article9 Procedure for the Acquisition or Disposal of Real Estate, Equipment or User Right-associated Assets</p> <p>(I)Evaluation and operating procedure: The acquisition or disposal of the Company's real estate and equipment or the user right-associated assets is consistently based on the real estate, plants and equipment cycles of the Company's internal control system and related regulations.</p> <p>(II)Procedure for Deciding the Transaction Conditions</p> <p>1.Procedure for the Acquisition or Disposal of Real Estate or the User Right-associated Assets</p> <p>(1)The announced current value, the rated value, the actual transaction price of real estate or the user right-associated assets in the surroundings shall be referred to in deciding the transaction conditions and the transaction price; the analysis report will be prepared and submitted to the Chairman.</p> <p>(2)When a single transaction value is more than</p>	<p>See the explanation given above.</p>

After revision	Before revision	Reasons for revision
<p>NT\$150 million (or equivalent foreign currency) of the Company and its subsidiaries, it has to be approved by the Board of Directors in the parent company before such transaction may be done.</p> <p>2.Acquisition or Disposal of Equipment or the User Right-associated Assets</p> <p>(1)Applicable requirements of the Company for purchases shall be followed.</p> <p>(2)When a single transaction value is more than NT\$50 million (or equivalent foreign currency) of the Company and its subsidiaries, it has to be approved by the Board of Directors in the parent company before such transaction may be done.</p> <p>(III)Executive unit: When acquiring or disposing of real estate, equipment or the user right-associated assets, the Company shall submit it for approval reflective of the decision-making power and related purchase and administration units are responsible for implementing it.</p> <p>(IV)Acquisition of the asset appraisal report: When acquiring or disposing of real estate, equipment or the user right-associated assets, except for transactions with domestic government agencies, outsourced construction on self-owned land, outsourced construction on rented land or the acquisition or disposal of operating machine equipment or the user right-associated assets, as long as the transaction value reaches 20% of the Company's paid-in capital size or NT\$ 300 million (or equivalent foreign currency) and above the appraisal report issued by a professional appraiser shall be obtained prior to the actual occurrence date and the following requirements shall be fulfilled:</p> <p>1.When restricted prices, specific prices, or special</p>	<p>NT\$150 million (or equivalent foreign currency) of the Company and its subsidiaries, it has to be approved by the Board of Directors in the parent company before such transaction may be done.</p> <p>2.Acquisition or Disposal of Equipment or the User Right-associated Assets</p> <p>(1)Applicable requirements of the Company for purchases shall be followed.</p> <p>(2)When a single transaction value is more than NT\$50 million (or equivalent foreign currency) of the Company and its subsidiaries, it has to be approved by the Board of Directors in the parent company before such transaction may be done.</p> <p>(III)Executive unit: When acquiring or disposing of real estate, equipment or the user right-associated assets, the Company shall submit it for approval reflective of the decision-making power and related purchase and administration units are responsible for implementing it.</p> <p>(IV)Acquisition of the asset appraisal report: When acquiring or disposing of real estate, equipment or the user right-associated assets, except for transactions with domestic government agencies, outsourced construction on self-owned land, outsourced construction on rented land or the acquisition or disposal of operating machine equipment or the user right-associated assets, as long as the transaction value reaches 20% of the Company's paid-in capital size or NT\$ 300 million (or equivalent foreign currency) and above the appraisal report issued by a professional appraiser shall be obtained prior to the actual occurrence date and the following requirements shall be fulfilled:</p>	

After revision	Before revision	Reasons for revision
<p>prices need to serve as the reference for the transaction price for special reasons, such transaction shall be submitted to the Board of Directors for a decision first. The same shall apply on changes to the transaction conditions in the future.</p> <p>2. When the transaction value reaches NT\$1 billion (or equivalent foreign currency) and above, appraisals shall be provided by at least two professional appraisers.</p> <p>3. In case of any of the following conditions regarding the appraisal results provided professional appraisers, unless those of assets acquired are consistently higher than the transaction value or those of assets disposed of are consistently below the transaction value, a CPA shall be provided substantial opinions with regards to the reasons for the differences and the adequacy of the transaction price:</p> <p>(1) The appraisal result is different from the transaction value by more than 20% of the transaction value.</p> <p>(2) The difference between appraisal results provided by at least two professional appraisers reaches 10% and above.</p> <p>4. The date when the report is released by a professional appraiser and the date for the contract to take effect may not be more than three months apart. If the announced current value of the same term applies and it is not more than six months past due, the original professional appraiser shall provide the opinions.</p>	<p>1. When restricted prices, specific prices, or special prices need to serve as the reference for the transaction price for special reasons, such transaction shall be submitted to the Board of Directors for a decision first. The same shall apply on changes to the transaction conditions in the future.</p> <p>2. When the transaction value reaches NT\$1 billion (or equivalent foreign currency) and above, appraisals shall be provided by at least two professional appraisers.</p> <p>3. In case of any of the following conditions regarding the appraisal results provided professional appraisers, unless those of assets acquired are consistently higher than the transaction value or those of assets disposed of are consistently below the transaction value, a CPA shall be <del>asked to follow the requirements under Auditing Standards 20 released by the ROC Accounting Research and Development Foundation (the "Accounting Research and Development Foundation") while</del> providing substantial opinions with regards to the reasons for the differences and the adequacy of the transaction price:</p> <p>(1) The appraisal result is different from the transaction value by more than 20% of the transaction value.</p> <p>(2) The difference between appraisal results provided by at least two professional appraisers reaches 10% and above.</p> <p>4. The date when the report is released by a professional appraiser and the date for the contract to take effect may not be more than three months</p>	

