

Stock code:  
**2485**



# **Handbook for the 2022 Annual Meeting of Shareholders**

**Meeting Time: June 14, 2022**

**Place: 2, Wen Hua Road, HsinChu Industrial  
Park, Hsinchu Hsien 303, Taiwan (R.O.C.)  
(The Company's Hsinchu Plant)**

## **Important Disclaimer**

**This English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.**

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# **Zinwell Corporation**

## **One. Meeting Procedure**

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Management Presentation (Company Reports)
- IV. Proposed Resolution
- V. Discussion
- VI. Elections
- VII. Other Motions
- VIII. Questions and Motions
- IX. Adjournment

# **Zinwell Corporation**

**Two. Meeting Agenda**      Meeting type : physical meeting

- I. Time: June 14, 2022 (Tuesday), 9:00AM
- II. Place: No. 2, Wenhua Rd., Hsinchu Industrial Park, Hsinchu County (the Company's Hsinchu Plant)
- III. Call the Meeting to Order
- IV. Chairperson Remarks
- V. Management Presentation (Company Reports)
  1. Business Report 2021.
  2. Audit Committee's Review Report on the Financial Statements 2021.
  3. The status in the Company's making of endorsements and guarantees until December 31, 2021.
- VI. Proposed Resolution
  1. Financial statements 2021.
  2. Deficit compensation statement 2021.
- VII. Discussion
  1. Amendments to certain provisions of the Company's "Articles of Incorporation."
  2. Amendments to certain provisions of the Company's "Rules of Procedure for Shareholders Meeting."
  3. Amendments to certain provisions of the Company's "Asset Acquisition & Disposal."
- VIII. Elections

Re-elections of every director of the board
- IX. Other Motions

Termination of the non-competition ban imposed on new directors.
- X. Questions and Motions
- XI. Adjournment

### **Three. Management Presentation (Company Reports)**

#### **I. Business Report 2021.**

Explanation: For the business report 2021, please refer to Attachment 1 on Page 8 herein.

#### **II. Audit Committee's Review Report on the Financial Statements 2021.**

##### **Zinwell Corporation Audit Committee's Review Report**

The Board of Directors prepares the Company's 2021 business report, financial statements (including parent company only and consolidated financial statements) and deficit compensation statement. Among them, the financial statements have already been audited by Yi-Chang Liang, CPA and Ya-Fang Wen, CPA of PwC Taiwan appointed by the Board of Directors. Said CPAs also issued an audit report accordingly. We have reviewed said business report, financial statements and deficit compensation statement and consider that they should comply with relevant statutes or regulations in all respects. Therefore, we issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

Best Regards,

General Shareholders' Meeting 2022

Zinwell Corporation

Convener of Audit Committee: Ming-Yo Huang

March 23, 2022

### **III. The status in the Company's making of endorsements and guarantees until December 31, 2021.**

Explanation:

1. Until December 31, 2021, under the limit of endorsements/guarantees made for the subsidiary, ZINWELL CORPORATION (H.K.) LIMITED, NT\$100 million and US\$4.8 million, respectively, US\$190,000 has been disbursed.
2. Until December 31, 2021, under the limit of endorsements/guarantees made for the subsidiary, ZINWELL CORPORATION (H.K.) LIMITED, NT\$200 million and US\$12 million, respectively, \$0 has been disbursed.

### **Four. Proposed Resolution**

#### **Case No. 1: Financial statements 2021.**

**Submitted by the Board of directors**

Explanation:

1. The Company's financial statements 2021, including business report, parent company only and consolidated financial statements. Among them, the financial statements have already been audited by Yi-Chang Liang, CPA and Ya-Fang Wen, CPA of PwC Taiwan appointed by the Board of Directors. Said CPAs also issued an audit report accordingly. Also, the business report (please refer to Attachment 1 on Page 8 herein) and financial statements have been approved by the Board and reviewed by the Audit Committee, which issued the review report (please refer to Page 3 herein).
2. Parent Company Only and Consolidated Financial Statements, and Independent Auditor's Report 2021 (Please refer to Attachment 2 on Page 11 herein).

Resolution:

#### **Case No. 2: Deficit compensation statement 2021.**

**Submitted by the Board of directors**

Explanation:

1. In consideration of the loss after tax 2021, the Company doesn't plan to distribute stock dividends.
2. Deficit Compensation Statement 2021 (please refer to Attachment 3 on Page 35 herein).

Resolution:

### **Five. Discussion**

#### **Case No. 1: Amendments to certain provisions of the Company's "Articles of Incorporation".**

**Submitted by the Board of directors**

Explanation:

1. To facilitate shareholder meeting with flexibilities, this company will amend certain part of Zinwell Corporation's charter in accordance with Paragraph 1, Article 172-2 of Corporate Act.
2. Comparison Table for the "Articles of Incorporation" Amendments (please refer to Attachment 4 on Page 36 herein).
3. Respectfully submitted.

Resolution:

**Case No. 2: Amendments to certain provisions of the Company's "Rules of Procedure for Shareholders Meeting".**

**Submitted by the Board of directors**

Explanation:

1. It is handled in accordance with Article 182-1, Paragraph 2 of the Company Law of the Articles.
2. In responding to the amendment of Article 172-2 of Corporate Act, it's allowed that public companies may hold shareholder meeting via video conference. Conforming to the development of digital era, this company would amend the Rules of Procedure for Shareholders Meetings and provide its shareholders with a convenient way to attend shareholder meeting.
3. Comparison Table for the "Rules of Procedure for Shareholders Meeting" Amendments (please refer to Attachment 5 on Page 38 herein).
4. Respectfully submitted.

Resolution:

**Case No. 3: Amendments to certain provisions of the Company's "Asset Acquisition & Disposal".**

**Submitted by the Board of directors**

Explanation:

1. According to the official letter "金管證發字第 1110380465 號" issued by Financial Supervisory Commission Republic of China (Taiwan) on January 28, 2022, it amended certain part of Regulations Governing the Acquisition and Disposal of Assets by Public Companies and it also amended Procedures for Acquisition or Disposal of Assets of this company.
2. Comparison Table for the "Asset Acquisition & Disposal" Amendments (please refer to Attachment 6 on Page 40 herein).
3. Respectfully submitted.

Resolution:

## **Six. Election**

**Summary: Re-elections of every director of the board.**

**Submitted by the Board of directors**

Explanation:

1. The term of office of this company's current directors including Independent director is due to expire on June 11, 2022 and this company will raise a re-election at year 2022 annual shareholder meeting.
2. According to the Company's Articles of Incorporation, the nomination system shall be used for the election of the director . The director shall be appointed by the shareholders' meeting from the name list of candidates for director. The new director shall hold the position immediately upon election at the general shareholders' meeting. The new director shall hold the position immediately after he is appointed by the general shareholders' meeting, from June 14, 2022 to June 13, 2025.
3. According to the Company's Articles of Incorporation, the Company adopted the candidate nomination system. Shareholders appointed the directors from the name list of candidates. The name list for candidates for directors (please refer to Attachment 7 on Page 53 herein).
4. Respectfully submitted.

Election Results:

## **Seven. Other Motions**

**Summary: Termination of the non-competition ban imposed on new directors.**

**Submitted by the Board of directors**

Explanation:

1. According to Article 209-1 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. Considering that for business needs, a director is required to do anything for himself or on behalf of another person that is within the scope of the Company's business, the Company plans to apply for termination of the non-competition ban imposed on the new directors pursuant to Article 209-1 of the Company Act, and disclose the scope and contents on the site before the motion is under discussion at the shareholders' meeting.
3. Respectfully submitted.

Resolution:



## **Eight. Questions and Motions**

### **Adjournment**

**Zinwell Corporation**  
**2021 Business Report**

**I. 2021 Business Report**

1. Result of implementation of business plan

Unit: Thousand in New Taiwan Dollars; Earned Income per Share in New Taiwan Dollars

Item	2021	2020	Increase (Decrease) %
Net Operating Revenue	6,277,543	7,932,376	(20.86)
Gross profit	24,302	246,659	(90.15)
Operating loss	(460,912)	(199,861)	130.62
Non-operating income and	77,796	18,890	311.84
Net Income (Loss) after Tax	(354,207)	(151,162)	134.32
Earnings or Loss per share after	(1.11)	(0.48)	131.25

2. Execution of Budget

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to disclose the financial forecast information for the fiscal year 2021, therefore, it is not applicable.

3 Analysis of Financial Income and Expenditure and Profitability

The analysis of financial income and expenses and profitability are as follows:

Item		2021	2020
Net cash inflow (outflow) from operating activities (in		(543,736)	974,441
Financial Structure	Debt to total assets ratio (%)	23.87	25.09
	Long-term capital to property, plant and	239.62	333.56
Liquidity Analysis	Liquidity ratio (%)	183.62	237.24
	Quick ratio (%)	144.13	203.53
	Times interest earned	(20,163.00)	(4,306.76)
Profitability	Return on Assets (%)	(4.15)	(1.33)
	Return on equity (%)	(5.61)	(1.73)
	Net profit margin (%)	(5.64)	(1.51)
	Earnings or Loss per share after tax (NT\$)	(1.11)	(0.37)

4. Research & Development

In FY2021, \$205.23 milin R&D, acco The research and development results are also on track with the company's scheduled progress.

## **II. Summary of Business Plan for 2022**

### **1. Operation Policies**

- (1) Combine the external technology with the Company's R&D resources to develop products that are competitive and meet the demands of customers and the market.
- (2) Continue to promote business opportunities for derivative products by strengthening product development projects with the operators.
- (3) Enhance the management efficiency of the plant and continuously optimize the production process and production technology to reduce costs and increase the yield.
- (4) Introduce automation and labor saving in production operations to reduce labor demand.

### **2. Sales Forecast and its Basis**

Looking ahead to the global economy in 2022, the unprecedented sanctions imposed on Russia for its invasion of Ukraine have resulted in a decrease in energy and food supplies from Russia. This has compounded the inflationary pressures around the world and placed a heavy burden on households and retailers, impacting the global economy indirectly.

As per the World Bank's annual World Economic Outlook released in mid-January, global growth in 2022 will drop to 4.1% from 5.5% last year. In 2023, it will stand only at 3.2%. China, the U.S. and the Eurozone will slow down the global growth.

The COVID-19 pandemic in Hong Kong and mainland China has escalated since the beginning of 2021, with more local confirmed cases than last year. The fast-spreading Omicron has promoted many places, including Shanghai and Shenzhen, to implement the lockdown measures. Such measures have once again put the global supply chain at risk and impacted the global economy.

In 2022, the global economy will face new challenges in the post-pandemic period, such as the impact of rising international inflation pressure on consumption, the normalization of monetary policies by major central banks resulting in exchange rate fluctuations, the impact of changes in US-China relations on geopolitics, the dilemma of global semiconductor supply chain still unsolved, the port congestion, and the manpower shortage due to the new wave of the escalating pandemic. These challenges will also pose severe challenges to the global economy and consumption through trade and finance. This requires the Company to exercise judgment in advance and pay close attention.

## **III. The strategy and important production and sales policy of the Company for the future**

- (1) We specialize in the manufacturing of communication network equipments and are actively developing towards the digital convergence industry with the concept of digital home.
- (2) We are committed to the automatic process for production and establish a perfect

production mechanism; effectively reduce labor cost to increase the profitability.

- (3) Focus on product feature development to build product differentiation to avoid price competition in order to win business opportunities.
- (4) Improve the cost control and shorten the product development cycle.

#### **IV. Impact from External competition, regulations and overall business environment**

- (1) Impact from external competition: Product development in the networking industry is changing rapidly, but chip solutions are becoming more readily available, thus lowering the technology threshold; while product innovation is accelerating, if the company takes too long to develop products, it will miss the opportunity to enter the market. In recent years, the industry's gross profit has been compressed, and the Company needs to continuously reduce costs and improve production efficiency in order to maintain its profitability.
- (2) Impact from the regulatory conditions: The Company complies with government policies and laws, and its finance, auditing and legal departments are well informed of important policy or legal changes in order to comply with regulations and global trends in order to ensure the smooth operation for the Company.
- (3) Impact from the overall business environment: Due to the increasing complexity of the overall business environment, the Company will consider the industry profile and observe the overall economic development when evaluating various resource investments and business strategies, and will integrate internal technology and development resources to seek the best business opportunities.

Thank you all, and we wish all shareholders

All the best!

Board Chairman:  
Chi-Ruei Huang

Manager:  
Ching-Hui Lin

Accounting Supervisor:  
Wen-Shun Ho

Independent Auditors' Report

(2022) Cai-Shen-Bao No. 21004681

To Zinwell Corporation,

**Audit opinion**

We have reviewed the accompanying standalone balance sheets of Zinwell Corporation (the “Company”) for the years ended December 31, 2021 and 2020 and the relevant standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the “standalone financial statements”).

In our opinion, the accompanying standalone financial statements, based on our audit results, present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2021 and 2020 and for the years then ended, and its standalone financial performance and standalone cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for audit opinion**

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards are further described in the paragraph “Auditor's responsibilities for the audit of the standalone financial statements”. We are independent of the Company 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 are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

**Key audit matters**

Key audit matters refer to the most vital matters in our audit of the standalone financial statements of the Company for the year ended December 31, 2021, based on our professional judgment. These matters were addressed in our audit of the standalone financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the standalone financial statements of the Company for the year ended December 31, 2021, are stated as follows:

## **Valuation of inventories**

### Description

See Note 4 (11) to the standalone financial statements for the accounting policy on inventories; see Note 5 to the standalone financial statements for the uncertainty of accounting estimates and assumptions of valuation of inventories; see Note 6 (4 ) to the standalone financial statements for the description of inventory valuation losses.

