

PANJIT International Inc.

2022 Annual General Meeting Manual

Convening method: Physical Shareholders Meeting

Time: June 14, 2022 (Thesday) 9:00AM

Location: 9F., No. 266, Chenggong 1st Rd., Qianjin Dist., Kaohsiung City (Jīn-Yín Room of Grand Hi-Lai Hotel)

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This is a translation of the meeting manual for the 2022 annual general meeting (“the meeting manual”) of PANJIT INTERNATIONAL INC. (“the company”). The translation is intended for reference only and no other purpose. The company hereby disclaims any and all liabilities whatsoever for the translation. The chinese text of the meeting manual shall govern any and all matters related to the interpretation of the subect matter stated herein.

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PANJIT International Inc.
2022 Annual General Meeting
Procedure

1. Call the Meeting to Order
2. Chairperson Remarks
3. Management Presentation
4. Approvals
5. Discussions
6. Extraordinary motions
7. Adjournment

2022 AGM Meeting Agenda of PANJIT International Inc.

- I. Time: June 14, 2022 (Tuesday) 9:00AM.
2. Location: 9F., No. 266, Chenggong 1st Rd., Qianjin Dist., Kaohsiung City (Jīn-Yīn Room of Grand Hi-Lai Hotel)
3. Call the Meeting to Order
4. Chairperson Remarks
5. Management Presentation:
 - (I)FY2021 Business Report and FY2022 Business Plan.
 - (II)Audit Committee's Review of FY2021 Final Statements.
 - (III)FY2021 Employee and Director Remuneration
 - (IV)FY2021 Cash Dividend Distribution
 - (V)FY2021 Endorsements and Guarantees
6. Approval:
 - (I)Approval of FY2021 Business Report and Financial Statements
 - (II)Approval of FY2021 Earnings Distribution
 - (III)Changes to the Funds Utilization Plan of the Company's 2021 Issuing Common Stock for Cash and Issuing Global Depositary Receipt.
7. Discussions:
 - (I)Amendment to the Company's "Procedure for Acquisition and Disposal of Assets".
 - (II)Amendment to the Company's Articles of Incorporation.
 - (III)Amendment to the Company's "Rules of Procedure for Shareholder Meetings".
 - (IV)Amendment to the Company's " Procedure for Election of Directors ".
 - (V)To approve issuance of new common shares for cash in private placement.
8. Extraordinary motions
9. Adjournment

Management Presentation

I.FY2021 Business Report and FY2022 Business Plan. Please refer to [Annex I]

II.Audit Committee's Review of FY2021 Final Statements. Please refer to [Annex II]

III.FY2021 Employee and Director Remuneration

The Company's Articles of Incorporation stipulates in Article 19 that, after annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration." After deducting the reserved FY2021 offsetting amount, the profit is NT\$2,425,800,611. It is proposed to allocate 2% for director remuneration, totaling NT\$48,516,011, and 6% for employee compensation, totaling NT\$145,548,038. All are issued in cash.

IV.FY2021 Cash Dividend Distribution

- (1) According to the first paragraph of Article 19-1 of the Articles of Incorporation, the Board of Directors shall draft a surplus distribution proposal, and report to the shareholders meeting after the resolution of the Board of Directors in accordance with the second paragraph of the same article.
- (2) The Company has decided to distribute shareholder dividends of NT\$3 per share, all of which will be paid in cash, with a total amount of NT\$1,146,344,781.
- (3) The Board of Directors authorized the Chairman to set the

ex-dividend base date for issuance. The current cash dividends are calculated by rounding down to the whole NT one dollar; the fractional amounts are aggregated and recorded as the Company's other income.

- (4) If the number of outstanding shares is affected by the purchase or transfer of treasury stocks or other factors, the Board of Directors authorizes the Chairman for sole discretion and adjustments.

V.FY2021 Endorsements and Guarantees

As of December 31, 2021, the Company's endorsements and guarantees provided are as follows:

Units: NT\$ thousands

Subject Of Endorsements/Guarantees	The Highest Outstanding Amount Till The End Of The Month	Outstanding Endorsements And Guarantees At The End Of The Period	Actual Amount Used
Company Name			
PAN-JIT ASIA INTERNATIONAL INC.	1,888,260	1,826,880	1,826,880
Total		1,826,880	

Approvals

Proposal 1: Board of Directors' proposal

Subject: Approval of FY2021 Business Report and Financial Statements

Details: 1. The Company's FY2021 Business Report (please refer to [Annex I]), Parent Company Only Financial Statements and Consolidated Financial Statements (please refer to [Annex 3] and [Annex 4]) have been audited by CPA CHEN, ZHENG-CHU, and FU, WEN-FANG of Ernst & Young, which are considered to be sufficient to adequately represent the Company's financial status as of December 31, 2021, and FY2021 operating results and cash flow.

2. The above-mentioned final statements have been sent to the Audit Committee for review, and it is deemed to be without discrepancy.

3. Please approve.

Resolutions:

Proposal 2: Board of Directors' proposal

Subject: Approval of FY2021 Earnings Distribution.

Details: 1. The Company's Earnings Distribution Chart, please refer to [Annex V].