After revision	Before revision	Reasons for revision
	<p>apart. If the announced current value of the same term applies and it is not more than six months past due, the original professional appraiser shall provide the opinions.</p>	
<p>Article10 Procedure for the Acquisition or Disposal of Securities (I)Evaluation and operating procedure: Trading of the Company' s securities is consistently based on the investment cycles of the Company' s internal control system and related regulations. (II)Procedure for Deciding the Transaction Conditions 1.The most recent financial statements of benchmark companies audited and certified or reviewed and approved by CPAs prior to the actual date of occurrence or public quotations of the said securities on an active market, if any, shall be obtained to serve as reference in the evaluation of the transaction price. 2.For securities not traded in a stock exchange or securities firm, besides those mentioned above, their net worth per share, profitability, and future development potential, among others, shall also be considered and the reference bases for transaction prices or how they are calculated and the transaction conditions shall be submitted to the responsible supervisor for approval. 3.Authorized limit and level: (1)Reverse repurchase of monetary funds or government bonds: A.The Chairman is authorized with the decision-making power. B.The implementation status in the most recent quarter of the Company and its subsidiaries needs to be reported to the Board of Directors of the parent company, including investment</p>	<p>Article10 Procedure for the Acquisition or Disposal of Securities (I)Evaluation and operating procedure: Trading of the Company' s securities is consistently based on the investment cycles of the Company' s internal control system and related regulations. (II)Procedure for Deciding the Transaction Conditions 1.The most recent financial statements of benchmark companies audited and certified or reviewed and approved by CPAs prior to the actual date of occurrence or public quotations of the said securities on an active market, if any, shall be obtained to serve as reference in the evaluation of the transaction price. 2.For securities not traded in a stock exchange or securities firm, besides those mentioned above, their net worth per share, profitability, and future development potential, among others, shall also be considered and the reference bases for transaction prices or how they are calculated and the transaction conditions shall be submitted to the responsible supervisor for approval. 3.Authorized limit and level: (1)Reverse repurchase of monetary funds or government bonds: A.The Chairman is authorized with the decision-making power. B.The implementation status in the most recent quarter of the Company and its subsidiaries needs to be reported to the Board of Directors of the parent company, including</p>	<p>See the explanation given above.</p>

After revision	Before revision	Reasons for revision
<p>gains and losses.</p> <p>(2)Other securities:</p> <p>A.The Chairman is authorized with the decision-making power.</p> <p>B.When a single transaction values more than NT\$30 million, inclusive (or equivalent foreign currency), of the Company and its subsidiaries, it has to be reported to the Board of Directors in the parent company afterwards.</p> <p>C.When a single transaction values more than NT\$30 million (or equivalent foreign currency) of the Company and its subsidiaries, it has to be approved by the Board of Directors in the parent company before such transaction may be done.</p> <p>(III)Executive unit: When acquiring or disposing of securities, the Company shall submit it for approval reflective of the decision-making power and the financial unit is responsible for implementing it.</p> <p>(IV)Obtaining expert opinions</p> <p>1.When acquiring or disposing of investments in securities, the Company shall obtain the most recent financial statements of benchmark companies audited and certified or reviewed and approved by CPAs prior to the actual date of occurrence to serve as reference in the evaluation of the transaction price.</p> <p>2.When acquiring or disposing of securities with a transaction value reaching 20% of the paid-in capital size of the Company or NT\$300 million (or equivalent foreign currency) and above, CPAs shall be approached for opinions on the adequacy of the transaction price prior to the actual date of</p>	<p>investment gains and losses.</p> <p>(2)Other securities:</p> <p>A.The Chairman is authorized with the decision-making power.</p> <p>B.When a single transaction values more than NT\$30 million, inclusive (or equivalent foreign currency), of the Company and its subsidiaries, it has to be reported to the Board of Directors in the parent company afterwards.</p> <p>C.When a single transaction values more than NT\$30 million (or equivalent foreign currency) of the Company and its subsidiaries, it has to be approved by the Board of Directors in the parent company before such transaction may be done.</p> <p>(III)Executive unit: When acquiring or disposing of securities, the Company shall submit it for approval reflective of the decision-making power and the financial unit is responsible for implementing it.</p> <p>(IV)Obtaining expert opinions</p> <p>1.When acquiring or disposing of investments in securities, the Company shall obtain the most recent financial statements of benchmark companies audited and certified or reviewed and approved by CPAs prior to the actual date of occurrence to serve as reference in the evaluation of the transaction price.</p> <p>2.When acquiring or disposing of securities with a transaction value reaching 20% of the paid-in capital size of the Company or NT\$300 million (or equivalent foreign currency) and above, CPAs shall be approached for opinions on the adequacy of the transaction price prior to the actual date of</p>	

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<p>occurrence. This, however, does not include securities with public quotations on an active market or specified otherwise by the competent authority for securities.</p>	<p>occurrence. <del>The CPA shall also follow the requirements under Auditing Standard 20 released by the Accounting Research and Development Foundation if expert reports need to be adopted.</del> This, however, does not include securities with public quotations on an active market or specified otherwise by the competent authority for securities.</p>	
<p>Article 11 Procedure for the Acquisition or Disposal of Intangible Assets or Their User Right-associated Assets or Membership Cards</p> <p>(I) Evaluation and operating procedure: The acquisition or disposal of the Company's intangible assets or their user right-associated assets or membership cards is consistently based on the real estate, plants and equipment cycles of the Company's internal control system and related regulations.</p> <p>(II) Procedure for Deciding the Transaction Conditions</p> <ol style="list-style-type: none"> <li>1. Applicable requirements of the Company for purchases shall be followed.</li> <li>2. When a single transaction value is more than NT\$50 million (or equivalent foreign currency) of the Company and a subsidiary, expert evaluation reports or fair values on the market shall be referred to in deciding the transaction conditions and transaction price and an analysis report shall be prepared and be approved by the Board of Directors in the parent company before such transaction may be done.</li> </ol> <p>(III) Executive unit: When acquiring or disposing of intangible assets or their user right-associated assets or membership cards, the Company shall submit it for approval reflective of the decision-making power and the user department and financial unit or administration units that are responsible for</p>	<p>Article 11 Procedure for the Acquisition or Disposal of Intangible Assets or Their User Right-associated Assets or Membership Cards</p> <p>(I) Evaluation and operating procedure: The acquisition or disposal of the Company's intangible assets or their user right-associated assets or membership cards is consistently based on the real estate, plants and equipment cycles of the Company's internal control system and related regulations.</p> <p>(II) Procedure for Deciding the Transaction Conditions</p> <ol style="list-style-type: none"> <li>1. Applicable requirements of the Company for purchases shall be followed.</li> <li>2. When a single transaction value is more than NT\$50 million (or equivalent foreign currency) of the Company and a subsidiary, expert evaluation reports or fair values on the market shall be referred to in deciding the transaction conditions and transaction price and an analysis report shall be prepared and be approved by the Board of Directors in the parent company before such transaction may be done.</li> </ol> <p>(III) Executive unit: When acquiring or disposing of intangible assets or their user right-associated assets or membership cards, the Company shall submit it for approval reflective of the decision-making power and the user department and financial unit or administration units that are responsible for</p>	<p>See the explanation given above.</p>