The Company engages in the sales of digital wired and communication products. Due to the rapid changes in technology, the short life cycle of electronic products, and the fierce market competition, the risk of inventory valuation loss or obsolescence loss is high and the valuation of obsolete inventory often involves subjective judgment. The aforementioned matters also exist in the subsidiaries of the Company (recognized as investments using the equity method), so the we believe that the valuation of inventories of the Company's and its subsidiaries is a key audit matter.

### Corresponding audit procedures

We performed the following procedures for inventory valuation losses:

1. Based on our understanding of the Company's operations and industry nature, we assessed the reasonableness of the policies and procedures adopted to assess the inventory valuation losses, including the classification of inventories that determines the net realizable value.
2. We reviewed the Company's annual inventory plan and observed the annual inventories to evaluate the effectiveness of management in distinguishing and controlling obsolete inventory.
3. We verifies the amounts used by the Company to determine the classification of obsolete inventory and the net realizable value of inventories, including obtaining the net realizable value report of each inventory, evaluating the appropriateness of the calculation logic of the reports, testing relevant supporting documents, and recalculating and evaluating the reasonableness of the inventory valuation losses determined by the Company.

## **Evaluation of impairment of accounts receivable**

### Description

See Note 4(7) to the standalone financial statements for the accounting policy on accounts receivable; see Note 5 to the standalone financial statements for the uncertainty of accounting estimates and assumptions of impairment of accounts receivable; see Note 6(3) to the standalone financial statements for the description of accounts receivable.

The process of evaluating the impairment of the Company's accounts receivable was affected by many factors, including clients' financial position, internal credit ratings, and historical transaction records. This might affect the assessment of clients' credit quality. We grouped clients based on the evaluation results and evaluated the expected credit losses by group. As the aforementioned evaluation often involves subjective judgments of the management, and the Company's accounts receivable and its evaluated amount have a significant impact on the financial statements, we consider that the evaluation of impairment of accounts receivable is one of the key audit matters.

### Corresponding audit procedures

The corresponding procedures we performed for the evaluation of impairment of accounts receivable are listed as follows:

1. Understand the Company's credit risk management procedures, including the assessment of credit quality and the classification of clients.
2. Understand the reasons for the failure to collect payment or review the collection situation after the balance date for major accounts receivable not collected during the normal credit period.

## **Responsibilities of the management and the governing bodies for the standalone financial statements**

The responsibilities of the management are to prepare the standalone financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

## **Auditor's responsibilities for the audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance on whether the standalone financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the standalone financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the standalone financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the standalone financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the standalone financial statements (including relevant notes), and whether the standalone financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the standalone financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Company.



The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's standalone financial statements for the year ended December 31, 2021. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

PwC Taiwan

Liang, I-Chang

CPAs

Wen, Ya-Fang

Financial Supervisory Commission

Approval Document No. Jin-Guan-Zheng-Shen No. 1070303009  
Jin-Guan-Zheng-Shen No. 1100350706

March 23, 2022

Zinwell Corporation  
Standalone Balance Sheets  
For the Years Ended December 31, 2021 and 2020

Unit: NTD thousand

			December 31, 2021		December 31, 2020	
Assets		Note	Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 978,859	12	\$ 1,896,625	21
1150	Notes receivable, net	6(3)	2,503	-	5,212	-
1170	Accounts receivable, net	6(3)	1,558,884	19	1,869,107	21
1180	Accounts receivable, net - related parties	7	10,985	-	-	-
1200	Other receivables		42,701	1	19,899	-
1220	Current income tax assets		511	-	32,424	1
130X	Inventory	6(4)	511,869	7	459,590	5
1410	Prepayment	6(5)	24,500	-	12,908	-
11XX	<b>Total current assets</b>		<u>3,130,812</u>	<u>39</u>	<u>4,295,765</u>	<u>48</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	312	-	1,616	-
1550	Investments accounted for using equity method		2,045,909	25	1,730,499	19
1600	Property, plant, and equipment	6(6)	2,571,977	32	2,336,394	26
1755	Right-of-use assets	6(7) and 8	2,215	-	-	-
1760	Investment property, net	6(8)	28,724	-	29,008	-
1780	Intangible assets	6(9)	8,999	-	11,139	-
1840	Deferred tax assets	6(10)	263,538	3	227,861	3
1900	Other non-current assets	6(24)	42,361	1	324,715	4
15XX	<b>Total non-current assets</b>		<u>4,964,035</u>	<u>61</u>	<u>4,661,232</u>	<u>52</u>
1XXX	<b>Total assets</b>		<u>\$ 8,094,847</u>	<u>100</u>	<u>\$ 8,956,997</u>	<u>100</u>

(Continued on next page)

Zinwell Corporation  
Standalone Balance Sheets  
For the Years Ended December 31, 2021 and 2020

Unit: NTD thousand

	Liabilities and Equity	Note	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2130	Contract liabilities - current	6(18)	137,473	2	258,143	3
2150	Notes payable		87,603	1	90,435	1
2170	Accounts payable		1,140,947	14	974,889	11
2180	Accounts payable - related parties	7	-	-	641,627	7
2200	Other payables	6(12)	282,813	3	289,310	3
2280	Lease liabilities - current		1,903	-	-	-
2310	Advance receipts		54,307	1	11,242	-
2399	Other current liabilities - others		10	-	11	-
21XX	<b>Total current liabilities</b>		<u>1,705,056</u>	<u>21</u>	<u>2,265,657</u>	<u>25</u>
	<b>Non-current liabilities</b>					
2550	Provision - non-current		20	-	20	-
2570	Deferred tax liabilities	6(24)	40,118	1	37,241	1
2580	Lease liabilities - non-current		319	-	-	-
2640	Net defined benefit liability - non-current	6(13)	166,034	2	174,628	2
2670	Other non-current liabilities - others	6(6)	20,324	-	14,288	-
25XX	<b>Total non-current liabilities</b>		<u>226,815</u>	<u>3</u>	<u>226,177</u>	<u>3</u>
2XXX	<b>Total liabilities</b>		<u>1,931,871</u>	<u>24</u>	<u>2,491,834</u>	<u>28</u>
	Share capital	6(14)				
3110	Common stock		3,176,890	39	3,176,890	36
	Capital surplus	6(15)(26)				
3200	Capital surplus		565,423	7	507,328	6
	Retained earnings	6(16)				
3310	Legal reserve		1,346,300	17	1,346,300	15
3320	Special reserve		117,161	1	117,161	1
3350	Undistributed earnings		1,111,266	14	1,460,163	16
	Other equity	6(17)				
3400	Other equity		( 154,064 )	( 2 )	( 142,679 )	( 2 )
3XXX			<u>6,162,976</u>	<u>76</u>	<u>6,465,163</u>	<u>72</u>
	Material contingent liabilities and unrecognized contractual commitments	9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 8,094,847</u>	<u>100</u>	<u>\$ 8,956,997</u>	<u>100</u>

The notes attached are part of the standalone financial statements. Please refer to them at the same time.

Chairman: Huang Chi, Jui

Manager: Lin, Ching-Hui

Accounting Supervisor: He, Wen-Shun

Zinwell Corporation  
Standalone Statements of Comprehensive Income  
For the Years Ended December 31, 2021 and 2020

Unit: NTD thousand

(except for earnings per share which is in NTD)

	Item	Note	2021		2020	
			Amount	%	Amount	%
4000	Operating Income	6(18) and 7	\$ 6,277,543	100	\$ 7,932,376	100
5000	Operating Costs	6(4)(23) and 7	( 6,253,241 )	( 99 )	( 7,685,717 )	( 97 )
5900	Gross profit		24,302	1	246,659	3
	Operating Expenses	6(23) and 7				
6100	Marketing expenses		( 151,181 )	( 3 )	( 89,320 )	( 1 )
6200	Management expenses		( 134,322 )	( 2 )	( 172,709 )	( 2 )
6300	Research and development expenses		( 205,230 )	( 3 )	( 207,555 )	( 2 )
6450	Expected credit impairment losses	12(2)	5,519	-	23,064	
6000	Total operating expenses		( 485,214 )	( 8 )	( 446,520 )	( 5 )
6900	Operating income		( 460,912 )	( 7 )	( 199,861 )	( 2 )
	Non-operating income and expenses					
7100	Interest income	6(19)	14,611	-	25,308	-
7010	Other income	6(20)	83,246	1	139,642	2
7020	Other gains and losses	6(21)	( 11,726 )	-	( 113,744 )	( 2 )
7050	Financial cost	6(22)	( 19 )	-	( 6 )	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	6(6)	( 8,316 )	-	32,310	-
7000	Total non-operating income and expenses		77,796	1	18,890	-
7900	<b>Net income before tax</b>		( 383,116 )	( 6 )	( 180,971 )	2
7950	Income tax expense	6(24)	28,909	-	29,809	-
8200	<b>Net income for the period</b>		<u>\$ 354,207</u>	<u>( 6 )</u>	<u>\$ 151,162</u>	<u>2</u>
	<b>Other comprehensive income, net</b>					
	<b>Items not reclassified to profit or loss</b>					
8311	Remeasurement of defined benefit plans	6(13)	\$ 6,638	-	( \$ 7,771 )	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	6(2)	( 1,304 )	-	149	-
8349	Income tax related to items not reclassified	6(24)	( 1,328 )	-	1,554	-
8310	Total amount of items not reclassified to profit or loss		4,006	-	( 6,068 )	-
	<b>Items that may subsequently be reclassified to profit or loss</b>					
8361	Exchange difference on translation of financial statements of foreign operations	6(17)	( 10,081 )	-	22,505	-
8360	Total amount of items that may subsequently be reclassified to profit or loss		( 10,081 )	-	22,505	-
8300	<b>Other comprehensive income, net</b>		( \$ 6,075 )	-	\$ 16,437	-
8500	<b>Total comprehensive income for the period</b>		<u>( \$ 360,282 )</u>	<u>( 6 )</u>	<u>( \$ 134,725 )</u>	<u>( 2 )</u>
9750	Basic earnings per share	6(25)	( \$ 1.11 )		( \$ 0.48 )	
9850	Diluted earnings per share	6(25)	( \$ 1.11 )		( \$ 0.48 )	

The notes attached are part of the standalone financial statements. Please refer to them at the same time.

Chairman: Huang Chi, Jui

Manager: Lin, Ching-Hui

Accounting Supervisor: He, Wen-Shun

Zinwell Corporation  
Standalone Statements of Changes in Equity  
For the Years Ended December 31, 2021 and 2020

Unit: NTD thousand

	Note	Common stock	Capital surplus			Retained earnings			Other equity			Total equity
			Capital surplus - issue at premium	Capital surplus - difference between the price of the acquisition or disposal of subsidiary's equity and the book value	Capital surplus - changes in net equity of associates and joint ventures recognized using the equity method	Capital surplus - others	Legal reserve	Special reserve	Undistributed earnings	Exchange difference on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	
<u>2020</u>												
Balance as at January 1, 2020		\$ 3,176,890	\$ 503,594	\$ -	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,617,394	( \$ 165,185 )	( \$ - )	\$ 6,599,888
Net loss for the period	6(17)	-	-	-	-	-	-	-	( 151,162 )	-	-	( 151,162 )
Other comprehensive income for the current period		-	-	-	-	-	-	-	( 6,217 )	22,505	149	16,437
Total comprehensive income for the period	6(17)	-	-	-	-	-	-	-	( 157,379 )	22,505	149	( 134,725 )
Disposal of equity instruments at fair value through other comprehensive income		-	-	-	-	-	-	-	148	-	( 148 )	-
Balance as at December 31, 2020		\$ 3,176,890	\$ 503,594	\$ -	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,460,163	( \$ 142,680 )	( \$ 1 )	\$ 6,465,163
<u>2021</u>												
Balance as at January 1, 2021		\$ 3,176,890	\$ 503,594	\$ -	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,460,163	( \$ 142,680 )	( \$ 1 )	\$ 6,465,163
Net loss for the period	6(17)	-	-	-	-	-	-	-	( 354,207 )	-	-	( 354,207 )
Other comprehensive income for the current period		-	-	-	-	-	-	-	5,310	( 10,081 )	( 1,304 )	( 6,075 )
Total comprehensive income for the period	6(26)	-	-	-	-	-	-	-	( 348,897 )	( 10,081 )	( 1,304 )	( 360,282 )
Difference between the price of the acquisition or disposal of subsidiary's equity and the book value	6(15)	-	-	3,541	-	-	-	-	-	-	-	3,541
Changes in associates and joint ventures recognized using the equity method		-	-	-	54,530	-	-	-	-	-	-	54,530
Changes in other capital surplus		-	-	-	-	-	-	-	-	-	-	24

Balance as at December 31, 2021	<u>\$ 3,176,890</u>	<u>\$ 503,594</u>	<u>\$ 3,541</u>	<u>\$ 56,672</u>	<u>\$ 1,592</u>	<u>\$ 1,346,300</u>	<u>\$ 117,161</u>	<u>\$ 1,111,266</u>	<u>( \$ 152,761 )</u>	<u>( \$ 1,303 )</u>	<u>\$ 6,162,976</u>
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The notes attached are part of the standalone financial statements. Please refer to them at the same time.