2. The Company's FY2021 Net Income of NT\$1,926,974,775, plus the opening undistributed earnings of NT\$428,650,386, and disposal of investments in equity instruments measured at fair value through other comprehensive income of NT\$51,990,920 and FY2021

other comprehensive income (re-measurement of defined benefit plan) of NT\$1,920,539, and deducting the changes of equities in subsidiary ownership, NT\$204,899,901, the total earnings available for distribution is NT\$2,204,636,719. Excluding the legal reserve of NT\$177,598,633, it is proposed to distribute a dividend of NT\$3 per share to shareholders. All payments will be made in cash, with a total amount of NT\$1,146,344,781.

3. The above-mentioned disposition of net income have been sent to the Audit Committee for review, and it is deemed to be without discrepancy.
4. Please approve.

Resolutions:

Proposal 3: Board of Directors' proposal

Subject: Approval of Changes to the Funds Utilization Plan of the Company's 2021 Issuing Common Stock for Cash and Issuing Global Depositary Receipt.

Details: 1. Changes to the Funds Utilization Plan of the Company's 2021 Issuing Common Stock for Cash and Issuing Global Depositary Receipt. It has been declared effective by the Financial Supervision Commission on September 17, 2021, with Jin-Guan-Zheng-Fa-Zi No. 1100357515 Letter. The purpose of the fund-raising plan is to repay bank loans, reinvest in overseas subsidiaries and purchase materials in foreign currencies. The total amount of funds required is US\$235,714 thousand (equivalent to NT\$6,600,000 thousand).

2. Due to the recent rapid changes in domestic and foreign political and economic situations and capital markets, the funds raised have been reduced, comparing to the original plan. After evaluating the business strategy, and considering the flexibility of the use of funds and market changes, it is planned to change the use of funds to repay bank loans and purchase materials in foreign currencies, and adjust the progress of fund use. The actual amount raised is US\$151,000 thousand (equivalent to NT\$4,228,000 thousand). Please refer to [Appendix VI] for the description of the plan to raise funds before and after the change and the evaluation opinions of the original lead underwriter.
3. This case has been approved by the Audit Committee. In accordance with the provisions of Article 11, Paragraph 1, Subparagraph 6 of the "Guidelines for the Handling of Issuers' Raising and Issuing Overseas Marketable Securities", after the resolution of the board of directors is passed, it shall be submitted to the 2022 Annual General Meeting of Shareholders for approval.
4. Please approve.

Resolutions:

Discussions

Proposal 1: Board of Directors' proposal

Subject: Amendment to “Procedure for Acquisition and Disposal of Assets” of the Company. Please approve.

Details: 1. In accordance with the regulations of the Financial Supervisory Commission issued on January 28, 2022, Jin-Guan-Zheng-Fa-Zi No. 1110380465 and actual operational requirements, amendment to the Company’s “Procedure for Acquisition and Disposal of Assets” is proposed. Please refer [Annex VII] for articles before and after proposed amendment.

2. Please approve.

Resolutions:

Proposal 2: Board of Directors' proposal

Subject: Amendments to the Company’s Articles of Incorporation.

Details: 1. In line with the amendment to the Company Act and actual operational requirements, it is proposed to amend the Company’s Articles of Incorporation. Please refer to [Annex VIII] for a comparison of the provisions before and after the amendment.

2. Please approve.

Resolutions:

Proposal 3: Board of Directors' proposal

Subject: Amendments to the Rules of Procedure for Shareholder Meetings

Details: 1. In line with relevant laws and regulations and actual

operational requirements, it is proposed to amend the "Rules of Procedures for Shareholders Meetings." Please refer to [Annex IX] for a comparison of the provisions before and after the amendment.

2. Please approve.

Resolutions:

Proposal 4: Proposed by the Board

Subject: Amendment to the Company's " Procedure for Election of Directors". Please approve.

Details: 1. In line with relevant laws and regulations and actual operational requirements, it is proposed to amend the Company's "Procedure for Election of Directors." Please refer to [Annex X] for a comparison of the provisions before and after the amendment.

2. Please approve.

Resolutions:

Proposal 5 : Proposed by the Board

Subject: To approve issuance of new common shares for cash in private placement.

Details: I. Fundraising purpose and amount:

In order to introduce strategic investors to facilitate long-term operation and business development, the Company intends to request that the shareholders' meeting authorizes the board of directors for issuance of new common shares for cash in private placement within a range of not more than 38,000

thousand shares in accordance with Article 43-6 of the Securities and Exchange Act. From the date of the resolution of the shareholders' meeting, it will be issued in one or two times within one year.

II. In accordance with Article 43-6 of the Securities and Exchange Act and the provisions of "Directions for Public Companies Conducting Private Placements of Securities", the relevant matters of this fundraising case are explained as follows:

1. The basis and rationality of the private placement price:

(1) The subscription price of common stock in this private placement is determined by calculating the simple arithmetic average of the closing price of common stock one, three or five business days before the pricing date. Either the stock price after deducting ex-rights and dividends for free allotment, and adding back the share price after capital reduction and anti-ex-rights, or the simple arithmetic average of the closing price of common stock for the 30 business days before the pricing date minus the ex-rights and dividends of the free allotment, and add back the share price after capital reduction and anti-ex-rights. Which ever is higher shall be the reference price.

(2) The subscription price of common stock in this private placement shall be based on no less than

90% of the reference price. The shareholders' meeting is requested to authorize the board of directors to determine the actual pricing date and actual private placement price within the range that is no less than the percentage of the resolution of the shareholders' meeting, depending on the situation of the specific person and market conditions in the future.