After revision	Before revision	Reasons for revision
<p>implementing it.</p> <p>(IV)Obtaining expert opinions: When acquiring or disposing of intangible assets or their user right-associated assets or membership cards with a transaction value reaching 20% of the paid-in capital size of the Company or NT\$300 million (or equivalent foreign currency) and above, except for transactions with domestic government agencies, CPAs shall be approached for their opinions on the adequacy of the transaction price prior to the actual date of occurrence.</p>	<p>implementing it.</p> <p>(IV)Obtaining expert opinions: When acquiring or disposing of intangible assets or their user right-associated assets or membership cards with a transaction value reaching 20% of the paid-in capital size of the Company or NT\$300 million (or equivalent foreign currency) and above, except for transactions with domestic government agencies, CPAs shall be approached for their opinions on the adequacy of the transaction price prior to the actual date of occurrence. <del>The CPA shall also follow the requirements under Auditing Standard 20 released by the Accounting Research and Development Foundation.</del></p>	
<p>Article14 Evaluation and operating procedure</p> <p>(I)When the real estateor their user right-associated assets acquired or disposed of by the Company from the related party or other assets than the real estate or the user right-associated assets acquired or disposed of by the Company from the related party reaches 20% of the Company’s paid-in capital size, 10% of the overall assets, or NT\$300 million and above, except for trading of domestic bonds, bonds with buy-back or sell-back requirements, subscription or buy-back of the money market funds issued by a domestic securities investment trust business, the following materials shall be submitted to the Audit Committee for recognition and to the Board of Directors for approval before the transaction contract may be entered into and payment may be made:</p> <ol style="list-style-type: none"> <li>1.Purpose, necessity, and expected benefits of the acquisition or disposal of assets</li> <li>2.Reason for choosing the related party to be the</li> </ol>	<p>Article14 Evaluation and operating procedure</p> <p>(I)When the real estateor their user right-associated assets acquired or disposed of by the Company from the related party or other assets than the real estate or the user right-associated assets acquired or disposed of by the Company from the related party reaches 20% of the Company’s paid-in capital size, 10% of the overall assets, or NT\$300 million and above, except for trading of domestic bonds, bonds with buy-back or sell-back requirements, subscription or buy-back of the money market funds issued by a domestic securities investment trust business, the following materials shall be submitted to the Audit Committee for recognition and to the Board of Directors for approval before the transaction contract may be entered into and payment may be made:</p> <ol style="list-style-type: none"> <li>1.Purpose, necessity, and expected benefits of the acquisition or disposal of assets</li> <li>2.Reason for choosing the related party to be the</li> </ol>	<p>See the explanation given above.</p>

After revision	Before revision	Reasons for revision
<p>counterparty</p> <p>3.Related materials for evaluation of the legitimacy of expected transaction requirements according to Articles 15 and 16 for the real estate or the user right-associated assets acquired from the related party.</p> <p>4.The original date and price of acquisition from the related party, the counterparty and his/her relationship with the Company and the related party, among others.</p> <p>5.The income and expenditure forecast in cash for respective months in the coming year starting from the month when the contract is expected to be signed and the evaluation over the necessity of the transaction and the legitimacy of funds utilization.</p> <p>6.Appraisal report obtained from a professional appraiser or CPA opinions as required by the preceding article.</p> <p>7.Restrictions and other important matters agreed upon of the current transaction.</p> <p>(II)For the acquisition or disposal of operating equipment or the user right-associated assets and real estate user right-associated assets between the Company and its subsidiaries, or between subsidiaries whose circulating shares or total capital value is owned directly or indirectly by the Company, the Board of Directors may authorize the Chairman with the discretion to go ahead and make a decision and then submit it to the most recent Board of Directors' meeting for endorsement if the value is within NT\$50 million (or equivalent foreign currency).</p> <p><u>(III)If the transaction mentioned in paragraph 1 occurs</u></p>	<p>counterparty</p> <p>3.Related materials for evaluation of the legitimacy of expected transaction requirements according to Articles 15 and 16 for the real estate or the user right-associated assets acquired from the related party.</p> <p>4.The original date and price of acquisition from the related party, the counterparty and his/her relationship with the Company and the related party, among others.</p> <p>5.The income and expenditure forecast in cash for respective months in the coming year starting from the month when the contract is expected to be signed and the evaluation over the necessity of the transaction and the legitimacy of funds utilization.</p> <p>6.Appraisal report obtained from a professional appraiser or CPA opinions as required by the preceding article.</p> <p>7.Restrictions and other important matters agreed upon of the current transaction.</p> <p>(II)The calculation of the transaction value shall be based on the requirements in Article 30 Paragraph 2 and “within a year” as stated is based on the actual date of occurrence of the current transaction, retroactively by one year. It is allowed not to include those already submitted to the Audit Committee for recognition and the Board of Directors for approval as required herein.</p> <p>(III)For the acquisition or disposal of operating equipment or the user right-associated assets and real estate user right-associated assets between the Company and its subsidiaries, or between subsidiaries whose circulating shares or total capital value is owned directly or indirectly by the</p>	



After revision	Before revision	Reasons for revision
<p><u>in the Company or a subsidiary that is not a domestic listed company, and the transaction amount is more than 10% of the Company's total assets, the Company shall submit the information listed in the subparagraphs under paragraph 1 to the shareholders' meeting for approval before signing the transaction contract and making payment. However, this provision does not apply if the transaction is between the Company and the parent company, subsidiaries or in between subsidiaries.</u></p> <p>(IV)The calculation of the transaction value <u>in paragraph I and paragraph III</u> shall be based on the requirements in Article 30 Paragraph 2 and “within a year” as stated is based on the actual date of occurrence of the current transaction, retroactively by one year. It is allowed not to include those already submitted to the <u>Shareholders Meeting</u>、Audit Committee for recognition and the Board of Directors for approval as required herein.</p>	<p>Company, the Board of Directors may authorize the Chairman with the discretion to go ahead and make a decision and then submit it to the most recent Board of Directors' meeting for endorsement if the value is within NT\$50 million (or equivalent foreign currency).</p>	
<p>Article30 Items that shall be declared and filed</p> <p>(I)In case of any of the following conditions for the Company in the acquisition or disposal of assets, reflective of their nature, the required format shall be followed to file related information within two days from the actual date of occurrence on the designated website of the competent authority for securities:</p> <p>1.Acquisition or disposal of real estate or the user right-associated assets or acquisition or disposal of other assets than real estate or the user right-associated assets from the related party with a transaction value reaching 20% of the Company's paid-in capital size, 10% of the total assets, or NT\$ 300 million (or equivalent foreign currency) and above. This, however, does not apply to the</p>	<p>Article30 Items that shall be declared and filed</p> <p>(I)In case of any of the following conditions for the Company in the acquisition or disposal of assets, reflective of their nature, the required format shall be followed to file related information within two days from the actual date of occurrence on the designated website of the competent authority for securities:</p> <p>1.Acquisition or disposal of real estate or the user right-associated assets or acquisition or disposal of other assets than real estate or the user right-associated assets from the related party with a transaction value reaching 20% of the Company's paid-in capital size, 10% of the total assets, or NT\$ 300 million (or equivalent foreign currency) and above. This, however, does not apply to the trading</p>	<p>See the explanation given above.</p>