Chairman: Huang Chi, Jui

Manager: Lin, Ching-Hui

Accounting Supervisor: He, Wen-Shun

Zinwell Corporation  
Standalone Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NTD thousand

	Note	From January 1, 2021 to December 31, 2021	From January 1, 2020 to December 31, 2020
<u>Cash flow from operating activities</u>			
Net loss before tax for the period		( \$ 383,116 )	\$ 180,971
Adjustments			
Income and expenses			
Depreciation expense (including investment property and right-of-use assets)	6(7)(8)(9)(23)	127,060	112,174
Amortizations	6(23)	7,881	6,751
Expected credit impairment gain	12(2)	( 5,519 )	( 23,064 )
Interest income	6(19)	( 14,611 )	( 25,308 )
Interest expense	6(22)	19	6
Dividend income	6(20)	( 1 )	( 105 )
Share of loss of subsidiaries and associates recognized using the equity method	6(6)	8,316	32,310
Loss (gain) on disposal of property, plant and equipment	6(21)	5	( 1,179 )
Gain on disposal of investments	6(21)	-	( 3,398 )
Impairment losses on financial assets	6(6)	-	218
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Notes and accounts receivable (including related parties)		303,447	759,288
Other receivables		168	8,862
Inventory		( 52,279 )	11,198
Prepayment		( 11,592 )	( 12,908 )
Other current assets		( 23,825 )	4,902
Net change in liabilities related to operating activities			
Contract liabilities - current		( 120,670 )	56,511
Notes and accounts payable (including related parties)		478,401	198,592
Other payables		25,988	( 17,363 )
Net defined benefit liability		( 1,956 )	( 1,263 )
Advance receipts		43,065	( 3,719 )
Other current liabilities		( 1 )	3
Cash inflow (outflow) from operations		( 576,022 )	921,537
Interest received		14,611	25,308
Interest paid		( 19 )	( 6 )
Dividends received	6(20)	1	105
Income tax refunded		26,693	27,497
Net cash inflow (outflow) from operating activities		( 534,736 )	974,441

(Continued on next page)

Zinwell Corporation  
Standalone Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NTD thousand

	Note	From January 1, 2021 to December 31, 2021	From January 1, 2020 to December 31, 2020
<u>Cash flow from investing activities</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	\$ -	\$ 3,449
Acquisition of investment using the equity method		-	( 9,000 )
Increase in prepayment for investment	6(11)	-	( 269,700 )
Payment for acquisition of property, plant and equipment	6(27)	382,974	360,685
Proceeds from disposal of property, plant and equipment		( 38 )	( 1,201 )
Payment for acquisition of intangible assets	6(27)	( 1,287 )	( 748 )
Decrease in guarantee deposits paid		2,229	816
Increase in guarantee deposits paid		( 1,536 )	( 82 )
Decrease (increase) in other non-current assets		2,076	( 224 )
Net cash outflow from investing activities		( 381,454 )	( 634,973 )
<u>Cash flow from financing activities</u>			
Lease principal repayment	6(28)	( 1,576 )	-
Increase in guarantee deposits received	6(28)	-	147
Decrease in guarantee deposits received	6(28)	-	( 30 )
Net cash inflow (outflow) from financing activities		( 1,576 )	117
Increase (decrease) in cash and cash equivalents for the period		917,766	339,585
Opening balance of cash and cash equivalents		1,896,625	1,557,040
Ending balance of cash and cash equivalents		\$ 978,859	\$ 1,896,625

The notes attached are part of the standalone financial statements. Please refer to them at the same time.

Chairman: Huang Chi, Jui

Manager: Lin, Ching-Hui

Accounting Supervisor: He, Wen-Shun



## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To Zinwell Corporation

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Zinwell Corporation and its subsidiaries (the "Group") as of 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 of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for 2021. 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 consolidated financial statements for the year ended December 31, 2021 are stated as follows:

#### **Valuation of inventory**

##### Description

For the accounting policies of inventory, please refer to Note 4(13); and for the uncertainty of accounting estimates and assumption of inventory, please refer to Note 5(2). For details of the allowance for inventory valuation losses, please refer to Note 6(5).

The Group is mainly engaged in sales of digital cable and communication products. Due to rapid technological innovation, the short lifecycle of electronic products and intense competition in the market, there is a higher risk of inventory losses due to market value decline or obsolescence. Since the valuation of obsolete and slow-moving inventory is subject to the management's judgement, we consider valuation of inventory as a key audit matter.

How our audit addressed the matter

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

1. Assessed the reasonableness of accounting policies and procedures in relation to inventory valuation, including the classification of aged, damaged and obsolete inventory.
2. Reviewed the Group's annual counting plan and conducted their physical counts on inventories to evaluate the control effectiveness on inventory classification.
3. Validated the inventory classification and the amount of net realisable value, including to obtain net realisable value reports of inventory, assess the computational logic of the system report, test related supporting documents, recalculate the loss of inventory and further evaluate the rationality.

**Impairment assessment of accounts receivable**

Description

For the accounting policies of accounting receivable, please refer to Note 4(9); and for the uncertainty of accounting estimates and assumptions of impairment on accounts receivable, please refer to Note 5(2). For details of impairment on accounts receivable, please refer to Note 6(4).

The Group assessed the credit risk of accounts receivable under many factors, such as customers' financial position, internal rating criteria and historical transaction data. The management classified the customers into groups and evaluated their expected credit impairment loss based on the result of the assessment. Since the above assessment is subjected to management's judgement, and accounts receivable and its valuation is significant to the consolidated financial statements, we consider impairment assessment of accounts receivable as a key audit matter.

How our audit addressed the matter

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

1. Assessed the internal management procedures over credit risk of the Group, including to assess credit criteria and classification of customer.
2. Regarding significant amount of overdue accounts receivable, reviewed the uncollected reason or tested the collection after balance sheet date.

***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Zinwell Corporation as at and for the years ended December 31, 2021 and 2020.

***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 judgement and maintain professional skepticism throughout the audit. We also:

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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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Yi-Chang Liang

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Ya-Fang Wen

For and on behalf of PricewaterhouseCoopers, Taiwan  
March 23, 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, Taiwan 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.

**ZINWELL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Assets		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,301,147	15	\$ 2,262,244	26
1136	Financial assets at amortised cost, current	6(3)	41,524	1	42,720	1
1150	Notes receivable, net	6(4)	2,503	-	5,212	-
1170	Accounts receivable, net	6(4)	1,558,884	18	1,869,936	22
1200	Other receivables		43,607	1	20,583	-
1220	Current income tax assets		546	-	32,424	-
130X	Inventories	6(5)	1,974,004	23	1,309,070	15
1410	Prepayments	6(6)	40,657	-	26,235	-
11XX	Total current assets		4,962,872	58	5,568,424	64
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	312	-	1,616	-
1550	Investments accounted for using the equity method	6(7)	-	-	-	-
1600	Property, plant and equipment	6(8) and 8	2,917,391	34	2,768,052	32
1755	Right-of-use assets	6(9)	17,180	-	14,103	-
1760	Investment property	6(10)	28,724	1	29,008	-
1780	Intangible assets	6(11)(12)	9,074	-	11,139	-
1840	Deferred income tax assets	6(27)	263,839	3	228,165	3
1900	Other non-current assets	6(13) and 8	358,048	4	66,960	1
15XX	Total non-current assets		3,594,568	42	3,119,043	36
1XXX	Total assets		\$ 8,557,440	100	\$ 8,687,467	100

(Continued)

**ZINWELL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(14)	\$ 5,535	-	\$ 5,443	-
2130	Contract liabilities-current	6(21)	137,473	2	258,143	3
2150	Notes payable		118,802	1	90,435	1
2170	Accounts payable		1,301,118	15	1,289,134	15
2200	Other payables	6(15)	311,067	4	312,864	4
2230	Current income tax liabilities		8,579	-	1,287	-
2280	Current lease liabilities		3,220	-	-	-
2310	Receipts in advance		54,307	1	11,242	-
2399	Other current liabilities, others		10	-	40,611	-
21XX	Total current liabilities		1,940,111	23	2,009,159	23
Non-current liabilities						
2550	Provisions for liabilities-non-current		20	-	20	-
2570	Deferred income tax liabilities	6(27)	40,118	-	37,241	1
2580	Non-current lease liabilities		391	-	-	-
2640	Net defined benefit liability, non current	6(16)	166,034	2	174,628	2
2670	Other non-current liabilities, others		938	-	781	-
25XX	Total non-current liabilities		207,501	2	212,670	3
2XXX	Total liabilities		2,147,612	25	2,221,829	26
Equity attributable to owners of the parent						
Share capital		6(17)				
3110	Common stock		3,176,890	37	3,176,890	37
Capital surplus		6(13)(18)				
3200	Capital surplus		565,423	7	507,328	6
Retained earnings		6(19)				
3310	Legal reserve		1,346,300	16	1,346,300	15
3320	Special reserve		117,161	1	117,161	1
3350	Undistributed retained earnings		1,111,266	13	1,460,163	17
Other equity interest		6(20)				
3400	Other equity interest		( 154,064)	( 2)	( 142,679)	( 2)
31XX	Equity attributable to owners of the parent		6,162,976	72	6,465,163	74
36XX	Non-controlling interest		246,852	3	475	-
3XXX	Total equity		6,409,828	75	6,465,638	74
Significant contingent liabilities and unrecognised contract commitments		9				
3X2X	Total liabilities and equity		\$ 8,557,440	100	\$ 8,687,467	100

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

ZINWELL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE)

Items	Notes	Year ended December 31,			
		2021		2020	
		Amount	%	Amount	%
4000 <b>Operating revenue</b>	6(21)	\$ 6,277,543	100	\$ 7,937,362	100
5000 <b>Operating costs</b>	6(5)(26)	( 6,174,568)	( 98)	( 7,665,928)	( 96)
5900 <b>Gross profit</b>		<u>102,975</u>	<u>2</u>	<u>271,434</u>	<u>4</u>
<b>Operating expenses</b>	6(26)				
6100 Selling expenses		( 168,002)	( 3)	( 107,248)	( 1)
6200 General and administrative expenses		( 199,448)	( 3)	( 226,402)	( 3)
6300 Research and development expenses		( 233,576)	( 4)	( 217,654)	( 3)
6450 Expected credit impairment gain	12(2)	<u>5,519</u>	<u>-</u>	<u>21,031</u>	<u>-</u>
6000 <b>Total operating expenses</b>		<u>( 595,507)</u>	<u>( 10)</u>	<u>( 530,273)</u>	<u>( 7)</u>
6900 <b>Operating loss</b>		<u>( 492,532)</u>	<u>( 8)</u>	<u>( 258,839)</u>	<u>( 3)</u>
<b>Non-operating income and expenses</b>					
7100 Interest income	6(22)	15,858	-	26,894	-
7010 Other income	6(23)	109,021	2	192,663	3
7020 Other gains and losses	6(24)	( 23,071)	-	( 135,236)	( 2)
7050 Finance costs	6(25)	<u>( 119)</u>	<u>-</u>	<u>( 221)</u>	<u>-</u>
7000 <b>Total non-operating income and expenses</b>		<u>101,689</u>	<u>2</u>	<u>84,100</u>	<u>1</u>
7900 <b>Loss before income tax</b>		<u>( 390,843)</u>	<u>( 6)</u>	<u>( 174,739)</u>	<u>( 2)</u>
7950 Income tax benefit	6(27)	<u>19,867</u>	<u>-</u>	<u>18,568</u>	<u>-</u>
8200 <b>Loss for the year</b>		<u>(\$ 370,976)</u>	<u>( 6)</u>	<u>(\$ 156,171)</u>	<u>( 2)</u>

(Continued)



**ZINWELL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE)

		Year ended December 31,			
		2021		2020	
Items	Notes	Amount	%	Amount	%
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Other comprehensive loss, before tax, actuarial gains (losses) on defined benefit plans	6(16)			
		\$ 6,638	-	( \$ 7,771)	-
8316	Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)(20)			
		( 1,304)	-	149	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)			
		( 1,328)	-	1,554	-
8310	<b>Total Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
		4,006	-	( 6,068)	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statement translation differences of foreign operations	6(20)			
		( 10,081)	-	22,505	-
8360	<b>Total components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
		( 10,081)	-	22,505	-
8300	<b>Other comprehensive income (loss), net of tax</b>				
		(\$ 6,075)	-	\$ 16,437	-
8500	<b>Total comprehensive loss</b>				
		(\$ 377,051)	( 6)	( \$ 139,734)	( 2)
<b>Loss attributable to:</b>					
8610	Owners of the parent				
		(\$ 354,207)	( 6)	( \$ 151,162)	( 2)
8602	Non-controlling interest				
		( 16,769)	-	( 5,009)	-
		(\$ 370,976)	( 6)	( \$ 156,171)	( 2)
<b>Comprehensive loss attributable to:</b>					
8710	Owners of the parent				
		(\$ 360,282)	( 6)	( \$ 134,725)	( 2)
8720	Non-controlling interest				
		( 16,769)	-	( 5,009)	-
		(\$ 377,051)	( 6)	( \$ 139,734)	( 2)
9750	<b>Basic losses per share</b>	6(28)			
		( \$ 1.11)	( \$ 0.48)		
9850	<b>Diluted losses per share</b>	6(28)			
		( \$ 1.11)	( \$ 0.48)		