(3) The aforesaid subscription price of private common stock is determined with reference to the Company's share price, and is in line with the regulations of "Directions for Public Companies Conducting Private Placements of Securities", so it should be reasonable.

2. The method, purpose, necessity and expected benefits to determine specific investor(s):

(1) The target of this private placement of common stock is limited to specific investor(s) who meet the requirements of Article 43-6 of the Securities and Exchange Act and the Financial Supervision and Administration Commission Order of (91) Tai Cai Zheng Yi Zi No. 0910003455 on June 13, 2002. As a strategic investor, priority will be given to those who can generate benefits for the Company's long-term development and competitiveness and existing shareholders' equity.

(2) The purpose, necessity and expected benefits to

determine specific investor(s):

2-1. The purpose and necessity to determine specific investor(s):

In view of the increasingly obvious trend of inter-industry and upstream and downstream integration, and the rapid changes in the industrial environment, the selection of the specific investor(s) in this case shall not be an insider or related person of the Company, but is limited to a strategic investor who can introduce new products and markets for the Company. In order to increase market share, strengthen customer structure, product mix and marketing capabilities, and consolidate the Company's position in the semiconductor industry supply chain. This is a necessary strategy for the Company's long-term development.

2-2. The expected benefits to determine specific investor(s) :

It is expected to jointly develop or expand business to strengthen the Company's competitiveness and enhance operational efficiency and long-term development.

(3) Currently there is no available specific investor(s). Matters related to negotiating specific investor(s) is submitted to the shareholders' meeting for

authorization to the board of directors to deal with the matter fully.

3. Necessary reasons for private placement:

(1) Reasons for not adopting public offering:

Considering factors such as the relative timeliness and convenience of private placement, and the requirement that private placement securities cannot be freely transferred within three years in principle, this will ensure a long-term relationship between the Company and specific investor(s), which is beneficial to the Company's plan to introduce strategic investors. Therefore, it is necessary to handle by private placement.

(2) Use of funds and expected benefits:

Depending on the market and the situation of the specific person, the Company will issue once or in stages (no more than twice). The funds raised this time are expected to be used to enrich working capital, improve the financial structure and other capital needs for the Company's long-term development. It is expected to strengthen the competitiveness of the Company and improve the operating efficiency after the completion of the use of funds.

(3) One year before the Company's board of directors resolved to proceed with private placement, there's no major changes in

ownership.

It is expected that after the introduction of strategic investors through private placement, there will be no major changes in the ownership, and there is no need to consult a securities underwriter to issue an assessment opinion on the necessity and rationality of private placement.

- III. Request the shareholders' meeting to authorize that the board of directors shall apply to the Taiwan Stock Exchange Corporation for approval and issuance of a letter of consent that meets the listing standards after three years from the date of delivery of the private common stock, and subsequently report to the competent authority for supplementary issuance and application for listing and trading matter.
- IV. The private common stock issued this time will have the same rights and obligations as the original common stock, except that they are subject to the restriction of transfer within three years after delivery in accordance with Article 43-8 of the Securities and Exchange Act.
- V. In order to proceed with the cash capital increase for private placement of common stock, it is proposed to the shareholders' meeting for authorization to the chairman or his designated person to approve and sign all relevant documents related to participation in this private placement plan and proceed with related matters on behalf of the Company.
- VI. After this proposal of cash capital increase for private

common stock has been approved by the shareholders' meeting, it is proposed that the shareholders' meeting fully authorizes the board of directors to deal with the private placement conditions, capital utilization plan, capital use, scheduled progress, expected benefits and other related matters, based on the Company's actual conditions, demands, market conditions and relevant laws and regulations formulated. In the future, if amendments are required due to changes in laws or instructions from competent authorities, or based on changes in operational assessments or objective market factors, the board of directors are also fully authorized to deal with the situations.

VII. The undecided matters shall be authorized to the Chairman to handle with sole discretion.

VIII. After the resolution of the board of directors is passed, it will be submitted to the 2022 Annual General Meeting of Shareholders for discussion.

VIII. Please approve.

Resolutions:

Extraordinary motions

Adjournment

PANJIT International Inc.

Annual Business Report

Market news

2021 summary:

The supply chain chaos caused by the new coronavirus epidemic since 2019 has not eased. Entering the post-epidemic era in 2021, home office and distance learning still greatly increase the demand for computer applications, and automotive applications, which were at the trough in 2020, have gradually recovered. With the advance deployment in the supply chain, PANJIT's supply capacity has been greatly improved. As a result, the operating conditions in 2021 had obvious gains and growth. With the advance deployment in the supply chain, PANJIT's supply capacity has been greatly improved.

Corporate development

Core technologies:

It is continuing the 2020 development of high-power components (MOSFET, IGBT, SiC) products. In addition to the first-generation SiC Diode components and the power components required for IGBTs, which were launched in 2019, the high-power Super Junction, MOSFET and SGT MOSFET independently developed by PANJIT have also been launched. Also, the 8-inch key process wafer fab inhouse has also entered the trial production stage. Over the years, PanJIT has continued to invest in R&D resources. At present, it has built the core technology of high-power components and successfully met the product needs of the high-end market.