After revision	Before revision	Reasons for revision
<p>trading of domestic government bonds or bonds with buy-back or sell-back conditions, subscription or buy-back of money market funds issued by a domestic securities investment trust business.</p> <p>2.Consolidation, severance, acquisition, or assignment of shares</p> <p>3.Engagement in transactions of derivatives with losses reaching the ceiling value of all or individual contract losses specified in the established procedure.</p> <p>4.Acquisition or disposal of operating equipment or the user right-associated assets and the counterparty is not a related party and the transaction value meets one of the following requirements:</p> <p>(1)Public offering companies with a paid-in capital size falling short of NT\$10 billion and a transaction value reaching NT\$500 million (or equivalent foreign currency) and above.</p> <p>(2)Public offering companies with a paid-in capital size reaching NT\$10 billion and above and a transaction value reaching NT\$1 billion and above.</p> <p>5.Acquisition or disposal of constructing real estate or the user right-associated assets by the Company dealing with construction and the counterparty is not a related party, with a transaction value reaching NT\$500 million (or equivalent foreign currency) and above; for real estate of self-built and completed projects with the paid-in capital size, in particular, reaching NT\$10 billion and above and the counterparty not a related party, the transaction value is NT\$1</p>	<p>of domestic government bonds or bonds with buy-back or sell-back conditions, subscription or buy-back of money market funds issued by a domestic securities investment trust business.</p> <p>2.Consolidation, severance, acquisition, or assignment of shares</p> <p>3.Engagement in transactions of derivatives with losses reaching the ceiling value of all or individual contract losses specified in the established procedure.</p> <p>4.Acquisition or disposal of operating equipment or the user right-associated assets and the counterparty is not a related party and the transaction value meets one of the following requirements:</p> <p>(1)Public offering companies with a paid-in capital size falling short of NT\$10 billion and a transaction value reaching NT\$500 million (or equivalent foreign currency) and above.</p> <p>(2)Public offering companies with a paid-in capital size reaching NT\$10 billion and above and a transaction value reaching NT\$1 billion and above.</p> <p>5.Acquisition or disposal of constructing real estate or the user right-associated assets by the Company dealing with construction and the counterparty is not a related party, with a transaction value reaching NT\$500 million (or equivalent foreign currency) and above; for real estate of self-built and completed projects with the paid-in capital size, in particular, reaching NT\$10 billion and above and the counterparty not a related party, the transaction value is NT\$1 billion (or equivalent foreign currency) and above.</p>	

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<p>billion (or equivalent foreign currency) and above.</p> <p>6.Acquisition of real estate through outsourced construction on self-owned land, outsourced construction on rented land, division of property jointly built, division by the percentage following joint construction, and separate sale following joint construction, with the counterparty not a related party, with an expected transaction value invested in by the Company reaching NT\$500 million (or equivalent foreign currency) and above.</p> <p>7.Transactions of assets other than those in the preceding six sub-paragraphs, disposition of creditor's rights by financial institutions, or investments in Mainland China, with a transaction value reaching 20% of the Company's paid-in capital size or NT\$ 300 million (or equivalent foreign currency) and above. This, however, does not apply to the following circumstances:</p> <p>(1)Trading of domestic government bonds <u>or foreign government bonds with a the credit rating not lower than the sovereign rating of the ROC.</u></p> <p>(2)Trading of securities by investment professionals at the stock exchange or the securities firm or <u>foreign government bonds or</u> common corporate bonds and general financial bonds not involving stock options subscribed, raised, and offered on the primary market (excluding subordinated debenture) or subscription or buy-back of securities investment trust fund <u>.or subscription or sellback of index investment securities</u> or futures trust</p>	<p>6.Acquisition of real estate through outsourced construction on self-owned land, outsourced construction on rented land, division of property jointly built, division by the percentage following joint construction, and separate sale following joint construction, with the counterparty not a related party, with an expected transaction value invested in by the Company reaching NT\$500 million (or equivalent foreign currency) and above.</p> <p>7.Transactions of assets other than those in the preceding six sub-paragraphs, disposition of creditor's rights by financial institutions, or investments in Mainland China, with a transaction value reaching 20% of the Company's paid-in capital size or NT\$ 300 million (or equivalent foreign currency) and above. This, however, does not apply to the following circumstances:</p> <p>(1)Trading of domestic government bonds</p> <p>(2)Trading of securities by investment professionals at the stock exchange or the securities firm or common corporate bonds and general financial bonds not involving stock options subscribed, raised, and offered on the primary market (excluding subordinated debenture) or subscription or buy-back of securities investment trust fund or futures trust fund or securities subscribed as required by the Taipei Exchange by brokers in order to meet the underwriting business demand and serving as the referral broker that helps emerging companies.</p> <p>(3)Trading of bonds with buy-back or sell-back conditions, subscription or buy-back of money market funds issued by a domestic securities</p>	

After revision	Before revision	Reasons for revision
<p>fund or securities subscribed as required by the Taipei Exchange by brokers in order to meet the underwriting business demand and serving as the referral broker that helps emerging companies.</p> <p>(3)Trading of bonds with buy-back or sell-back conditions, subscription or buy-back of money market funds issued by a domestic securities investment trust business.</p> <p>(II)The transaction value in the preceding paragraph is calculated as follows:</p> <ol style="list-style-type: none"> <li>1.Value of each transaction.</li> <li>2.The accumulated transaction value from the acquisition or disposal of an object of the same nature with the same counterparty within a year.</li> <li>3.The value acquired or disposed of, cumulatively within a year (separately for the acquisition and the disposition), of real estate or the user right-associated assets within the same development project.</li> <li>4.The value acquired or disposed of, accumulatively within a year (separately for the acquisition and the disposition), of the same security.</li> </ol> <p>(III)The term "within one year" in the preceding paragraph means a period of 1 year calculated retroactively from the actual date of occurrence of the current transaction. Amounts already announced as required herein are exempted from inclusion in the calculation.</p> <p>(IV)The Company shall enter information about transactions of derivatives engaged in by itself and its subsidiaries that are not a public offering company within the country by the end of last month before the tenth day of each month on the website</p>	<p>investment trust business.</p> <p>(II)The transaction value in the preceding paragraph is calculated as follows:</p> <ol style="list-style-type: none"> <li>1.Value of each transaction.</li> <li>2.The accumulated transaction value from the acquisition or disposal of an object of the same nature with the same counterparty within a year.</li> <li>3.The value acquired or disposed of, cumulatively within a year (separately for the acquisition and the disposition), of real estate or the user right-associated assets within the same development project.</li> <li>4.The value acquired or disposed of, accumulatively within a year (separately for the acquisition and the disposition), of the same security.</li> </ol> <p>(III)The term "within one year" in the preceding paragraph means a period of 1 year calculated retroactively from the actual date of occurrence of the current transaction. Amounts already announced as required herein are exempted from inclusion in the calculation.</p> <p>(IV)The Company shall enter information about transactions of derivatives engaged in by itself and its subsidiaries that are not a public offering company within the country by the end of last month before the tenth day of each month on the website designated by the competent authority for securities where such information shall be disclosed on a monthly basis.</p> <p>(V)In the event that items to be announced by the Company as required are found with errors or missing information at the time of announcement and hence need to be corrected, all such items shall be re-announced and filed within two days from the</p>	