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

**ZINWELL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

		Equity attributable to owners of the parent																													
		Capital surplus					Retained earnings			Other equity																					
		Notes	Common stock	Additional paid-in capital	Difference between the acquisition or disposal price and carrying amounts of subsidiaries	Changes in equity associates and joint ventures accounted for using the equity method	Others	Legal reserve	Special reserve	Undistributed retained earnings	Financial statement translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity																
<u>Year ended December 31, 2020</u>																															
		\$	3,176,890	\$	503,594	\$	-	\$	2,142	\$	1,592	\$	1,346,300	\$	117,161	\$	1,617,394	(\$	165,185	\$	-	\$	6,599,888	\$	4,484	\$	6,604,372				
			-		-		-		-		-		-	(	151,162	)	-		-	(	151,162	)	(	5,009	)	(	156,171	)			
Other comprehensive income (loss) for the year	6(20)		-		-		-		-		-		-	(	6,217	)	22,505		149		16,437		-		16,437						
Total comprehensive income (loss)			-		-		-		-		-		-	(	157,379	)	22,505		149		(	134,725	)	(	5,009	)	(	139,734	)		
Changes in non-controlling interests for the year			-		-		-		-		-		-		-		-		-		-		1,000		1,000						
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(2)(20)		-		-		-		-		-		-		148		-	(	148	)	-		-		-		-				
Balance at December 31, 2020		\$	3,176,890	\$	503,594	\$	-	\$	2,142	\$	1,592	\$	1,346,300	\$	117,161	\$	1,460,163	(\$	142,680	\$	1	\$	6,465,163	\$	475	\$	6,465,638				
<u>Year ended December 31, 2021</u>																															
Balance at January 1, 2021		\$	3,176,890	\$	503,594	\$	-	\$	2,142	\$	1,592	\$	1,346,300	\$	117,161	\$	1,460,163	(\$	142,680	\$	1	\$	6,465,163	\$	475	\$	6,465,638				
Loss for the year			-		-		-		-		-		-	(	354,207	)	-		-	(	354,207	)	(	16,769	)	(	370,976	)			
Other comprehensive income (loss) for the year	6(20)		-		-		-		-		-		-		5,310	(	10,081	)	(	1,304	)	(	6,075	)		-	(	6,075	)		
Total comprehensive income (loss)			-		-		-		-		-		-	(	348,897	)	(	10,081	)	(	1,304	)	(	360,282	)	(	16,769	)	(	377,051	)
Difference between the acquisition or disposal price and carrying amounts of subsidiaries	6(29)		-		-		3,541		-		-		-		-		-		-		-		3,541		-		3,541				
Changes in capital surplus			-		-		-		-		24		-		-		-		-		-		24		-		24				
Changes in equity associates and joint ventures accounted for using the equity method	6(13)		-		-		-		54,530		-		-		-		-		-		-		54,530		43,882		98,412				
Changes in non-controlling interests for the year	6(29)		-		-		-		-		-		-		-		-		-		-		-		219,264		219,264				
Balance at December 31, 2021		\$	3,176,890	\$	503,594	\$	3,541	\$	56,672	\$	1,616	\$	1,346,300	\$	117,161	\$	1,111,266	(\$	152,761	(\$	1,303	)	\$	6,162,976	\$	246,852	\$	6,409,828			

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

ZINWELL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31, 2021	2020
<u>Cash flows from operating activities</u>			
Loss before tax		( \$ 390,843 )	( \$ 174,739 )
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation (including investment properties and right-of-use assets)	6(8)(9)(10)(24)	234,921	234,638
Amortization	6(26)	8,881	9,495
Expected credit gain	12(2)	( 5,519 )	( 21,301 )
Interest expense	6(25)	119	221
Interest income	6(3)(22)	( 15,858 )	( 26,894 )
Dividend income	6(23)	( 1 )	( 105 )
Losses (gains) on disposals of property, plant and equipment	6(24)	3	( 1,294 )
Impairment loss on non-financial assets	6(11)(12)(24)	-	3,810
Gains on disposals of investments	6(24)	-	( 3,715 )
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes and accounts receivable		315,261	759,364
Other receivables		( 5,702 )	13,147
Inventories		( 664,934 )	( 256,928 )
Prepayments		( 27,725 )	10,888
Net changes in liabilities relating to operating activities			
Contract liabilities-current		( 120,670 )	56,511
Notes and accounts payable		40,351	335,112
Other payables		30,180	( 29,828 )
Receipts in advance		43,065	11,242
Net defined benefit liability		( 1,956 )	( 1,263 )
Other current liabilities		( 40,601 )	36,731
Other non-current liabilities		157	( 963 )
Cash (outflows) inflows generated from operations		( 600,871 )	954,129
Interest paid		( 119 )	( 221 )
Interest received		15,858	26,894
Dividend received		1	105
Income taxes refunded		24,931	14,040
Net cash flows (used in) from operating activities		( 560,200 )	994,947

(Continued)

ZINWELL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31,	
		2021	2020
<u>Cash flows from investing activities</u>			
Proceeds from disposal of financial assets at fair value	6(2)		
through other comprehensive income		\$ -	\$ 3,449
Proceeds from disposal of subsidiaries		-	317
Acquisition of property, plant and equipment	6(30)	( 408,569 )	( 393,915 )
Proceeds from disposal of property, plant and equipment		94	2,310
Acquisition of intangible assets	6(30)	( 1,369 )	( 748 )
Increase in guarantee deposits paid		( 1,682 )	( 265 )
Decrease in guarantee deposits paid		2,229	1,070
Proceeds from disposal (acquisition) of financial assets at amortised cost		1,196	( 12,730 )
(Increase) decrease in other non-current assets	6(13)	( 205,747 )	1,301
Net cash used in investing activities		( 613,848 )	( 399,211 )
<u>Cash flows from financing activities</u>			
Proceeds from short-term debt	6(31)	10,935	-
Payments of short-term debt	6(31)	( 10,655 )	( 6,000 )
Changes in non-controlling interests	6(29)	223,300	1,000
Payments of lease liabilities	6(31)	( 3,432 )	-
Increase in guarantee deposits received	6(31)	-	146
Decrease in guarantee deposits received	6(31)	-	( 437 )
Net cash flows from (used in) financing activities		220,148	( 5,291 )
Effects due to changes in exchange rate		( 7,197 )	15,269
(Decrease) increase in cash and cash equivalents		( 961,097 )	605,714
Cash and cash equivalents at beginning of year	6(1)	2,262,244	1,656,530
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,301,147</u>	<u>\$ 2,262,244</u>

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

**Zinwell Corporation**  
**Loss Off-Setting for Fiscal Year 2021**

Unit: New Taiwan Dollars

<b>Item</b>	<b>Amount</b>
<b>Net loss after tax for 2021</b>	<b>(354,206,577)</b>
Add: Retained earnings at beginning of the period	1,460,160,516
Add: Adjustments to retained earnings in 2021 – remeasurement of net defined benefit liability	5,310,957
<b>Accumulated retained earnings as of the end of 2021</b>	<b>1,111,264,896</b>

Board Chairman:  
Chi-Ruei Huang

Manager:  
Ching-Hui Lin

Accounting Supervisor:  
Wen-Shun Ho

**[Attachment 4]**

**Zinwell Corporation**

**Table of Amendments to the Articles of Incorporation**

Amended article number	Before amendment	After amendment	Reason for amendment
Article 10-1		<u>The Company may convene shareholders' meeting by video conference or in other methods as announced by the Ministry of Economic Affairs.</u>	1. This article is added. 2. Amended Article 172-2 of the Company Act was promulgated on December 29, 2021 that the provisions of shareholders' meetings by video conference may apply to publicly listed companies.
Article 29	The Articles of Incorporation are formulated on February 28, 1981. The 1st amendment was made on June 19, 1981. The 2nd amendment was made on August 3, 1982. The 3rd amendment was made on May 11, 1984. The 4th amendment was made on December 17, 1986. The 5th amendment was made on November 2, 1989. The 6th amendment was made on November 27, 1989. The 7th amendment was made on November 10, 1992. The 8th amendment was made on December 10, 1992. The 9th amendment was made on February 1, 1993. The 10th amendment was made on May 17, 1996. The 11th amendment was made on January 15, 1997. The 12th amendment was made on May 29, 1997. The 13th amendment was made on June 20, 1998. The 14th amendment was made on May 29, 2000. The 15th amendment was made on May 2, 2000. The 16th amendment was made on July 11, 2000. The 17th amendment was made on July 11, 2000. The 18th	The Articles of Incorporation are formulated on February 28, 1981. The 1st amendment was made on June 19, 1981. The 2nd amendment was made on August 3, 1982. The 3rd amendment was made on May 11, 1984. The 4th amendment was made on December 17, 1986. The 5th amendment was made on November 2, 1989. The 6th amendment was made on November 27, 1989. The 7th amendment was made on November 10, 1992. The 8th amendment was made on December 10, 1992. The 9th amendment was made on February 1, 1993. The 10th amendment was made on May 17, 1996. The 11th amendment was made on January 15, 1997. The 12th amendment was made on May 29, 1997. The 13th amendment was made on June 20, 1998. The 14th amendment was made on May 29, 2000. The 15th amendment was made on May 2, 2000. The 16th amendment was made on July 11, 2000. The 17th amendment was made on July 11, 2000. The 18th amendment	The amendment date is added.

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>amendment was made on May 2, 2001. The 19th amendment was made on June 14, 2002. The 20th amendment was made on June 18, 2003. The 21st amendment was made on June 15, 2004. The 22nd amendment was made on June 14, 2005. The 23rd amendment was made on June 14, 2006. The 24th amendment was made on June 13, 2007. The 25th amendment was made on June 13, 2008. The 26th amendment was made on June 19, 2009. The 27th amendment was made on June 17, 2010. The 28th amendment was made on June 18, 2015. The 29th amendment was made on June 14, 2016. The 30th amendment was made on June 12, 2019.</p>	<p>was made on May 2, 2001. The 19th amendment was made on June 14, 2002. The 20th amendment was made on June 18, 2003. The 21st amendment was made on June 15, 2004. The 22nd amendment was made on June 14, 2005. The 23rd amendment was made on June 14, 2006. The 24th amendment was made on June 13, 2007. The 25th amendment was made on June 13, 2008. The 26th amendment was made on June 19, 2009. The 27th amendment was made on June 17, 2010. The 28th amendment was made on June 18, 2015. The 29th amendment was made on June 14, 2016. The 30th amendment was made on June 12, 2019. <u>The 31st amendment was made on June 14, 2022.</u></p>	

**[Attachment 5]**

**Zinwell Corporation**

**Table of Amendments to the Rules of Procedure for Shareholders'  
Meetings**

Amended article number	Before amendment	After amendment	Reason for amendment
Article 4	Attendance and votes in a shareholders' meeting are calculated based on the number of shares represented.	Attendance and votes in a shareholders' meeting are calculated based on the number of shares represented. <u>The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conferencing platform plus the number of shares whose voting rights are exercised in writing or by electronic means.</u>	It is to clearly stipulate that when the Company's shareholders' meeting is held by video conference, the total number of shares in attendance shall include the number of shares in attendance by video conference.
Article 5	When the chair is of the opinion that a proposal has been discussed sufficiently to Shareholders' meetings shall be held at the Company's business location, plant premise, branch premise, or at any location that is suitable and convenient for shareholders to attend. Meetings shall not commence anytime earlier than 9 a.m. or later than 3 p.m.	When the chair is of the opinion that a proposal has been discussed sufficiently to Shareholders' meetings shall be held at the Company's business location, plant premise, branch premise, or at any location that is suitable and convenient for shareholders to attend. Meetings shall not commence anytime earlier than 9 a.m. or later than 3 p.m. <u>When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.</u>	It is to clearly stipulate that when the Company holds a shareholders' meeting by video conference, the restriction on the location of the meeting shall not apply.



Amended article number	Before amendment	After amendment	Reason for amendment
Article 6	Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is also unavailable, the Chairman may appoint one of the directors to act on behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on his behalf.	Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is also unavailable, the Chairman may appoint one of the directors to act on behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on his behalf. <u>Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.</u>	It is to inform shareholders of the changes in the method of holding the shareholders' meeting.
Article 23	These Rules and any amendment thereto shall enter into force once approved by the shareholders' meeting. These Rules were first formulated on December 9, 1988. The 1st amendment was made on April 28, 1998. The 2nd amendment was made on June 14, 2002. The 3rd amendment was made on June 18, 2012. The 4th amendment was made on June 14, 2016.	These Rules and any amendment thereto shall enter into force once approved by the shareholders' meeting. These Rules were first formulated on December 9, 1988. The 1st amendment was made on April 28, 1998. The 2nd amendment was made on June 14, 2002. The 3rd amendment was made on June 18, 2012. The 4th amendment was made on June 14, 2016. The 5th amendment was made on June 16, 2020. <u>The 6th amendment was made on June 14, 2022.</u>	The amendment date is added.