Market planning:

PANJIT has been working hard in the automotive application market for a long time. In recent years, whether it is the certification and approval of Qiangmao products by new automobile customers, or the number of vehicle certifications passed by new products, the number of vehicle certifications has increased year by year, which has been recognized by international manufacturers. In addition to the existing products and services, in order to ensure that it can provide customers with more solutions, PANJIT is also actively deploying high-power products (MOSFET, IGBT, SiC) and Bridge and has successively made gains. In addition, PANJIT joined the Digi-key platform in 2021. In the fourth quarter of same year, in response to increased demand for consumer applications and automotive applications, the Board of Directors invested in advanced packaging product lines to meet future market demand.

Financial performance

In 2021, consolidated revenue was NT\$13.9 billion, and in 2021, consolidated operating gross profit was NT\$4.4 billion. The Company's 2021 consolidated operating income was NT\$2.29 billion. Based on the above information, the consolidated net profit per share in 2021 is NT\$5.66.

Regarding the cash dividend, the Board of Directors approved the allotment of NT\$3 per share.

Future prospects

PANJIT has gradually realized its investment and strategic layout in the field of power semiconductors. From consumer applications to automotive applications and industrial applications gradually, complete solutions from traditional diode components to high power components, from the procurement of wafers to the design of mid-to-high-power masks and the casting of wafers in foundries, from local professionals to the recruitment of

international talents, PANJIT is constantly improving in products, technology and R&D energy. In the future, the funds raised by the issuance of overseas depositary receipts (GDRs) in 2021 will continue to be invested in the investment in the field of power semiconductors and the development of technology. And the link to market channels and brand marketing increases market share and product profitability for sustainable development.

PANJIT International Inc.

Chairman: FANG, MIN-QING

Managerial Officer: FANG, MIN-QING

Accounting Supervisor: XIE, BAI-CHENG

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for allocation of earnings. The CPA firm of Ernst & Young Taiwan was retained to audit the Parent Company Only Financial Statements and Consolidated Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for allocation of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please approve.

Yours sincerely

2022 Annual General Meeting of PANJIT International Inc.

PANJIT International Inc.

Audit Committee convener: CHEN, YI-CHENG

March 25, 2022

Independent Auditor's Report

To: PANJIT INTERNATIONAL INC.

Opinion

We have audited the Parent Company Only Balance Sheets of PANJIT INTERNATIONAL INC. (the "Company") As of December 31, 2021, and 2020, the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to Parent Company Only Financial Statements (including Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2021, and 2020.

In our opinion, based on our audits, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2021 and 2020, and their parent company only financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. 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 Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

The operating revenues of the Company amounted to \$8,706,119 thousand for the year ended 31 December 2021. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; performing cutoff procedures, testing general journal entry, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the Company's parent company only financial statements.

2. Evaluation of Inventories

As of 31 December 2021, the Company's net inventories amounted to \$1,455,870 thousand, constituting 6% of total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management's significant accounting estimation and judgement, and the carrying amount of inventories is material to parent company only financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around revenue recognition by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's parent company only financial statements.

Other matters– Making Reference to the Audits of Other Independent Accountants

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of \$1,574,237 thousand, constituting 7% of total assets as of 31 December 2021. The related shares of profits from the associates and joint ventures under the equity method of \$92,457 thousand, constituting 4% of pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of (\$3,467) thousand, constituting 2% of other comprehensive income for the year ended 31 December 2021. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only 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 Company to express an opinion on the parent company only 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 2021 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Ernst & Young Taiwan

March 25, 2022

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants 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, Ernst & Young 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.
Parent Company Only Balance Sheets
December 31, 2020, and 2021
(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	31 December, 2021		31 December, 2020	
		Amount	%	Amount	%
Current asset					
Cash and cash equivalents	6(1)	\$1,262,462	6	\$600,879	4
Financial assets at fair value through profit or loss - current	6(2)	-	-	6,347	-
Notes receivable, net	6(4).(16)	60,686	-	36,344	-
Trade receivable, net	6(5).(16)	2,199,360	10	1,708,585	12
Trade receivable - related parties, net	6(5).(16),7	207,130	1	277,171	2
Other receivables, net	7	112,926	1	52,505	-
Inventories, net	6(6)	1,455,870	6	881,552	6
Other current assets	8	165,690	1	177,666	1
Total current assets		5,464,124	25	3,741,049	25
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	314,350	1	279,068	2
Investments accounted for using the equity method	6(7)	10,176,614	45	7,320,777	50
Property, Plant, and Equipment	6(8),7,8	3,957,765	18	2,524,877	17
Right-of-use assets	6(17)	22,612	-	27,837	-
Intangible assets	6(9)	97,127	1	77,792	1
Deferred tax assets	6(21)	260,785	1	267,315	2
Prepayment for equipments		301,606	1	311,572	2
Prepayment for Investment		1,396,500	6	-	-
Other non-current assets		488,437	2	74,430	1
Total non-current assets		17,015,796	75	10,883,668	75
Total assets		\$22,479,920	100	\$14,624,717	100
Liabilities and Equity					
Current Liabilities					
Short-term borrowings	6(10)	\$2,931,307	13	\$1,385,443	10
Financial liabilities at fair value through profit or loss - current	6(11)	-	-	2,822	-
Contractual liabilities - current	6(15)	5,982	-	399	-
Trade payable		818,210	4	457,354	3
Trade payable-related parties	7	310,724	1	313,750	2
Other payables	7	997,200	4	1,547,413	11
Current tax liabilities	6(21)	231,161	1	71,055	-
Lease liabilities - current	6(17)	7,981	-	7,864	-
Long-term borrowings, current portion	6(12)	32,458	-	-	-
Other current liabilities		10,876	-	16,891	-
Total current liabilities		5,345,899	23	3,802,991	26
Non-current liabilities					
Long-term borrowings	6(12),8	4,030,629	18	3,522,198	24
Deferred tax liabilities	6(21)	77,919	-	71,920	-
Lease liabilities - non-current	6(17)	14,767	-	20,033	-
Defined benefit liabilities-non-current	6(13)	89,167	1	102,713	1
Other non-current liabilities		25,671	-	5,441	-
Total non-current liabilities		4,238,153	19	3,722,305	25
Total liabilities		9,584,052	42	7,525,296	51
Equity					
Capital					
Common stock	6(14)	3,828,149	17	3,328,149	23
Capital surplus	6(14)	6,086,155	27	2,196,674	15
Retained earnings	6(14)				
Legal reserve		328,134	2	239,453	2
Special reserve		717,237	3	717,237	5
Unappropriated earnings		2,204,637	10	1,015,504	7
Total retained earnings		3,250,008	15	1,972,194	14
Other components of equity					
Treasury stock	6(14)	(16,507)	-	(16,507)	-
Total equity		12,895,868	58	7,099,421	49
Total liabilities and equity		\$22,479,920	100	\$14,624,717	100