After revision	Before revision	Reasons for revision
<p>designated by the competent authority for securities where such information shall be disclosed on a monthly basis.</p> <p>(V)In the event that items to be announced by the Company as required are found with errors or missing information at the time of announcement and hence need to be corrected, all such items shall be re-announced and filed within two days from the date of awareness of such condition.</p> <p>(VI)When acquiring or disposing of assets, the Company shall have copies of related contracts, meeting minutes, reference books, appraisal reports, and opinions from CPAs, attorneys, or securities underwriters ready in the Company and they shall be kept for at least five years unless specified otherwise by law.</p>	<p>date of awareness of such condition.</p> <p>(VI)When acquiring or disposing of assets, the Company shall have copies of related contracts, meeting minutes, reference books, appraisal reports, and opinions from CPAs, attorneys, or securities underwriters ready in the Company and they shall be kept for at least five years unless specified otherwise by law.</p>	

Chlitina Holding Limited  
Rules of Procedure for Shareholders Meetings

After amendment	Before amendment	Reasons for amendment
<p>Article 3 Unless otherwise prescribed by law, the shareholders' meeting of the Company shall be convened by the Board of Directors.</p> <p><u>Changes to how the company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>The Company convened shareholders for the regular session shall prepare the Meeting Agenda Handbook and notice to shareholders shall be given 7 days in advance, notice to shareholders for special session shall be given 5 days in advance.</p> <p>After public offering of the Company, convened shareholders for the regular session shall notices for the shareholders' meeting, blank forms of proxies, issues pending for acknowledgement, issues pending for discussion, election or discharge of directors and other issues and guidelines into electronic files and transmit them onto the Market Observation Post System (MOPS) 30 days prior to a regular shareholders meeting or 15 days prior to a special shareholders meeting. The Company shall, likewise, produce the Meeting Agenda Handbook and the supplementary data of the meeting into electronic files and transmit them to the Market Observation Post System (MOPS) 21 days prior to a regular shareholders meeting or 15 days prior to a special shareholders meeting. The shareholders' meeting shall prepare the Meeting Agenda Handbook and supplementary data of the meeting available to all shareholders and display them at the Company and the Company delegated the professional services agent 15</p>	<p>Article 3 Unless otherwise prescribed by law, the shareholders' meeting of the Company shall be convened by the Board of Directors.</p> <p><del>Before public offering of</del> the Company, convened shareholders for the regular session shall prepare the Meeting Agenda Handbook and notice to shareholders shall be given 7 days in advance, notice to shareholders for special session shall be given 5 days in advance.</p> <p>After public offering of the Company, convened shareholders for the regular session shall notices for the shareholders' meeting, blank forms of proxies, issues pending for acknowledgement, issues pending for discussion, election or discharge of directors<del>—and supervisors—</del>and other issues and guidelines into electronic files and transmit them onto the Market Observation Post System (MOPS) 30 days prior to a regular shareholders meeting or 15 days prior to a special shareholders meeting. The Company shall, likewise, produce the Meeting Agenda Handbook and the supplementary data of the meeting into electronic files and transmit them to the Market Observation Post System (MOPS) 21 days prior to a regular shareholders meeting or 15 days prior to a special shareholders meeting. The shareholders' meeting shall prepare the Meeting Agenda Handbook and supplementary data of the meeting available to all shareholders and display them at the Company and the Company delegated the professional services agent 15 days prior to the shareholders' meeting and shall have the same handed out on-the-spot the shareholders' meeting.</p> <p>The notices and public announcements shall expressly</p>	<p>With the amendments to articles pertaining to convening a virtual shareholder meeting and amended operational procedures according to company's present needs.</p>

After amendment	Before amendment	Reasons for amendment
<p>days prior to the shareholders' meeting and shall have the same handed out on-the-spot the shareholders' meeting.</p> <p><u>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>1.For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>The notices and public announcements shall expressly provide the subjects of the meeting and may be served in electronic means subject to consent by the target addressees.</p> <p>Election or dismissal of directors, amendment to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval for directors to compete with the Company, capital increase from retained earnings or capital reserve, the dissolution, merger or division of the Company, or any matter under Paragraph 1, Article 185 of the Company Act, <u>paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be set out with description of the main details in the reasons for convening the shareholders meeting. None of the said matters may be raised by any extempore motion. The main details may be posted on any website designated</p>	<p>provide the subjects of the meeting and may be served in electronic means subject to consent by the target addressees.</p> <p>Election or dismissal of directors, amendment to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval for directors to compete with the Company, capital increase from retained earnings or capital reserve, the dissolution, merger or division of the Company, or any matter under Paragraph 1, Article 185 of the Company Act shall be set out with description of the main details in the reasons for convening the shareholders meeting. None of the said matters may be raised by any extempore motion. The main details may be posted on any website designated by the competent authority of securities or the Company, and the website address shall be specified in the notice.</p> <p>Where a new election of all directors and the date when the elected directors begin their term have been specified in the reasons for convening the shareholders' meeting, the meeting may not change that date through an extempore motion or any other way after the election is completed at the same meeting.</p> <p>Any shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal <del>in writing</del> for discussion at a regular shareholders meeting. Such a proposal shall be limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <del>Where a proposal from any shareholder provides suggestions for the Company to enhance public interest or fulfill social responsibility, the Board of Directors may include it in the meeting agenda. Where any of the circumstances under Paragraph 4, Article 172-1 of the</del></p>	