**Zinwell Corporation**

**Table of Amendments to the Procedures for Asset Acquisition  
and Disposal**

Amended article number	Before amendment	After amendment	Reason for amendment
Article VIII	<p>Announcement and declaration standards</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and declare the relevant information on the website designated by the Securities and Futures Commission in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>Announcement and declaration standards</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and declare the relevant information on the website designated by the Securities and Futures Commission in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition,</p>	<p>Considering that the trading of domestic government bonds by publicly listed companies have been exempted from public announcement and declaration, subparagraph 3, items 1 and 2 are amended.</p>

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. For an asset transaction other than any of those referred to in the preceding two subparagraphs, including a disposal of receivables by a financial institution or an investment in the mainland China area, the amount of the transaction reaches 20% or more of Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds.</p> <p>(II) Where done by professional investors, securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(III) Trading of domestic</p>	<p>or transfer of shares.</p> <p>III. For an asset transaction other than any of those referred to in the preceding two subparagraphs, including a disposal of receivables by a financial institution or an investment in the mainland China area, the amount of the transaction reaches 20% or more of Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds or foreign government bonds with <u>a credit rating not lower than our country's sovereign rating.</u></p> <p>(II) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription for or resale of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock</p>	

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Where the Company's paid-in capital is less than NT\$10 billion, and the transaction amount reaches NT\$500 million or more.</li> <li>2. Where the Company's paid-in capital is NT\$10 billion or more, and the transaction amount reaches NT\$1 billion or more.</li> </ol> <p>(V) Acquisition or disposal by a public company in the construction business of real property for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>(VI) Where real property is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing</p>	<p>company, in accordance with the rules of the Taipei Exchange.</p> <p>(III) Trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Where the Company's paid-in capital is less than NT\$10 billion, and the transaction amount reaches NT\$500 million or more.</li> <li>2. Where the Company's paid-in capital is NT\$10 billion or more, and the transaction amount reaches NT\$1 billion or more.</li> </ol> <p>(V) Acquisition or disposal by a public company in the construction business of real property for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>(VI) Where real property is acquired under an arrangement on engaging others to build on the Company's own land,</p>	

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>The transaction amount in the preceding paragraph shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>The amount of any individual transaction.</li> <li>The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within the preceding year.</li> <li>The cumulative transaction amounts of respective acquisitions and disposals of real property or right-of-use assets thereof within the same development project within the preceding year.</li> <li>The cumulative transaction amounts of respective acquisitions and disposals of the same security within the preceding year.</li> </ol> <p>The term “within the preceding year” in the preceding paragraph refers to the year preceding the date of the current transaction. Portions which have been announced need not be counted toward the transaction amount. When the Company at the time of public announcement makes an</p>	<p>engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>The transaction amount in the preceding paragraph shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>The amount of any individual transaction.</li> <li>The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within the preceding year.</li> <li>The cumulative transaction amounts of respective acquisitions and disposals of real property or right-of-use assets thereof within the same development project within the preceding year.</li> <li>The cumulative transaction amounts of respective acquisitions and disposals of the same security within the preceding year.</li> </ol> <p>The term “within the preceding year” in the preceding paragraph refers to the year preceding the date of the current transaction. Portions which have been announced need not be counted</p>	

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again announced and declared in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports, and CPA's, attorney's, and securities underwriter's opinions at the Company, , in which they shall be retained for five years except where another act provides otherwise.</p>	<p>toward the transaction amount. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again announced and declared in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports, and CPA's, attorney's, and securities underwriter's opinions at the Company, where they shall be retained for five years except where another act provides otherwise.</p>	
Article X	<p>Where the transaction amount of the acquisition or disposal of real property, equipment, or the right-of-use assets thereof reaches 20% or more of its paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions:</p> <p>I. Where due to special</p>	<p>Where the transaction amount of the acquisition or disposal of real property, equipment, or the right-of-use assets thereof reaches 20% or more of its paid-in capital or NT\$300 million or more.</p> <p>The Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions:</p> <p>I. The transaction amount in the</p>	<p>As Article 14 has been amended and added to require external experts to issue opinions in compliance with the self-discipline regulations of the associations to which they belong, which has covered the procedures for CPAs' rendering of opinions, paragraph 1, subparagraph 3, is deleted.</p>

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>circumstances it is necessary to give a limited price, specific price, or special price as a reference for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also apply to any subsequent change to the terms and conditions of the transaction.</p> <p>II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. Where any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to <del>perform an appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and</del> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the</p>	<p>preceding paragraph shall be calculated as per the provisions under Article 8, paragraph 2, and the term "within the preceding year" refers to the year preceding the date of the current transaction. The portions that have been approved by the Audit Committee and resolved by the Board of Directors as per the regulations need not be counted toward the transaction amount.</p> <p>II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. Where any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results of two or</p>	

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>more professional appraisers is 10% or more of the transaction amount.</p> <p>IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date, provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
Article XI	<p>In the event of acquisition or disposal of securities, the Company shall obtain such companies' most recent financial statements audited or reviewed by a CPA prior to the date of occurrence, as a reference for evaluating the transaction price. Where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price. <del>If the CPA needs to use a</del></p>	<p>In the event of acquisition or disposal of securities, the Company shall obtain such companies' most recent financial statements audited or reviewed by a CPA prior to the date of occurrence, as a reference for evaluating the transaction price. Where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price</p>	<p>The reasons for the amendment are the same as those described in Article X. The text is amended as appropriate.</p>



Amended article number	Before amendment	After amendment	Reason for amendment
	<del>report by an expert as evidence, the CPA shall do so</del> in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities with an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). Financial Supervisory Commission (FSC).	This requirement does not apply, however, to publicly quoted prices of securities with an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
Article XII	Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership cards and the transaction amount reaches 20% or more of its paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of the occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall <del>comply with the provisions of Statement of Auditing Standards No. 20</del> published by the ARDF.	Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership cards and the transaction amount reaches 20% or more of its paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of the occurrence of the event to render an opinion on the reasonableness of the transaction price	The reasons for the amendment are the same as those described in Article X. The text is amended as appropriate.
Article XIV	Professional appraisers and their personnel, CPAs, attorneys, or securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet	Professional appraisers and their personnel, CPAs, attorneys, or securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following	I. As there are regulations stipulated by the associations to which external experts belong

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When auditing a case, they shall appropriately plan and execute adequate operating procedures, in order to produce a conclusion and use the conclusion as the basis for issuing a report or opinion. The relevant working procedures, data collected, and conclusions shall be fully and accurately specified in the case working papers.</p>	<p>requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall <u>comply with the self-discipline regulations of the associations to which they belong</u> and the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>executing</u> a case, they shall appropriately plan and execute adequate operating procedures, in order to produce a conclusion and use the conclusion as the basis for issuing a report or opinion. The relevant working procedures, data collected, and</p>	<p>on the business undertake, the second paragraph is amended.</p> <p>II. As external experts undertake and execute the cases to issue appraisal reports or render opinions on the reasonableness in accordance with these Procedures, “auditing” in paragraph 2, subparagraph 2, is amended to “executing.”</p> <p>III. Considering the sources of data, parameters, and information used by external experts, the texts under paragraph 2, subparagraphs 3 and 4, are amended to be aligned with the actual operations.</p>

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>III. They shall conduct an item-by-item evaluation of the completeness, accuracy, and reasonableness of the sources of data, parameters, and information used, as the basis for issuance of an appraisal report or opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared such a report or opinion, and that they have evaluated and verified that the information used is reasonable and accurate and that they have complied with applicable laws and regulations.</p>	<p>conclusions shall be fully and accurately specified in the case working papers.</p> <p>III. They shall conduct an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data, parameters, and information used, as the basis for issuance of an appraisal report or opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared such a report or opinion, and that they have evaluated and verified that the information used is <u>appropriate</u> and reasonable and that they have complied with applicable laws and regulations.</p>	
Article XVI	<p>When the Company intends to acquire real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and then resolved by the Board of Directors:</p> <p>I. The purpose, necessity, and</p>	<p>When the Company intends to acquire real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and then resolved by the Board of Directors:</p> <p>I. The purpose, necessity, and</p>	<p>I. In order to strengthen the management of related party transactions and protect the rights of minority shareholders of publicly listed companies to express their opinions on transactions between such companies and related parties, paragraph 3 has been added with reference to the norms adopted by major international capital markets.</p> <p>II. Paragraph 2 is moved to paragraph 4 in</p>

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>anticipated benefit of the acquisition or disposal of assets.</p> <p>II. The reason for choosing the related party as a transaction counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding evaluation of the reasonableness of the preliminary transaction terms as per the regulations.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><del>The transaction amount in the preceding paragraph shall be calculated as per the provisions under Article 8, paragraph 2, and the term "within the preceding year" refers to the year preceding the date of the current transaction. The portions that have been approved by the Audit Committee and resolved by the Board of Directors as per the regulations need not be counted toward the transaction amount.</del></p>	<p>anticipated benefit of the acquisition or disposal of assets.</p> <p>II. The reason for choosing the related party as a transaction counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding evaluation of the reasonableness of the preliminary transaction terms as per the regulations.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries of which it directly or indirectly holds 100% of their outstanding shares or total capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decision subsequently submitted to</p>	alignment with paragraph 3.

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries of which it directly or indirectly holds 100% of their outstanding shares or total capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decision subsequently submitted to and ratified by the soonest Board meeting afterwards:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p>	<p>and ratified by the soonest Board meeting afterwards:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>Where the Company or its subsidiary that is not a domestic publicly listed company engages in a transaction under paragraph 1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in paragraph 1 to the shareholders' meeting for approval before proceeding to enter into a transaction contract or make a payment. However, the transactions between the Company and its parent or subsidiaries or between its subsidiaries are not subject to this provision.</u></p> <p><u>The transaction amount in paragraph 1 and the preceding paragraph shall be calculated as per the provisions under Article XIII, paragraph 2, and the term "within the preceding year" refers to the year preceding the date of the current transaction. The portions that have been approved by the shareholders' meeting, passed by the Board of Directors, and ratified by the Audit Committee as per these Procedures need not be counted toward the transaction amount.</u></p>	
Article XXVII	<p>These Procedures were first established on June 18, 2003.</p> <p>The 1st amendment was made on June 13, 2007.</p> <p>The 2nd amendment was made on June 18, 2012.</p>	<p>These Procedures were first established on June 18, 2003.</p> <p>The 1st amendment was made on June 13, 2007.</p> <p>The 2nd amendment was made on June 18, 2012.</p>	The amendment date is added.

Amended article number	Before amendment	After amendment	Reason for amendment
	<p>The 3rd amendment was made on June 23, 2014.</p> <p>The 4th amendment was made on June 14, 2016.</p> <p>The 5th amendment was made on June 12, 2018.</p> <p>The 6th amendment was made on June 12, 2019.</p>	<p>The 3rd amendment was made on June 23, 2014.</p> <p>The 4th amendment was made on June 14, 2016.</p> <p>The 5th amendment was made on June 12, 2018.</p> <p>The 6th amendment was made on June 12, 2019.</p> <p><u>The 7th amendment was made on June 14, 2022.</u></p>	

**[Attachment 7]**

**Zinwell Corporation**

**Nominate Candidates for the Directors of the Company**

Candidate category	Candidate name	Number of shares held (shares)	Main study (experience)
Director	Chi-Jui Huang	11,564,943	<p>Education :</p> <p>Department of Accounting, Soochow University</p> <p>Experience :</p> <p>President, Zinwell Corporation</p> <p>Current job :</p> <p>Chairman of Zinwell Corporation</p> <p>Chairman of ZINWELL CORPORATION (H.K.) LIMITED</p> <p>Chairman of Shumu International Co., Ltd. (樹木國際(股)公司)</p> <p>Chairman of ZINWELL HOLDING (SAMOA) CORPORATION</p> <p>Director of ZINWELL ELECTRONIC (SHENZHEN) CO., LTD.</p> <p>Juristic-Person Chairman of AkiraNET Co.</p>
Director	Hung-Chi Hsiao	8,832,329	<p>Education :</p> <p>Tamsui Institute of Business Administration.</p> <p>Experience :</p> <p>Vice President, Zinwell Corporation</p> <p>Current job :</p> <p>Vice Chairman of Zinwell Corporation</p>
Director	Ching-Hui Lin	6,574,132	<p>Education :</p> <p>Minghsin University of Science and Technology</p> <p>Experience :</p> <p>Manager of MTI, Inc.</p> <p>Current job :</p> <p>President of Zinwell Corporation</p> <p>President of ZINWELL CORPORATION (H.K.) LIMITED</p> <p>Director of ZINWELL ELECTRONIC (SHENZHEN) CO., LTD.</p>
Director	Chi-Nan	3,634,019	<p>Education :</p>