(The accompanying notes are an integral part of the parent company only financial statements.)

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	Note	2021		2020	
		Amount	%	Amount	%
Operating revenue	6(15),7	\$8,706,119	100	\$6,710,919	100
Operating cost	6(18),7	(6,127,183)	(70)	(5,375,874)	(80)
Gross profit		2,578,936	30	1,335,045	20
Unrealized profit (loss) from sales		(32,465)	-	(19,284)	-
Realized profit (loss) on from sales		19,284	-	20,066	-
Gross profit-net		2,565,755	30	1,335,827	20
Operating expense	6(16),(18) ,7				
Selling expenses		(497,893)	(6)	(395,712)	(6)
General and administrative expenses		(590,840)	(7)	(281,533)	(4)
Research and development expenses		(260,395)	(3)	(164,151)	(2)
Expected credit (losses)		(6,707)	-	(641)	-
Subtotal		(1,355,835)	(16)	(842,037)	(12)
Operating income		1,209,920	14	493,790	8
Non-operating income and expenses	6(19)				
Interest income		537	-	6,232	-
Other income		102,070	1	22,978	-
Other gains and losses		18,473	-	(44,868)	(1)
Finance costs		(68,783)	(1)	(54,657)	(1)
Share of profit or loss of subsidiaries and associates under equity method	6(7)	969,520	11	519,949	8
Subtotal		1,021,817	11	449,634	6
Pretax income from continuing operations		2,231,737	25	943,424	14
Income tax expenses	6(21)	(304,762)	(4)	(45,989)	(1)
Profit from continuing operations		1,926,975	21	897,435	13
Net income		1,926,975	21	897,435	13
Other comprehensive income (loss)	6(20)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		3,727	-	(6,480)	-
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		335,088	4	377,126	5
Income tax related to items that will not be reclassified subsequently		(3,477)	-	(12,825)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(188,795)	(2)	(31,085)	-
Income tax related to items that may be reclassified		36,520	-	2,426	-
Total other comprehensive income, net of tax		183,063	2	329,162	5
Total comprehensive income		\$2,110,038	23	\$1,226,597	18
Earnings per share (NTD)					
Basic earnings per share	6(22)	\$5.66		\$2.70	
Diluted earnings per share	6(22)	\$5.64		\$2.69	

(The accompanying notes are an integral part of the parent company only financial statements.)

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	Capital		Retained earnings			Other Components of Equity			Treasury Stock	Total Equity
	Common Stock	Capital surplus	Legal Reserves	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others		
Balance as of January 1, 2020	\$3,328,149	\$2,202,946	\$186,432	\$525,032	\$723,373	(\$640,624)	(\$75,991)	(\$622)	\$-	\$6,248,695
Appropriation and distribution of 2019 retained earnings										
Legal reserve	-	-	53,021	-	(53,021)	-	-	-	-	-
Special reserve	-	-	-	192,205	(192,205)	-	-	-	-	-
Cash dividend	-	-	-	-	(349,456)	-	-	-	-	(349,456)
Changes in equity of associates accounted for using equity method	-	(489)	-	-	(154)	-	-	209	-	(434)
Net income in 2020	-	-	-	-	897,435	-	-	-	-	897,435
Other comprehensive income (loss) in 2020	-	-	-	-	(5,087)	(28,659)	362,908	-	-	329,162
Total comprehensive income (loss)	-	-	-	-	892,348	(28,659)	362,908	-	-	1,226,597
Repurchase of treasury shares	-	-	-	-	-	-	-	-	(16,507)	(16,507)
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(8,489)	-	-	-	-	-	-	-	(8,489)
Increase (decrease) through changes in ownership interests in subsidiaries	-	2,706	-	-	(3,691)	-	-	-	-	(985)
Disposal of equity instrument investments at fair value through other comprehensive income	-	-	-	-	(1,690)	-	1,690	-	-	-
Balance as of 31 December, 2020	\$3,328,149	\$2,196,674	\$239,453	\$717,237	\$1,015,504	(\$669,283)	\$288,607	(\$413)	(\$16,507)	\$7,099,421
Balance as of 1 January, 2021	\$3,328,149	\$2,196,674	\$239,453	\$717,237	\$1,015,504	(\$669,283)	\$288,607	(\$413)	(\$16,507)	\$7,099,421
Appropriation and distribution of 2020 retained earnings										
Legal reserve	-	-	88,681	-	(88,681)	-	-	-	-	-
Cash dividend	-	-	-	-	(498,172)	-	-	-	-	(498,172)
Changes in equity of associates accounted for using equity method	-	113,328	-	-	-	-	-	-	-	113,328
Net income in 2021	-	-	-	-	1,926,975	-	-	-	-	1,926,975
Other comprehensive income (loss) in 2021	-	-	-	-	1,920	(152,275)	333,418	-	-	183,063
Total comprehensive income (loss)	-	-	-	-	1,928,895	(152,275)	333,418	-	-	2,110,038
Issue of shares	500,000	3,610,956	-	-	-	-	-	-	-	4,110,956
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	165,193	-	-	(204,900)	-	-	-	-	(39,707)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	51,991	-	(51,991)	-	-	-
Balance as of 31 December, 2021	\$3,828,149	\$6,086,155	\$328,134	\$717,237	\$2,204,637	(\$821,558)	\$570,034	(\$413)	(\$16,507)	\$12,895,868