After amendment	Before amendment	Reasons for amendment
<p>by the competent authority of securities or the Company, and the website address shall be specified in the notice.</p> <p>Where a new election of all directors and the date when the elected directors begin their term have been specified in the reasons for convening the shareholders' meeting, the meeting may not change that date through an extempore motion or any other way after the election is completed at the same meeting.</p> <p>Any shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such a proposal shall be limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>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. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce the start of receipt of shareholder proposals, the methods for receipt of the proposals in a written or electronic form, and the location and time period for receipt of the proposals. The time period for receipt of the proposals may not be less than 10 days.</p> <p>A proposal submitted by any shareholder shall be limited to 300 Chinese characters, and no proposal containing more than 300 Chinese characters will be</p>	<p><del>Company Act applies to a proposal submitted by any shareholder, the Board of Directors may exclude it from the meeting agenda.</del></p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce the start of receipt of shareholder proposals, the methods for receipt of the proposals in a written or electronic form, and the location and time period for receipt of the proposals. The time period for receipt of the proposals may not be less than 10 days.</p> <p>A proposal submitted by any shareholder shall be limited to 300 Chinese characters, and no proposal containing more than 300 Chinese characters will be included in the meeting agenda. Any shareholder submitting a proposal shall attend the regular shareholders' meeting in person or by proxy and participate in the discussion of the proposal.</p> <p>Prior to the date of notice of the shareholders' meeting, the Company shall inform any shareholder submitting a proposal of the processing result of the proposal and shall include in the meeting notice any proposal that meets the requirements of this Article. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposal not included in the meeting agenda.</p>	



After amendment	Before amendment	Reasons for amendment
<p>included in the meeting agenda. Any shareholder submitting a proposal shall attend the regular shareholders' meeting in person or by proxy and participate in the discussion of the proposal.</p> <p>Prior to the date of notice of the shareholders' meeting, the Company shall inform any shareholder submitting a proposal of the processing result of the proposal and shall include in the meeting notice any proposal that meets the requirements of this Article. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposal not included in the meeting agenda.</p>		
<p>Article 4 Paragraphs 1 and 2 are omitted.</p> <p>After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting in person or to exercise voting rights in writing or through electronic means, he or she shall inform the Company in writing to withdraw the proxy 2 days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.</p> <p><u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two 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.</u></p>	<p>Article 4 Paragraphs 1 and 2 are omitted.</p> <p>After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting in person or to exercise voting rights in writing or through electronic means, he or she shall inform the Company in writing to withdraw the proxy 2 days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.</p>	<p>See the explanation given above.</p>
<p>Article 5 (Principle for location and date of convening shareholders' meeting)</p> <p>A shareholders' meeting shall be convened at a venue where the Company is headquartered or a convenient for shareholders to attend and venue well oriented to</p>	<p>Article 5 (Principle for location and date of convening shareholders' meeting)</p> <p>A shareholders' meeting shall be convened at a venue where the Company is headquartered or a convenient for shareholders to attend and venue well oriented to</p>	<p>See the explanation given above.</p>

After amendment	Before amendment	Reasons for amendment
<p>convening a shareholders' meeting. A shareholders' meeting shall be convened at a time not prior to 9:00 a.m. or later than 3:00 p.m., the location and date shall take adequate account of the opinions offered by the independent directors.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>	<p>convening a shareholders' meeting. A shareholders' meeting shall be convened at a time not prior to 9:00 a.m. or later than 3:00 p.m., the location and date shall take adequate account of the opinions offered by the independent directors..</p>	
<p>Article 6 (Preparation of the attendance book and other documents)</p> <p>The Company shall specify in the shareholders meeting notice the shareholder, <u>solicitors and proxies (collectively "shareholders")</u> registration time, registration location, and any other relevant matters.</p> <p>Shareholders are required to check in for the shareholders' meeting thirty minutes prior to the time scheduled to start the meeting. The check-in point shall be expressly remarked and shall be adequately staffed to serve participating shareholders. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>A shareholder shall participate in the shareholders' meeting based on the participation identity certificate, participation sign-in card or other identity certificate. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. A proxy solicitor shall further present his or her identity certificate ready for verification.</p> <p>The Company shall get ready sign-in book to enable the shareholders to sign. A participating shareholder may, as well, present his or her sign-in card instead of signing to</p>	<p>Article 6 (Preparation of the attendance book and other documents)</p> <p>The Company shall specify in the shareholders meeting notice the shareholder registration time, registration location, and any other relevant matters.</p> <p>Shareholders are required to check in for the shareholders' meeting thirty minutes prior to the time scheduled to start the meeting. The check-in point shall be expressly remarked and shall be adequately staffed to serve participating shareholders.</p> <p>A shareholder <del>or a proxy delegated by a shareholder (hereinafter collectively referred to as a shareholder)</del> shall participate in the shareholders' meeting based on the participation identity certificate, participation sign-in card or other identity certificate. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. A proxy solicitor shall further present his or her identity certificate ready for verification.</p> <p>The Company shall get ready sign-in book to enable the shareholders <del>or a proxy (hereinafter collectively referred to as a shareholder)</del> to sign. A participating shareholder may, as well, present his or her sign-in card instead of signing to prove presence.</p> <p>The Company shall hand over the Meeting Agenda Handbook, Annual Report, participation certificates,</p>	<p>See the explanation given above.</p>

After amendment	Before amendment	Reasons for amendment
<p>prove presence. The Company shall hand over the Meeting Agenda Handbook, Annual Report, participation certificates, memo to speak, voting ballots and other information and data of the meeting to the shareholders who participate in the shareholders' meeting; along with the election ballots if the directors are to be elected in that event. Where the juristic person is a shareholder of the Company, the representative(s) participating in a shareholders' meeting shall not be confined to one. Where a juristic person is delegated to participate in a shareholders' meeting, such juristic person may only assign one representative to participate in the meeting. <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the two days before the meeting date.</u> <u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>memo to speak, voting ballots and other information and data of the meeting to the shareholders who participate in the shareholders' meeting; along with the election ballots if the directors <del>and supervisors</del> are to be elected in that event. <del>A shareholder shall participate in the shareholders' meeting based on the participation identity certificate, participation sign-in card or other identity certificate. A proxy solicitor shall further present his or her identity certificate ready for verification.</del> Where the juristic person is a shareholder of the Company, the representative(s) participating in a shareholders' meeting shall not be confined to one. Where a juristic person is delegated to participate in a shareholders' meeting, such juristic person may only assign one representative to participate in the meeting.</p>	
<p><u>Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u> <u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u> <u>1.How shareholders attend the virtual meeting and exercise their rights.</u> <u>2.Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p>	<p>Article 6 Newly incorporated.</p>	<p>See the explanation given above.</p>

After amendment	Before amendment	Reasons for amendment
<p><u>A.To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>B.Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>C.In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>D.Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3.To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>		
<p>Article 7 (The chair and non-voting participants of a shareholders meeting) Paragraphs 1 and 2 are omitted. A shareholders' meeting convened by the Board of</p>	<p>Article 7 (The chair and non-voting participants of a shareholders meeting) Paragraphs 1 and 2 are omitted. A shareholders' meeting convened by the Board of</p>	<p>With the amendments to articles operational procedures according to company's present needs.</p>