Candidate category	Candidate name	Number of shares held (shares)	Main study (experience)
	Huang		Chia-Yi Industrial Vocational High School Current job : R&D Deputy Manager of Yong Le Electronics Co., Ltd. Experience : Assistant Vice President, Chairman Office of Zinwell Corporation Director of Shumu International Co., Ltd. (樹木國際(股)公司) Supervisor of AkiraNET Co.
Director	Chi-An Huang	3,064,161	Education : Sieh Chih Vocational High School Experience : Vice President, Zinwell Corporation Current job : Vice President of Jiatai Plant of Zinwell Corporation Director of Shumu International Co., Ltd. (樹木國際(股)公司)
Director	I-Chuan Lin	946,339	Education : Undergraduate, Department of Industrial and Information Management, National Cheng Kung University Experience : Chairman of TOPDEK INC. Current job : Chairman of TOPDEK INC.
Director	Yu-Hsing Liang	553,352	Education : Department of Electrical Engineering Experience : Lead Engineer of MTI, Inc. Senior Engineer of BEHAVIOR TECH COMPUTER CORP. Current job : Vice President of 1st R&D Division of Zinwell Corporation
Director	Wen-Hsieng Chiang	487,295	Education :



Candidate category	Candidate name	Number of shares held (shares)	Main study (experience)
			<p>Department of Electrical Engineering, Minghsin University of Science and Technology</p> <p>Experience :</p> <p>Sales Engineer of MTI, Inc.</p> <p>Current job :</p> <p>Vice President of 1st Business Division of Zinwell Corporation</p>
Director	Chien-Cheng Wu	498,079	<p>Education :</p> <p>DREXEL U.MBA</p> <p>Experience :</p> <p>Sales Engineer of MTI, Inc.</p> <p>Current job :</p> <p>Vice President of 2nd Business Division of Zinwell Corporation</p>
Director	Wen-Shun Ho	50,217	<p>Education :</p> <p>Department of Business Administration, Feng Chia University</p> <p>Experience :</p> <p>Financial Dept., NANKANG RUBBER TIRE CORP., LTD</p> <p>Current job :</p> <p>Assistant Vice President, Financial Division of Zinwell Corporation</p> <p>Juristic-Person Director of AkiraNET Co.</p>
Independent Director	Ming-Yu Huang	0	<p>Education :</p> <p>Department of Accounting, Soochow University</p> <p>Experience :</p> <p>Vice President and CPA of PwC Taiwan</p> <p>Vice Chairman of PRICEWATERHOUSECOOPERS MANAGEMENT CONSULTING COMPANY LTD.</p> <p>Director of 2nd Term and Supervisor of 2nd Term of 1st Taiwan CPA Association, ROC</p> <p>Current job :</p> <p>Chairman of Chuan Cheng Investment Consulting Co., Ltd. (傳誠投資顧問(股)公司)</p> <p>Chairman of Chuan Cheng Wang Wang</p>

Candidate category	Candidate name	Number of shares held (shares)	Main study (experience)
			Investment Limited Company (傳誠旺旺投資有限公司) Independent Director of Taroko Co., Ltd. Independent Director of Hotai Finance Corporation Director of Chuwa Wool Industry Co., (Taiwan) Ltd. Juristic-Person Director of Bole Film Director of NANKANG RUBBER TIRE CORP., LTD Director of JOLLIFY4EVER LTD. Supervisor of LOCUS CELL CO., LTD
Independent Director	Chien-Te Liu	0	Education : Department of Mechanical Engineering, National Cheng Kung University Experience : Guangzhou Synerchip Technology Co, Ltd. Chairman of Greater China Current job : Guangzhou Synerchip Technology Co, Ltd. Chairman of Greater China
Independent Director	Jun-cheng Chen	0	Education : Department of Accountancy, Feng Chia University the Institute of History, Tamkang University Experience : Deputy General Manager of Huawei International Technology Consulting (Stock) Company Supervisor of Taijun Technology Co., Ltd. Director of Taiwan Grand Team Co., Ltd. Current job : Qihong Technology Co., Ltd. Independent Director Baiyu Digital Creative Co., Ltd. legal person director representative Hanyu Investment Co., Ltd. Supervisor Supervisor of Boyou Lighting Technology Co., Ltd. Chairman of Tingle Co., Ltd. Chairman of Audible Audio Computer Co., Ltd.

## **Ten. Appendices**

### **[Appendix 1]**

#### **Zinwell Corporation Shareholder Meeting Conference Rules**

1. Unless otherwise specified in law, shareholder meetings of the Company shall proceed according to the Conference Rules.
2. The term "shareholder" mentioned throughout the Conference Rules shall include shareholders and their proxies.
3. Shareholders shall present attendance cards to signify their presence at shareholder meetings. The quantity of shares represented in the meeting is calculated based on the attendance cards collected.
4. Attendance and votes in a shareholder meeting are calculated based on the number of shares represented.
5. Shareholder meetings shall be held at the Company's business location, plant premise, branch premise, or at any location that is suitable and convenient for shareholders to attend. Meetings shall not commence anytime earlier than 9AM or later than 3PM.
6. Shareholder meetings that are convened by the board of directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is also unavailable, the Chairman may appoint one of the directors to act on behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on behalf.
7. The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.
8. Organizers of the shareholder meeting shall wear proper identification or arm badges. The chairperson may instruct picketers or security staff to help maintain order in the meeting. While maintaining order in the

meeting, all picketers (or security staff) shall wear arm badges that identify their role as "Picketer."

9. The entire proceeding of the Company's shareholder meetings shall be recorded in video or audio, and kept for at least 1 year. Shareholder meeting resolutions shall be compiled into detailed minutes, signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. Meeting minutes mentioned in the preceding Paragraph may be disseminated by way of public announcements. The minutes shall detail: the date and venue of the meeting, the chairperson's name, the method of resolution, the proceeding, and voting outcomes of various motions (including weight). If director election is held during the meeting, the minutes shall disclose the number of votes received by each candidate. Minutes shall be retained indefinitely for as long as the Company exists.
10. The chairperson should announce commencement of meeting as soon as it is due. However, if current attendees represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If attending shareholders represent more than one-third but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of The Company Act. However, special resolutions and director elections cannot be reached by way of tentative resolution.

If the number of shares represented accumulates to more than half of all outstanding shares as the meeting progresses, the chairperson may, depending on the state of the meeting, propose the tentative resolutions for final voting according to Article 174 of The Company Act. Proposal of tentative resolution for final voting is not considered a change of meeting agenda as mentioned in Paragraph 1, Article 11 of the Conference Rules.
11. For shareholder meetings that are convened by the board of directors,

the board of directors will determine the meeting agenda. All proposed motions (including special motions and amendments to existing motions) shall be voted on a case-by-case basis. A conference handbook shall be prepared and distributed to attending shareholders or proxies. Meetings shall proceed accordingly to the agenda unless resolved otherwise during the shareholder meeting.

The above rule also applies to shareholder meetings that are convened by any entitled party other than the board of directors.

In either of the two arrangements described above, the chairperson cannot dismiss the meeting while a motion (including special motions) is still in progress. However, the chairperson may announce to adjourn the meeting whilst in session if disorder or any other occurrence prevents the meeting from progressing.

Once a meeting is adjourned, shareholders may not elect to continue the meeting with another chairperson or at a different venue unless the chairperson is found to have dismissed the meeting in violation of the conference rules. In which case, attending shareholders may elect another chairperson with the support of more than half of voting rights represented to continue the meeting.

12. Shareholders who wish to speak during the meeting shall produce an opinion slip detailing the topic, shareholder ID (or the attendance ID serial) and shareholder's name. The order of shareholders' comments is determined by the chairperson. Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the opinion slip, the actual comments expressed shall be taken into record. While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.
13. Opinions should be concise. Shareholders cannot speak for more than two times, for 5 minutes each, on the same topic without the consent of the chairperson. The chairperson may restrain shareholders or interrupt

any comments that violate the above rules. Speakers should speak politely on matters that are relevant to the discussion, and refrain from speaking on private matters. The chairperson should restrain or interrupt speakers who are impolite or speak outside the designated topic; other attending shareholders may also request to have the chairperson exercise restraint or interruption.

14. Corporate entities may only appoint one representative to attend shareholder meetings. Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak per motion.
15. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.
16. The chairperson may announce to discontinue further discussion if the topic in question is considered to have been sufficiently discussed to proceed with voting. Sufficient time should be allocated for voting.
17. Unless otherwise specified in The Company Act or the Articles of Incorporation, a decision is passed with the consent of shareholders representing more than half of total voting interests in the meeting. A motion is considered passed if the chairperson receives no objection from any attending shareholders upon inquiry. This voting method is deemed as effective as does the conventional ballot method.
18. In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which proposals are to be voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.
19. The chairperson shall appoint ballot examiners and ballot counters to support the voting process. The ballot examiner shall be a shareholder. Outcome of a vote shall be documented and announced on site.
20. The chairperson may call the meeting into recess at a suitable time. If a

motion cannot be completed in one meeting session, shareholders may reach a resolution to continue the meeting in the next 5 days and no further notice or announcement is needed.

21. In the event of a major disaster such as air raid, earthquake, or fire, the chairperson shall terminate or suspend the meeting immediately to evacuate attendees, and announce a new meeting time one hour after the alert is lifted.
22. Any matters that are not addressed in the Conference Rules shall be governed by The Company Act and Articles of Incorporation.
23. The above Conference Rules shall take effect immediately once approved during shareholder meeting; the same applies to all subsequent revisions.

The Conference Rules were first established on December 9, 1988.

The 1st amendment was made on April 28, 1998.

The 2nd amendment was made on June 14, 2002.

The 3rd amendment was made on June 18, 2012.

The 4th amendment was made on June 14, 2016.

The 5th amendment was made on June 16, 2020.

**Zinwell Corporation  
Articles of Incorporation**

**Chapter One General Provisions**

Article 1: The company is incorporated in accordance with the Company Act, and has been named Zinwell Corporation.

Article 2: The Company's business activities comprise the following:

1. CA01090 Aluminum Casting.
2. CA04010 Surface Treatments.
3. CC01020 Electric Wires and Cables Manufacturing.
4. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
5. CC01050 Data Storage Media Units Manufacturing.
6. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
7. CC01070 Telecommunication Equipment and Apparatus Manufacturing.
8. CC01080 Electronic Parts and Components Manufacturing.
9. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing.
10. CC01110 Computers and Peripheral Equipment Manufacturing.
11. F118010 Wholesale of Computer Software.
12. F119010 Wholesale of Electronic Materials.
13. F401010 International Trade.
14. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
15. F601010 Intellectual Property.
16. I103060 Management Consulting Services.
17. I301010 Software Design Services.
18. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide endorsements and guarantees to outside parties for business-related purposes. All endorsements and guarantees to outside parties shall comply with relevant rules of the securities authority.

Article 2-2: The Company may become limited liability shareholders of other companies; its total investments are not subject to the "40% paid-up capital" restriction imposed under Article 13 of The Company Act, but the amount of which is to be determined by board of directors of the Company.

Article 3: The Company is headquartered in New Taipei City, Taiwan, and may establish domestic or foreign branches subject to board of directors' approval.



Article 4: Deleted.

## **Chapter Two Share Capital**

Article 5: The Company has an authorized capital of Three Billion Nine Hundred and Ninety Million New Taiwan Dollars in three hundred and ninety-nine million shares. Each share has a face value of Ten New Taiwan Dollars. Share capital can be raised in multiple issues. The board of directors is authorized to issue unissued shares in multiple offerings depending on the actual circumstances. The total capital mentioned in the above Paragraph shall have NT\$200 million in twenty million shares reserved to accommodate issuance of employee warrants, preferred shares with embedded warrant, or corporate bonds with embedded warrant. Each share has a face value of NT\$10, which the board of directors may resolve to issue in multiple offerings.

The board of directors is authorized to exercise discretion in situations where the Company is permitted by laws to buy back its own shares.

Any transfer of shares to employees below the average buyback price or issuance of employee warrants with exercise price below market price shall be resolved in a shareholder meeting with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting.

Article 6: Unless otherwise specified by law and securities regulation, issues concerning transfer of share ownership, pledge of shares, loss of share certificate, ownership inheritance, gifting, loss/change of seal, change of address, and share-related affairs shall be handled according to "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 7: Deleted.

Article 8: Shares of the Company may be issued in non-tangible form, subject to registration and compliance with rules of the centralized securities depository.

Article 9: Unless otherwise regulated by laws, transfer of share ownership shall be suspended during the 60 days prior to an annual general meeting, during the 30 days prior to an extraordinary shareholder meeting, and during the 5 days prior to the baseline date of any dividend, bonus or rights distribution.

### **Chapter Three Shareholder Meetings**

Article 10: The Company convenes two types of shareholder meeting: the annual general meeting and extraordinary shareholder meetings. Annual general meetings (AGMs) are convened once a year within six months after the end of each financial year. Extraordinary shareholder meetings may be held whenever deemed necessary, subject to compliance with the relevant laws.

Article 11: The Company is required to notify all shareholders at least 30 days before convention of annual general meeting, and at least 15 days before convention of extraordinary shareholder meeting. Notifications, as mentioned in the preceding Paragraph, shall specify the date, the venue, and topics to be discussed during the meeting. Unless otherwise specified in The Company Act, shareholder meetings are to be convened by the board of directors.

Article 12: Shareholder meetings of the Company shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is also unavailable, the Chairman may appoint one of the directors to act on behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on behalf. Shareholder meetings that are convened by entitled parties other than the board of directors shall be chaired by the convener; if there are two or more conveners, one shall be appointed among them to act as chairperson.

Article 13: If a shareholder is unable to attend the shareholder meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority.

Use of proxy form shall comply with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 14: Shareholders of the Company are entitled to one vote for every share held, except for the circumstances described in Article 179 of The Company Act where shareholders are restricted or prohibited from exercising voting rights.