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	2021	2020
	Amount	Amount
Cash flow from operating activities		
Net income before tax	\$2,231,737	\$943,424
Adjustment items:		
Revenue and expenses:		
Depreciation	288,662	303,222
Amortization	35,450	36,204
Expected credit losses	6,707	641
Net (gain) loss of financial assets or liabilities at fair value through profit or loss	(1,475)	777
Interest expense	68,783	54,657
Interest revenue	(537)	(6,232)
Dividend revenue	(6,278)	(7,404)
Share of (profit) loss of subsidiaries and associates accounted for using equity method	(969,520)	(519,949)
Loss on disposal of property, plant and equipment	6,988	1,516
(Gain) on disposal of investments	(2,548)	-
Reversal of impairment loss on non-financial assets	(348)	(1,964)
Unrealized profit from sales	32,465	19,284
Realized (profit) on from sales	(19,284)	(20,066)
Others	(27,823)	(12,211)
Subtotal	(588,758)	(151,525)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	7,548	87,505
(Increase) decrease in notes receivable	(24,342)	1,608
(Increase) in trade receivable	(497,482)	(253,638)
Decrease (Increase) in trade payable - related parties	70,041	(155,667)
Other receivables (increase)	(53,615)	(23,105)
(Increase) Decrease in other receivable due from related parties	(6,806)	90
(Increase) Decrease in inventories	(539,905)	44,831
Other current assets decreases (increases)	11,587	(69,740)
Changes in operating liabilities:		
Increase in contract liabilities	5,583	210
Increase in trade payable	360,856	45,080
(Decrease) Increase in trade payable - related parties	(3,026)	73,458
(Decrease) Increase in other payables	(526,580)	159,362
(Decrease) Increase in other current liabilities	(6,015)	6,436
(Decrease) in net defined benefit liability	(6,799)	(1,357)
Subtotal	(1,208,955)	(84,927)
Cash generated from operations	434,024	706,972
Interest received	537	6,232
Income tax (paid)	(99,085)	(88,433)
Net cash provided by operating activities	335,476	624,771

(The accompanying notes are an integral part of the parent company only financial statements.)

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	2021	2020
	Amount	Amount
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(25,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	68,288	4,437
Acquisition of investments accounted for under the equity method	(1,909,724)	(15,813)
Increase in prepayments for investments	(1,396,500)	-
Acquisition of property, plant and equipment	(1,026,213)	(210,494)
Proceeds from disposal of property, plant and equipment	6,440	291
Increase in refundable deposits	(414,007)	(69,508)
Acquisition of intangible assets	(50,049)	(25,099)
Increase in prepayment for equipments	(718,146)	(959,642)
Dividends received	127,548	149,300
Net cash (outflow) from investing activities	(5,312,363)	(1,151,528)
Cash flows from financing activities:		
Increase in short-term loans	1,545,864	-
Decrease in short-term loans	-	(604,289)
Proceeds from long-term debt	563,019	1,067,387
Increase in other payables - related parties	-	854,400
Payments of lease liabilities	(8,782)	(9,245)
Increase in other non-current liabilities	-	4,947
Decrease in other non-current liabilities	(6,144)	-
Cash dividends paid	(498,169)	(349,456)
Proceeds from issuing shares	4,110,956	-
Repurchase of treasury stock	-	(16,507)
Interest paid	(68,274)	(54,694)
Net cash inflow from investment activities	5,638,470	892,543
Net increase in cash and cash equivalents	661,583	365,786
Cash and cash equivalents at beginning of period	600,879	235,093
Cash and cash equivalents at end of period	\$1,262,462	\$600,879

(The accompanying notes are an integral part of the parent company only financial statements.)

Independent Auditors' Report

To PANJIT INTERNATIONAL INC.

Opinion

We have audited the accompanying consolidated balance sheets of PANJIT INTERNATIONAL INC. (the "Company") and its subsidiaries as of 31 December 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other independent accountants (please refer to the Other Matter – Making Reference to the Audits of Other Independent Accountants section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2021 and 2020, and their consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. 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 Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition

The consolidated operating revenues of the Company and its subsidiaries amounted to \$13,861,744 thousand for the year ended 31 December 2021. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; performing cutoff procedures, testing general journal entry, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the Company's consolidated financial statements.