After amendment	Before amendment	Reasons for amendment
<p>Directors should be chaired by the chairman in person and should call for participation and presence by a majority of the total number of director seats in the Board of Directors and at least one representative of each functional committee, the facts of participation shall be entered into the minutes of the shareholders' meeting.</p> <p>Paragraphs 4 is omitted.</p> <p>The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholders' meeting.</p>	<p>Directors should be chaired by the chairman in person and should call for participation and presence by a majority of the total number of director seats in the Board of Directors<del>along with a minimum of one supervisor</del> and at least one representative of each functional committee, the facts of participation shall be entered into the minutes of the shareholders' meeting.</p> <p>Paragraphs 4 is omitted.</p> <p>The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholders' meeting<del>and answer relevant questions during the meeting.</del></p>	
<p>Article 8 (Audio or video recording of shareholders meeting)</p> <p>The Company shall make continuous audio and video recordings of the entire shareholders meeting starting with the acceptance of shareholder registrations to the proceedings of the meetings and the entire voting and counting process.</p> <p>The audio and video data shall be retained for at least 1 year. In the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be archived until after the litigation is concluded.</p> <p><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to</u></p>	<p>Article 8 (Audio or video recording of shareholders meeting)</p> <p>The Company shall make continuous audio and video recordings of the entire shareholders meeting starting with the acceptance of shareholder registrations to the proceedings of the meetings and the entire voting and counting process.</p> <p>The audio and video data shall be retained for at least 1 year. In the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be archived until after the litigation is concluded.</p>	<p>With the amendments to articles pertaining to convening a virtual shareholder meeting and amended operational procedures according to company's present needs.</p>

After amendment	Before amendment	Reasons for amendment
<p><u>and kept by the party appointed to handle matters of the virtual meeting.</u>  <u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>		
<p>Article 9 The participation by shareholders shall be calculated based on the number of shares so represented. The number of shares represented by the participating shareholders shall be calculated based on the sign-in book or the submitted sign-in cards, <u>and the shares checked in on the virtual meeting platform,</u> added with the number of shares with voting rights that are exercised in writing or in electronic means.</p> <p>The chairperson shall announce opening of the meeting when the time schedule is due. When the present shareholders do not constitute a majority of the aggregate total of outstanding shares, nevertheless, the chairperson may announce a deferment in opening of the meeting. The deferments shall not exceed the maximum of twice and not exceed an hour in accumulation. In the event that the present shareholders are still less than one-third of the aggregate total of the outstanding shares after the twice deferments, the chairperson may announce the termination of the meeting. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>Where the present shareholders still fail to constitute the minimum quorum after two deferments as mentioned in the preceding paragraph but are more than one-third of the aggregate total of the outstanding shares, a tentative resolution may be passed in accordance with Article 175 of the Company Act in Taiwan and the Company shall reconvene another shareholders' meeting within 1</p>	<p>Article 9 The participation by shareholders shall be calculated based on the number of shares so represented. The number of shares represented by the participating shareholders shall be calculated based on the sign-in book or the submitted sign-in cards, added with the number of shares with voting rights that are exercised in writing or in electronic means.</p> <p>The chairperson shall announce opening of the meeting when the time schedule is due. When the present shareholders do not constitute a majority of the aggregate total of outstanding shares, nevertheless, the chairperson may announce a deferment in opening of the meeting. The deferments shall not exceed the maximum of twice and not exceed an hour in accumulation. In the event that the present shareholders are still less than one-third of the aggregate total of the outstanding shares after the twice deferments, the chairperson may announce the termination of the meeting.</p> <p>Where the present shareholders still fail to constitute the minimum quorum after two deferments as mentioned in the preceding paragraph but are more than one-third of the aggregate total of the outstanding shares, a tentative resolution may be passed in accordance with Article 175 of the Company Act in Taiwan and the Company shall reconvene another shareholders' meeting within 1 month.</p> <p>In the event that the number of shares represented by present shareholders is up to a majority of the aggregate</p>	<p>See the explanation given above.</p>

After amendment	Before amendment	Reasons for amendment
<p>month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u> In the event that the number of shares represented by present shareholders is up to a majority of the aggregate total of the outstanding shares, the chairperson may refer the tentative resolution so adapted to the shareholders' meeting for resolution anew in accordance with Article 174 of the Company Act.</p>	<p>total of the outstanding shares, the chairperson may refer the tentative resolution so adapted to the shareholders' meeting for resolution anew in accordance with Article 174 of the Company Act.</p>	
<p>Article 10 (Discussion of proposals) If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extempore motions and amendments to the original proposals) shall be subject to voting. The meeting shall proceed in accordance with the set agenda, which may not be changed without a resolution of the meeting. Paragraph 2~4 are omitted.</p>	<p>Article 10 (Discussion of proposals) If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extempore motions and amendments to the original proposals) shall be subject to voting <del>on a one-by-one basis</del>. The meeting shall proceed in accordance with the set agenda, which may not be changed without a resolution of the meeting. Paragraph 2~4 are omitted.</p>	<p>With the amendments to articles operational procedures according to company's present needs.</p>
<p>Article 11 (Shareholder speech) Paragraph 1~6 is omitted. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p>	<p>Article 11 (Shareholder speech) Paragraph 1~6 is omitted.</p>	<p>With the amendments to articles pertaining to convening a virtual shareholder meeting and amended operational procedures according to company's present needs.</p>
<p>Article 13 Paragraphs 1~3 are omitted. After a shareholder exercises voting rights in writing or electronic means, if he or she intends to participate in the shareholders' meeting in person <u>or online</u>, he or she</p>	<p>Article 13 Paragraphs 1 ~3 are omitted. After a shareholder exercises voting rights in writing or electronic means, if he or she intends to participate in the shareholders' meeting in person, he or she shall</p>	<p>See the explanation given above.</p>