Article 14-1: The following motions have to be resolved in a shareholder meeting:

1. Amendment of the Articles of Incorporation.
2. Election and dismissal of directors.
3. Permission for directors to engage in business activities that coincide with those of the Company, whether for directors' own benefits or

for the benefits of others.

4. Establishment, modification, or termination of agreements that involve the leasing, mandate, or co-management of the entire business.
5. Transfer of entire or major businesses or properties.
6. Acceptance of full business or property from another party that has significant effect on the Company's operations.
7. Other matters that have to be resolved in a shareholder meeting, as mandated by law.

Article 15: Except otherwise regulated by law, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

#### **Chapter Four Board of Directors**

Article 16: The Company shall have 9 to 15 directors who are elected using the nomination system from the list of director candidates presented during the shareholder meeting. Directors shall serve a term of 3 years, which is renewable if re-elected. The total quantity of shares held across all directors shall comply with "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies." When electing directors at shareholder meetings, each share shall be vested with voting rights equal to the number of directors to be elected; these voting rights may be concentrated on one candidate or spread across multiple candidates. Candidates receiving the highest number of votes are elected as directors.

Amongst the directors chosen above, there shall be no fewer than two independent directors and they shall not represent less than one-fifth of the board.

Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, nomination, method of election and all other compliance issues are governed by relevant laws of the securities authority.

Article 16-1: The Company shall assemble an Audit Committee that consists entirely of independent directors according to Article 14-4 of Securities and Exchange Act. The Audit Committee is responsible for carrying out supervisors' duties mentioned in The Company Act, Securities and Exchange Act, and related regulations.

Article 17: The board of directors shall appoint one Chairman and one Vice Chairman

during a board meeting with more than two-thirds of directors present, and with the support of more than half of all attending directors. The Chairman serves as the Company's representative to the outside world.

Article 18: The board of directors shall convene regular meetings at least once every three months, and may convene ad-hoc meetings at any time deemed necessary. All meetings are to be convened and chaired by the Chairman. If the Chairman is unable to perform duties, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors shall appoint one among them to perform the Chairman's duties.

Article 18-1: Convention of board meeting shall be advised to all directors at least 7 days in advance. However, meetings can be held in shorter notices in the case of emergency. Convention of board of directors meetings may be advised through written correspondence, E-mail, or fax.

Article 19: The board of directors shall exercise the following authorities:

Making of business decisions for the Company. All business decisions should be executed according to board of directors' resolutions, except for matters that have to be resolved in a shareholder meeting, as specified in laws or the Articles of Incorporation.

Article 20: Unless otherwise regulated by The Company Act, board resolution is passed only if more than half of total board members are present in a meeting, and with more than half of attending directors voting in favor.

Article 21: Directors may appoint other directors to attend board meetings and exercise voting rights on their behalf for all motions raised during the meeting by issuing a written authorization. However, one director can only represent the presence of one other director. Where board meeting is carried out by way of video conferencing, those who participate in the video conference are considered to have attended the meeting in person.

Article 22: Deleted

Article 23: Deleted

Article 24: The Company may compensate the Chairman and directors for the services rendered regardless of the state of its profitability. The board of directors is authorized to determine the level of compensation based on individual directors' participation and contribution to the Company's operations, up to the highest salary tier stated in the Company's Salary Determination Policy. Any earnings concluded by the Company are subject to

distribution of remuneration according to Article 27.

The board of directors is authorized to determine compensation for independent directors in reference to peer levels. However, independent directors are not entitled to profit sharing mentioned in Article 27.

Article 24-1: The Company shall purchase liability insurance policies to cover directors' and supervisors' liabilities over the course of their service, and thereby reduce and diversify risk of major losses that the Company and shareholders may suffer as a result of mistake or negligence committed by directors.

### **Chapter Five Managers**

Article 25: The Company has one President position. Appointment, dismissal, and compensation of whom shall comply with Article 29 of The Company Act.

### **Chapter Six Accounting**

Article 26: The Company's accounting period begins January 1 and ends December 31 each year. The board of directors is responsible for preparing the following statements and reports at the end of each financial year. These statements and reports shall be submitted to the Audit Committee for review (with review report issued) at least 30 days before the AGM, and presented during the AGM for the final acknowledgment.

1. Business report.
2. Financial statements.
3. Earnings appropriation or loss reimbursement proposal.

Article 27: The Company may not distribute dividends or share profit if there are no earnings available to do so.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve and provision of special reserve as the laws may require. Any surpluses remaining shall be added to unappropriated earnings accumulated from previous years and designated as cumulative distributable earnings, which the board of directors may propose to distribute according to the terms of the dividend policy outlined in Paragraph 4 of this Article. Dividends that are distributed in the form of new shares will have to be resolved in a shareholder meeting before

proceeding.

The Company may, in compliance with Paragraph 5, Article 240 of The Company Act, authorize the board of directors to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a board of directors meeting where more than two-thirds of the board is present, and voted in favor by more than half of all directors present at the meeting.

The Company shall set its dividend policy in shareholders' best interest after taking into consideration the current state and future prospect of the investment environment, the domestic and foreign competitive landscape, capital expenditure plans, and operational requirements. No less than 20% of distributable earnings shall be allocated as dividends (the distributable earnings mentioned here refer to the amount of current net income net of legal reserves and special reserves). Dividends can be paid in shares or in cash, and cash dividends shall amount to no less than 8% of total dividends.

The Company may, subject to compliance with Article 241 of the Company Act, distribute all or part of its legal/special reserves either in cash or by issuing new shares proportional to shareholders' existing shareholding percentage. The board of directors is authorized to pay out reserves in cash, provided that the decision is resolved in a board meeting with more than two-thirds of board members present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.

Article 27-1: As an incentive for employees and the management team, annual profits concluded by the Company (i.e. pre-tax profits before employee and director remuneration) are subject to employee remuneration of no less than 3% and director remuneration of no higher than 3%. However, profits shall first be reserved to offset against cumulative losses, if any, before the remainder can be distributed as employee/director remuneration in the above percentages. Share-based or cash payment of employee remuneration and cash payment of director remuneration are subject to resolution in a board meeting with more than two-thirds of the board present, and voted in favor by more than half of all attending directors. This decision shall also be reported in shareholder meeting.

Article 28: Any matters that are not addressed in the Articles of Incorporation shall be

governed by The Company Act and relevant regulations.

Article 29: The Articles of Incorporation was established on February 28, 1981.

The 1st amendment was made on June 19, 1981.

The 2nd amendment was made on August 3, 1982.

The 3rd amendment was made on May 11, 1984.

The 4th amendment was made on December 17, 1986.

The 5th amendment was made on November 2, 1989.

The 6th amendment was made on November 27, 1989.

The 7th amendment was made on November 10, 1992.

The 8th amendment was made on December 10, 1992.

The 9th amendment was made on February 1, 1993.

The 10th amendment was made on May 17, 1996.

The 11th amendment was made on January 15, 1997.

The 12th amendment was made on May 29, 1997.

The 13th amendment was made on June 20, 1998.

The 14th amendment was made on May 29, 2000.

The 15th amendment was made on May 2, 2000.

The 16th amendment was made on July 11, 2000.

The 17th amendment was made on July 11, 2000.

The 18th amendment was made on May 2, 2001.

The 19th amendment was made on June 14, 2002.

The 20th amendment was made on June 18, 2003.

The 21st amendment was made on June 15, 2004.

The 22nd amendment was made on June 14, 2005.

The 23rd amendment was made on June 14, 2006.

The 24th amendment was made on June 13, 2007.

The 25th amendment was made on June 13, 2008.

The 26th amendment was made on June 19, 2009.

The 27th amendment was made on June 17, 2010.

The 28th amendment was made on June 18, 2015.

The 29th amendment was made on June 14, 2016.

The 30th amendment was made on June 12, 2019.

## **[Appendix 3]**

### **Zinwell Corporation Directors Election Policy**

- Article 1 Election of directors shall proceed according to the terms of this Policy.
- Article 2 When electing directors, each share shall be vested with voting rights equal to the number of directors to be elected, unless otherwise specified in the Articles of Incorporation. These voting rights may be concentrated on one candidate or spread across multiple candidates. Independent directors and non-independent directors are to be elected during the same session, with electoral quota calculated separately.
- Article 3 Election of the Company's directors shall proceed according to the candidate nomination system mentioned in Article 192-1 of The Company Act, in which directors are to be elected from a list of candidates during shareholder meeting. Candidates who receive the highest number of votes are assigned the role of director, until the number of director seats mentioned in the Articles of Incorporation are fully filled. If two or more candidates receive the same number of votes, they shall draw for the remaining seats available. The chairperson will draw on behalf of those who are absent during the meeting.
- Elected directors who are found to fail eligibility or legal requirements on a later date shall be removed from the elected position.
- Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, nomination, method of election and all other compliance issues are governed by relevant laws of the securities authority.
- Article 4 Once the election commences, the chairperson shall designate ballot examiners and ballot counters to perform ballot examination and counting.
- Article 5 Ballots shall be prepared by the Company with conference pass ID and the number of votes pre-printed on the ballot.
- Article 6 If the candidate is a shareholder, voters will have to specify both shareholder account name and number in the "candidate" field of the ballot. If the candidate is not a shareholder, the candidate's name and ID card number will have to be specified instead. However, if the candidate is a corporate shareholder, the name of the corporation shall be specified in the



"candidate" field of the ballot; alternatively, voters may also specify the name of the corporation and the name of its representative. If there are multiple representatives, the names of all representatives shall be specified in the ballot.

- Article 7      Votes are voided in any of the following circumstances:
- (I)      Use of ballot that does not conform to the formats specified in this Policy.
  - (II)      Blank ballots cast into the ballot box.
  - (III)      Ballots with illegible writing or are altered.
  - (IV)      Where the candidate is a shareholder, the written identity and shareholder account number do not match the shareholder registry; or where the candidate is a non-shareholder, the written name and identity document number do not match the candidate's identity proof.
  - (V)      Ballots that contain writings other than the candidate's account name, shareholder account number (or ID card number), and allocated votes.
  - (VI)      Ballots that do not specify the candidate's account name or shareholder account number (or ID card number).
  - (VII)      Where the names of two or more candidates are printed on the same ballot.
- Article 8      Ballots are to be counted in the presence of a ballot examiner. The chairperson will announce the outcome of the vote immediately on site.
- Article 9      Any matters that are not addressed in this policy shall be governed by The Company Act, the Articles of Incorporation, and relevant regulations.
- Article 10      This Policy shall be implemented once approved in a shareholder meeting. The same applies to subsequent amendments.  
The Policy was first established on June 14, 2002.  
The 1st amendment was made on June 18, 2015.  
The 2nd amendment was made on June 14, 2016.  
The 3rd amendment was made on June 12, 2018.

## **[Appendix 4]**

### **Zinwell Corporation**

#### **Table of Amendments to the Procedures for Asset Acquisition and Disposal**

Article I	<p>Purpose</p> <p>To protect assets and duly disclose information, the Company's acquisition or disposal of assets shall be handled in accordance with these Procedures.</p>
Article II	<p>Basis</p> <p>These Procedures have been formulated in accordance with Article 36-1 of the Securities and Exchange Act and the competent securities authority's Letter Jin-Guan-Zhen No. 0960001463 dated January 19, 2007.</p>
Article III	<p>Scope of assets</p> <ol style="list-style-type: none"><li>I. Securities: Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li><li>II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</li><li>III. Membership cards.</li><li>IV. Intangible assets, including patents, copyrights, trademarks, and franchise rights.</li><li>V. Right-of-use assets.</li><li>VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li><li>VII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li><li>VIII. Other major assets.</li></ol>
Article III-I	<p>Definition of terms</p> <ol style="list-style-type: none"><li>I. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor under Article 156-3 of the Company Act.</li><li>II. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</li><li>III. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</li></ol>

- IV. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier, provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- V. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VI. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- VII. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- VIII. Over-the-counter venue (“OTC venue,” “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article IV      Evaluation procedure

- I. To acquire or dispose of securities that are not traded in the centralized market or OTC, the net worth per share, profitability, future development potential, market interest rate, bond coupon rate, debtors’ credit ratings, and the transaction price shall be considered before execution.
- II. The acquisition or disposal of securities that have been traded in the centralized market or OTC shall be determined according to the

equity or bond prices prevailing at the time.

- III. The acquisition or disposal of other assets mentioned in the preceding two paragraphs shall be conducted in any of the methods of inquiry, price comparison, negotiation, or bidding as per the publicly announced current value, the assessed value, and the actual transaction price of neighboring real property. If such acquisition or disposal meets the announcement and declaration standards under these Procedures, the Company shall refer to an appraisal report issued by a professional appraiser.

#### Article V      Asset acquisition or disposal procedures

- I. To acquire or dispose of assets, the responsible unit shall evaluate the reasons for the proposed acquisition or disposal, the subject matter, the transaction counterparty, the transfer price, the conditions for receipt and payment, and the basis for the price and submit them to the responsible unit for a decision, and the management departmental is responsible for executing the decision. Relevant matters are handled in accordance with the relevant operating regulations of the Company's internal control system and these Procedures.
- II. The Company's execution unit for long-term and short-term securities investment is the finance department, and the execution unit for real property and other fixed assets is the user department and relevant responsible units. Assets other than securities, real property, and other fixed assets may only be acquired after the relevant units' evaluation.
- III. The operations related to the acquisition or disposal of assets shall be handled in accordance with the relevant regulations of the Company's internal control system. If a material violation is discovered, relevant personnel shall be punished according to the violations.