2. Evaluation of Inventories

As of 31 December 2021, the Company and its subsidiaries' net inventories amounted to \$2,421,044 thousand, constituting 9% of consolidated total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management's significant accounting estimation and judgement, and the carrying amount of inventories is material to consolidated financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around revenue recognition by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's consolidated financial statements.

Other Matter – Making Reference to the Audits of Other Independent Accountants

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of \$1,574,237 thousand, constituting 6% of consolidated total assets as of 31 December 2021. The related shares of profits from the associates and joint ventures under the equity method of \$92,457 thousand, constituting 4% of consolidated pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of (\$3,467) thousand, constituting 2% of consolidated other comprehensive income for the year ended 31 December 2021. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries 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 financial reporting process of the Company and its subsidiaries.

Auditor’s 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 auditor’s 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, 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 Company and its subsidiaries 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 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Others

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



Chen, Cheng-Chu



Fuh, Wen-Fun

Ernst & Young, Taiwan
25 March 2022

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	Notes	2021		2020	
		Amount	%	Amount	%
Operating revenues	6(19),7	\$13,861,744	100	\$10,485,100	100
Operating costs	6(7).(22),7	(9,466,106)	(68)	(8,038,328)	(77)
Gross profit		4,395,638	32	2,446,772	23
Operating expenses	6(20).(21).(22),7				
Selling expenses		(646,097)	(4)	(540,392)	(5)
General and administrative expenses		(1,039,765)	(8)	(568,569)	(5)
Research and development expenses		(422,578)	(3)	(348,046)	(3)
Expected credit gains	6(20)	2,224	-	2,318	-
Subtotal		(2,106,216)	(15)	(1,454,689)	(13)
Operating income		2,289,422	17	992,083	10
Non-operating income and expenses	6(23)				
Interest income		90,731	1	99,152	1
Other income	7	185,633	1	141,748	1
Other gains and losses	7	(3,942)	-	(95,470)	(1)
Finance costs		(96,683)	(1)	(80,754)	(1)
Share of profit or loss of associates under equity method	6(8)	49,715	-	(25,625)	-
Subtotal		225,454	1	39,051	-
Pretax income from continuing operations		2,514,876	18	1,031,134	10
Income tax expenses	6(25)	(536,846)	(4)	(130,593)	(1)
Profit from continuing operations		1,978,030	14	900,541	9
Net income		1,978,030	14	900,541	9
Other comprehensive income (loss)	6(24)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		2,070	-	(6,505)	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		346,756	3	394,573	4
Income tax related to items that will not be reclassified	6(25)	(2,117)	-	(12,800)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(195,703)	(1)	(31,765)	(1)
Income tax related to items that may be reclassified	6(25)	35,627	-	5,285	-
Total other comprehensive income (loss), net of tax		186,633	2	348,788	3
Total comprehensive income (loss)		\$2,164,663	16	\$1,249,329	12
Net income (loss) attributable to:					
Stockholders of the parent		\$1,926,975	14	\$897,435	9
Non-controlling interests		51,055	-	3,106	-
		\$1,978,030	14	\$900,541	9
Comprehensive income (loss) attributable to:					
Stockholders of the parent		\$2,110,038	16	\$1,226,597	12
Non-controlling interests		54,625	-	22,732	-
		\$2,164,663	16	\$1,249,329	12
Earnings per share (NTD)	6(26)				
Basic earnings per share		\$5.66		\$2.70	
Diluted earnings per share		\$5.64		\$2.69	

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

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December, 2021 and 2020
(Expressed in Thousand of New Taiwan Dollars)