After amendment	Before amendment	Reasons for amendment
<p>shall revoke the expression of intent mentioned in the preceding paragraph in the means same as that used for exercise of voting rights in writing or electronic means 2 days prior to the date scheduled for the shareholders' meeting. In the event that he or she fails to revoke within the specified time limit, he or she shall still exercise voting rights in writing or electronic means. In the event that a shareholder exercises voting rights in writing or electronic means and participates in the shareholders' meeting through a proxy with a written proxy, the exercise of voting rights in writing or electronic means by his or her proxy shall prevail.</p> <p>Unless otherwise provided for in the Company Act and in the Company's Articles of Incorporation, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting that is attended by shareholders who represent a majority of the aggregate total of the outstanding shares. During the voting, 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 shareholders meeting, <u>on the same day it is held</u>, the number of for and against votes as well as abstentions shall be entered into the MOPS.</p> <p>Paragraphs 6 ~8 are omitted.</p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person,</u></p>	<p>revoke the expression of intent mentioned in the preceding paragraph in the means same as that used for exercise of voting rights in writing or electronic means 2 days prior to the date scheduled for the shareholders' meeting. In the event that he or she fails to revoke within the specified time limit, he or she shall still exercise voting rights in writing or electronic means. In the event that a shareholder exercises voting rights in writing or electronic means and participates in the shareholders' meeting through a proxy with a written proxy, the exercise of voting rights in writing or electronic means by his or her proxy shall prevail.</p> <p>Unless otherwise provided for in the Company Act and in the Company's Articles of Incorporation, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting that is attended by shareholders who represent a majority of the aggregate total of the outstanding shares. During the voting, the chair or a person designated by the chair shall first announce <del>for each proposal</del> the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the shareholders meeting, the number of for and against votes as well as abstentions shall be entered into the MOPS.</p> <p>Paragraphs 6 ~8 are omitted.</p>	



After amendment	Before amendment	Reasons for amendment
<p><u>they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p>Article 14 (Issues in election)</p> <p>Where directors are elected in a shareholders' meeting, the election shall be duly conducted in accordance with relevant election guidelines defined by the Company. The outcome of the election, including the names of elected directors and the number of election powers so won by them, shall be announced on-the-spot.</p> <p>The ballots for the election process mentioned in the preceding paragraph shall be tightly sealed up, signed by the monitor and shall be archived for a minimum of 1 year. In the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be archived until after the litigation is concluded.</p>	<p>Article 14 (Issues in election)</p> <p>Where directors<del>and supervisors</del> are elected in a shareholders' meeting, the election shall be duly conducted in accordance with relevant election guidelines defined by the Company. The outcome of the election, including the names of elected directors <del>and supervisors</del> and the number of election powers so won by them, shall be announced on-the-spot.</p> <p>The ballots for the election process mentioned in the preceding paragraph shall be tightly sealed up, signed by the monitor and shall be archived for a minimum of 1 year. In the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be archived until after the litigation is concluded.</p>	<p>With the amendments to articles pertaining to convening operational procedures according to company's present needs.</p>
<p>Article 15 Minutes of shareholders' meeting shall be duly worked out, signed and sealed by the chairperson and served to all shareholders within 20 days from the meeting. The minutes may be produced and distributed in electronic means.</p> <p>The Company may distribute the minutes as mentioned</p>	<p>Article 15 Minutes of shareholders' meeting shall be duly worked out, signed and sealed by the chairperson and served to all shareholders within 20 days from the meeting. The minutes may be produced and distributed in electronic means.</p> <p><del>After public offering of the Company,</del> distribute the</p>	<p>With the amendments to articles pertaining to convening a virtual shareholder meeting and amended operational procedures according to company's present needs.</p>

After amendment	Before amendment	Reasons for amendment
<p>in the preceding paragraph through public announcement by inputting into the Market Observation Post System (MOPS).</p> <p>The meeting minutes shall accurately record the year, month, day and place of the meeting, the chairperson's name, the methods by which resolutions are adopted, a summary of the meeting proceedings and the voting results (including the number of voting rights calculated). Where there is an election of directors, the number of voting rights received by each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.</p> <p><u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online voting rights on amendments to the original proposal.</u></p>	<p>minutes as mentioned in the preceding paragraph through public announcement by inputting into the Market Observation Post System (MOPS).</p> <p>The meeting minutes shall accurately record the year, month, day and place of the meeting, the chairperson's name, the methods by which resolutions are adopted, a summary of the meeting proceedings and the voting results (including the number of voting rights calculated). Where there is an election of directors, the number of voting rights received by each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.</p>	
<p>Article 16 (Public disclosure)</p> <p>The Company shall, on the very day while the shareholders' meeting is scheduled to be convened, the number of shares successfully solicited by the solicitors,</p>	<p>Article 16 (Public disclosure)</p> <p>The Company shall, on the very day while the shareholders' meeting is scheduled to be convened, <del>duly produce statistical statement at the specified</del></p>	<p>See the explanation given above.</p>

After amendment	Before amendment	Reasons for amendment
<p>the number of shares under agency of the delegated proxies <u>and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u> and shall expressly promulgate those on-the-spot of the shareholders' meeting. <u>In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under the applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p><del>formulas to cover</del> the number of shares successfully solicited by the solicitors and the number of shares under agency of the delegated proxies and shall expressly promulgate those on-the-spot of the shareholders' meeting.</p> <p><del>After public offering of the Company,</del> if matters put to a resolution at a shareholders meeting constitute material information under the applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	
<p><u>Article 19 (Disclosure of information at virtual meetings)</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>	<p>Article 19 Newly incorporated.</p>	<p>See the explanation given above.</p>
<p><u>Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)</u></p> <p><u>When the Company convenes a virtual-only</u></p>	<p>Article 20 Newly incorporated.</p>	<p>See the explanation given above.</p>

After amendment	Before amendment	Reasons for amendment
<p><u>shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>		
<p><u>Article 21 (Handling of disconnection)</u>  <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u>  <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u>  <u>For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p>	<p>Article 21 Newly incorporated.</p>	<p>See the explanation given above.</p>

After amendment	Before amendment	Reasons for amendment
<p><u>During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article</u></p>		

After amendment	Before amendment	Reasons for amendment
<a href="#">44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.</a>		
<a href="#">Article 22 (Handling of digital divide)</a> <a href="#">When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</a>	Article 22 Newly incorporated.	See the explanation given above.
Article <a href="#">23</a> These Rules and any amendment thereto shall come into force after they are approved by the shareholders meeting. The first amendment of these Rules came into force after it was approved by the special shareholders meeting on August 23, 2012. The second amendment of these Rules came into force after it was approved by the regular shareholders meeting on April 8, 2013. The third amendment of these Rules came into force after it was approved by the regular shareholders meeting on June 17, 2015. The fourth amendment of these Rules came into force after it was approved by the regular shareholders meeting on June 5, 2020. <a href="#">The fifth amendment of these Rules came into force after it was approved by the regular shareholders meeting on June 8, 2022.</a>	Article <del>19</del> These Rules and any amendment thereto shall come into force after they are approved by the shareholders meeting. The first amendment of these Rules came into force after it was approved by the special shareholders meeting on August 23, 2012. The second amendment of these Rules came into force after it was approved by the regular shareholders meeting on April 8, 2013. The third amendment of these Rules came into force after it was approved by the regular shareholders meeting on June 17, 2015. The fourth amendment of these Rules came into force after it was approved by the regular shareholders meeting on June 5, 2020.	Article change and a new date of amendment has been added.