#### Article VI      Approval hierarchy

The purchase and sale of the Company's long-term and short-term securities investments shall be submitted to the President and the Chairman for approval.

#### Article VII      Maximum investment amount

The Company may purchase real property or securities not for business use, and the total investment amount shall not exceed 30% of its total assets, the investment in securities shall not exceed 20% of its total assets, and the investment amount for individual securities shall not exceed 10% of its total assets.

Article VIII Announcement and declaration standards

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

- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. For an asset transaction other than any of those referred to in the preceding two subparagraphs, including a disposal of receivables by a financial institution or an investment in the mainland China area, the amount of the transaction reaches 20% or more of Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:
  - (i) Trading of domestic government bonds.
  - (ii) Where done by professional investors, securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
  - (iii) Trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
  - (iv) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
    1. Where the Company's paid-in capital is less than NT\$10 billion, and the transaction amount reaches NT\$500 million or more.
    2. Where the Company's paid-in capital is NT\$10 billion or more, and the transaction amount reaches NT\$1 billion or more.
  - (v) Acquisition or disposal by a public company in the construction

business of real property for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.

- (vi) Where real property is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.

The transaction amount in the preceding paragraph shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within the preceding year.
- III. The cumulative transaction amounts of respective acquisitions and disposals of real property or right-of-use assets thereof within the same development project within the preceding year.
- IV. The cumulative transaction amounts of respective acquisitions and disposals of the same security within the preceding year.

The term "within the preceding year" in the preceding paragraph refers to the year preceding the date of the current transaction. Portions which have been announced as per these Procedures need not be counted toward the transaction amount.

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

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

#### Article XIV Announcement and declaration deadline

Where any of the following circumstances occurs with respect to a transaction that the Company has already announced and declared as per the preceding paragraph, relevant information shall be announced and declared on the website designated by the FSC within two days counting inclusively from the date of occurrence:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares not completed by the scheduled date set forth in the contract.

III. Change to the originally publicly announced and reported information.

- Article X Where the transaction amount of the acquisition or disposal of real property, equipment, or the right-of-use assets thereof reaches 20% or more of its paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions:
- I. Where due to special circumstances it is necessary to give a limited price, specific price, or special price as a reference for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also apply to any subsequent change to the terms and conditions of the transaction.
  - II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
  - III. Where any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform an appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
    - (i) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
    - (ii) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
  - IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date, provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
- Article XI The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, audited or reviewed by a CPA, for reference in appraising the transaction price, and if the amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use a report by an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly

quoted prices of securities with an active market, or where otherwise provided by regulations of the FSC.

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

Article XII-I The transaction amount in the preceding three paragraphs of Article 12 shall be calculated as per the provisions under Article 8, paragraph 2, and the term “within the preceding year” refers to the year preceding the date of the current transaction. The portions on which appraisal reports issued by professional appraisers or about which CPAs have issued opinions as per the Procedures need not be counted toward the transaction amount.

Article XIII Where the assets are acquired or disposed of through court auction procedures, the supporting documents issued by the court may replace the appraisal report or a CPA’s opinion.

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

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

When issuing an appraisal report or opinion, the personnel referred to in the



preceding paragraph shall comply with the following:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When auditing a case, they shall appropriately plan and execute adequate operating procedures, in order to produce a conclusion and use the conclusion as the basis for issuing a report or opinion. The relevant working procedures, data collected, and conclusions shall be fully and accurately specified in the case working papers.
- III. They shall conduct an item-by-item evaluation of the completeness, accuracy, and reasonableness of the sources of data, parameters, and information used, as the basis for issuance of an appraisal report or opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared such a report or opinion, and that they have evaluated and verified that the information used is reasonable and accurate and that they have complied with applicable laws and regulations.

Article XV When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised as per the regulations, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall obtain an appraisal report from a professional appraiser or a CPA's opinion as per the preceding section.

The transaction amount in the preceding paragraph shall be calculated in accordance with Article 12-1.

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

Article XVI When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, it may not proceed to enter into a transaction contract or make a payment until the following information has been approved by the Audit Committee and resolved by the Board of Directors:

- I. The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.
- II. The reason for choosing the related party as a transaction counterparty.
- III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding evaluation of the reasonableness of the preliminary transaction terms as per the regulations.
- IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.
- V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- VII. Restrictive covenants and other important stipulations associated with the transaction.

The transaction amount in the preceding paragraph shall be calculated as per the provisions under Article 8, paragraph 2, and the term "within the preceding year" refers to the year preceding the date of the current transaction. The portions have been approved by the Audit Committee and resolved by the Board of Directors as per the regulations need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries of which it directly or indirectly holds 100% of their outstanding shares or total capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decision subsequently submitted to and ratified by the soonest Board meeting afterwards:

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

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

- I. It shall be based on the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. Necessary interest on funding is imputed as the weighted average interest rate on the borrowings in the year the Company purchases the property;

however, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

- II. It shall be based on the total loan value appraised by a financial institution where the related party has previously created a mortgage on the property as security for a loan. However, the actual cumulative amount of loans from the financial institution shall reach 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall be one year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

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

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

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

- I. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- II. More than five years have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
- III. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
- IV. The right-of-use assets of real property held for business use are acquired by the Company with subsidiaries, or by its subsidiaries of which it directly or indirectly holds 100% of their outstanding shares or total capital.

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

- I. A special reserve shall be set aside in accordance with the difference between the transaction price of the real property or right-of-use assets thereof and the appraised cost, and may not be distributed or used for

allotment for capital increase. Where investors whose investments in the Company are accounted for under the equity method are publicly listed companies, then the special reserve shall be set aside in proportion to the share of their equity stake in the Company.

II. The Audit Committee shall proceed in accordance with Article 280 of the Company Act.

III. Actions taken pursuant to the preceding 2 subparagraphs shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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

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

Article XXIV When the Company engages in derivatives trading, it shall handle it in accordance with the Company's procedures for engaging in derivatives trading, and the Company shall pay attention to risk management and auditing to duly implement the internal control system.

Article XX The Company engaging in a merger, demerger, acquisition, or transfer of share, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary of which it directly or indirectly holds 100% of its outstanding shares or total capital, or in the case of a merger between subsidiaries of which the Company directly or indirectly holds 100% of the respective subsidiaries' outstanding shares or total capital.

The Company shall prepare a public report to shareholders detailing important

contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with an expert's opinion in the notice of the shareholders' meeting as a reference for them to decide whether to approve the merger, demerger, or acquisition. However, where a provision of another act exempts the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

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

**Article XXI** The Company shall convene a Board meeting and a shareholders' meeting on the same day as other companies in the transaction to resolve matters related to the merger, demerger, or acquisition, unless another act provides otherwise or the Securities and Futures Commission is notified in advance of special circumstances and gives its consent.

The Company participating in a transfer of shares shall call a Board meeting on the same day as other companies in the transaction, unless another act provides otherwise or the Securities and Futures Commission is notified in advance of special circumstances and gives its consent.

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

- I. Basic information of personnel: Including the job titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of shares prior to disclosure of the information.
- II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the Board meetings convened.
- III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board meetings.

When participating in a merger, demerger, acquisition, or transfer of shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within two days counting inclusively from the date of passage of a resolution by the Board of Directors, report, in the prescribed format and through the internet-based information system, the information set out in

subparagraphs 1 and 2 of the preceding paragraph to the competent for review. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is neither listed on an exchange nor has its shares traded on an OTC market, the company that is listed on an exchange or has its shares traded on an OTC market shall sign an agreement with such a company whereby the latter shall comply with paragraphs 3 and 4.

- Article XXII The Company engaging in a merger, demerger, acquisition, or transfer of share, shall change the share exchange ratio or the acquisition price except under the following conditions and shall set the conditions for change in the merger, demerger, acquisition, or transfer of share contract:
- I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
  - II. An action, such as a disposal of major assets, that affects the Company's financial operations.
  - III. An event, such as a major disaster or major change in technology, that affects shareholders' equity or share price.
  - IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares buys back treasury stock.
  - V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
  - VI. Other terms or conditions that the contract stipulates may be revised and that have been publicly disclosed.
- The Company's contract on merger, demerger, acquisition, or transfer of shares shall specify relevant matters in accordance with the regulations to safeguard participating companies' rights and interests.

- Article XXII-I When the Company engaging in a merger, demerger, acquisition, or transfer of share, the contract shall contain the participating companies' rights and obligations in the merger, demerger, acquisition, or transfer of share as well as the following:
- I. Handling of breach of contract.
  - II. Principles for the handling of equity-based securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - III. The amount of treasury stock participating companies are permitted to buy back as per laws after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  - IV. The method of handling changes in the number of participating entities or companies.

- V. Preliminary progress schedule for plan execution and anticipated completion date.
- VI. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion and relevant procedures.

Article XXII-II Other matters that shall be noted when the Company participates in merger, demerger, acquisition, or transfer of share:

- I. Every person participating in or privy to the plan for a merger, demerger, acquisition, or transfer of shares shall issue a written non-disclosure agreement and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or the name of another person, any stock or other equity securities of any company related to said plan.
- II. In the event of changes in the number of companies engaging in merger, demerger, acquisition, or transfer of shares: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to change the authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.
- III. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a publicly listed company, the Company shall sign an agreement with such a company whereby the latter shall comply with the provisions of Articles 21 and the preceding two subparagraphs.

Article XXIII The regulations on the acquisition or disposal of assets by subsidiaries

- (i) The acquisition or disposal of assets by the Company's any subsidiary shall be handled in accordance with the parent company's regulations.
- (ii) Where a subsidiary of the Company is not a domestic publicly listed company and the assets it acquired or disposed of meet the announcement and declaration standards under Article 8, the parent company shall make an announcement on its behalf.
- (iii) The amount of paid-in capital or total assets under the public announcement and declaration standards applicable to subsidiaries shall be subject to the parent company's amount of paid-in capital or total

assets.

The term “subsidiaries” refers to an investee in which the Company directly holds more than 50% of its outstanding voting shares, an investee in which the Company indirectly holds more than 50% of its outstanding voting shares through a subsidiary, or an investee in which the Company directly and indirectly holds more than 50% of its outstanding voting shares directly or through a subsidiary, and so on and so forth.

Article XXIII-I For the rule regarding 10% of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be adopted. In the case of a company with a no-par-value stock or shares with a par value other than NT\$10, the criterion for the transaction amount reaching 20% of paid-in capital under these Procedures shall be subject to 10% of equity attributable to owners of the parent; the criterion for the transaction amount with a paid-in capital of NT\$10 billion, the amount of NT\$20 billion for the equity attributable to the owners of the parent company shall be adopted.

#### Article XXIV Disclosures in financial statements

If the Company acquires or disposes of assets that meet the standards for announcement and declaration under Article 8 of these Procedures and the transaction counterparty is a substantive related party, it shall disclose the announcement in the notes to the financial statements and submit a report to the shareholders’ meeting.

#### Article XXV Effective date

These Procedures and any amendment thereto shall be approved by the Audit Committee in accordance with relevant regulations, submitted to the board of directors for a resolution, and then submitted to the shareholders’ meeting for approval before implementation. If a director expresses dissent and it is specified in the minutes or a written statement, the Company shall send the dissenting opinions to supervisors.

When such matters are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director’s opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board meeting.

#### Article XXVI Penalties

In the acquisition or disposal of assets by the Company’s relevant personnel in



violation of these Procedures, it shall be reported regularly as per the Company's personnel management regulations and employee handbook; disciplinary actions shall be imposed according to the severity of the circumstances.

Article XXVII The Procedures were first established on June 18, 2003.

The 1st amendment was made on June 13, 2007.

The 2nd amendment was made on June 18, 2012.

The 3rd amendment was made on June 23, 2014.

The 4th amendment was made on June 14, 2016.

The 5th amendment was made on June 12, 2018.

The 6th amendment was made on June 12, 2019.

## [Appendix 5]

### Shareholding of Current Directors

Below is a breakdown of directors' shareholding, based on shareholder registry as of the book closure date (April 16, 2022). Statutory minimum required shareholding across all directors as of the above date is: 12, 707, 561 (%).

The Company has assembled an Audit Committee, therefore supervisors' statutory minimum shareholding requirements do not apply.

Title	Name	Shareholding position as of the book closure date (shares)
Chairman	Chi-Rui Huang	11, 564, 943
Vice Chairman	Hung-Chi Hsiao	8, 832, 329
Director	Ching-Hui Lin	6, 574, 132
Director	Chi-An Huang	3, 064, 161
Director	Chi-Nan Huang	3, 634, 019
Director	I-Chuan Lin	946, 339
Director	Yu-Hsing Liang	553, 352
Director	Wen-Hsieng Chiang	487, 295
Director	Chien-Cheng Wu	498, 079
Director	Wen-Shun Ho	50, 217
Independent Director	Ming-Yo Huang	0
Independent Director	Chien-Te Liu	0
Independent Director	Jun-cheng Chen	0
Total directors' shareholding		36, 204, 866

Note: Total outstanding shares as of the book closure date (April 16, 2022): common shares.