Items	Equity Attributable to Parent Company										Non-Controlling Interests	Total Equity
	Capital		Retained Earnings			Other Components of Equity				Total		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others	Treasury Stock			
Balance as of 1 January, 2020	\$3,328,149	\$2,202,946	\$186,432	\$525,032	\$723,373	(\$640,624)	(\$75,991)	(\$622)	\$-	\$6,248,695	\$125,176	\$6,373,871
Appropriation and distribution of 2019 retained earnings												
Legal reserve	-	-	53,021	-	(53,021)	-	-	-	-	-	-	-
Special reserve	-	-	-	192,205	(192,205)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(349,456)	-	-	-	-	(349,456)	-	(349,456)
Changes in equity of associates accounted for using equity method	-	(489)	-	-	(154)	-	-	209	-	(434)	(73)	(507)
Net income in 2020	-	-	-	-	897,435	-	-	-	-	897,435	3,106	900,541
Other comprehensive income (loss) in 2020	-	-	-	-	(5,087)	(28,659)	362,908	-	-	329,162	19,626	348,788
Total comprehensive income (loss)	-	-	-	-	892,348	(28,659)	362,908	-	-	1,226,597	22,732	1,249,329
Repurchase of treasury shares	-	-	-	-	-	-	-	-	(16,507)	(16,507)	-	(16,507)
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(8,489)	-	-	-	-	-	-	-	(8,489)	7,501	(988)
Increase (decrease) through changes in ownership interests in subsidiaries	-	2,706	-	-	(3,691)	-	-	-	-	(985)	66	(919)
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,094)	(8,094)
Disposal of equity instrument investments at fair value through other comprehensive income	-	-	-	-	(1,690)	-	1,690	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	3	3
Balance as of 31 December, 2020	\$3,328,149	\$2,196,674	\$239,453	\$717,237	\$1,015,504	(\$669,283)	\$288,607	(\$413)	(\$16,507)	\$7,099,421	\$147,311	\$7,246,732
Balance as of 1 January, 2021	\$3,328,149	\$2,196,674	\$239,453	\$717,237	\$1,015,504	(\$669,283)	\$288,607	(\$413)	(\$16,507)	\$7,099,421	\$147,311	\$7,246,732
Appropriation and distribution of 2020 retained earnings												
Legal reserve	-	-	88,681	-	(88,681)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(498,172)	-	-	-	-	(498,172)	-	(498,172)
Changes in equity of associates accounted for using equity method	-	113,328	-	-	-	-	-	-	-	113,328	(452)	112,876
Net income in 2021	-	-	-	-	1,926,975	-	-	-	-	1,926,975	51,055	1,978,030
Other comprehensive income (loss) in 2021	-	-	-	-	1,920	(152,275)	333,418	-	-	183,063	3,570	186,633
Total comprehensive income (loss)	-	-	-	-	1,928,895	(152,275)	333,418	-	-	2,110,038	54,625	2,164,663
Issue of shares	500,000	3,610,956	-	-	-	-	-	-	-	4,110,956	-	4,110,956
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	165,193	-	-	(204,900)	-	-	-	-	(39,707)	20,496	(19,211)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4	(4)	-
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,842)	(6,842)
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	51,991	-	(51,991)	-	-	-	-	-
Balance as of 31 December, 2021	\$3,828,149	\$6,086,155	\$328,134	\$717,237	\$2,204,637	(\$821,558)	\$570,034	(\$413)	(\$16,507)	\$12,895,868	\$215,134	\$13,111,002

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

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December, 2021 and 2020
(Expressed in Thousand of New Taiwan Dollars)

Items	2021	2020
Cash flows from operating activities:		
Net income before tax	\$2,514,876	\$1,031,134
Adjustments to reconcile net income (loss) before tax to net cash provided by operating activities:		
Depreciation	628,594	636,673
Amortization	43,085	51,445
Expected credit losses (gains)	(2,224)	(2,318)
Net (gain) of financial assets or liabilities at fair value through profit or loss	(37,702)	(12,422)
Interest expense	96,683	80,754
Interest revenue	(90,731)	(99,152)
Dividend revenue	(22,308)	(11,262)
Share of (profit) loss of associates accounted for using equity method	(49,715)	25,625
Loss on disposal of property, plant and equipment	21,028	15,554
Loss (gain) on disposal of investments	133	(2,663)
Impairment loss on non-financial assets	18,710	43,331
Others	(118,929)	(26,720)
Subtotal	<u>486,624</u>	<u>698,845</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(1,803,055)	(49,140)
Notes receivable	(211,353)	112,484
Trade receivable	(464,195)	(467,468)
Trade receivable-related parties	(81,969)	(16,678)
Other receivables	45,555	219,339
Other receivables-related parties	32,721	(8,151)
Inventories	(687,955)	21,153
Prepayments	(38,469)	(147,790)
Other current assets	(14,744)	(6,897)
Changes in operating liabilities:		
Contract liabilities	4,078	(30,689)
Notes payable	198,129	41,582
Trade payable	646,089	214,567
Trade payable-related parties	87,136	44,113
Other payables	492,830	201,314
Other payables-related parties	635	-
Other current liabilities	(9,870)	(19,987)
Net defined benefit liabilities-non-current	(7,877)	(2,226)
Deferred credit	-	2,155
Subtotal	<u>(1,812,314)</u>	<u>107,681</u>
Cash generated from operations	1,189,186	1,837,660
Interest received	90,731	99,152
Income tax (paid)	(243,275)	(160,750)
Net cash provided by operating activities	<u>1,036,642</u>	<u>1,776,062</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(25,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	68,774	27,580
Acquisition of financial assets measured at amortized cost	-	(179,951)
Proceeds from disposal of financial assets measured at amortized cost	102,991	378,288
Acquisition of investments accounted for under the equity method	(1,455,570)	-
Proceeds from disposal of investments accounted for under the equity method	-	4,676
Proceeds from disposal of subsidiaries	-	288
Acquisition of property, plant and equipment	(1,277,687)	(340,776)
Proceeds from disposal of property, plant and equipment	53,326	40,145
Increase in refundable deposits	(422,905)	(69,616)
Acquisition of intangible assets	(17,258)	(31,286)
Increase in other non-current assets	-	18,692
Decrease in other non-current assets	(10,463)	-
Increase in prepayment for equipments	(1,326,789)	(1,106,283)
Dividends received	23,642	11,262
Net cash (used in) investing activities	<u>(4,261,939)</u>	<u>(1,271,981)</u>
Cash flows from financing activities:		
Increase in short-term loans	1,324,854	-
Decrease in short-term loans	-	(296,468)
Proceeds from long-term debt	-	1,281,617
Repayments of long-term debt	(8,923)	-
Repayments of lease liabilities	(47,742)	(42,854)
Increase in other non-current liabilities	-	14,424
Decrease in other non-current liabilities	(2,874)	-
Cash dividends paid	(498,169)	(349,456)
Proceeds from issuing shares	4,110,956	-
Repurchase of treasury stock	-	(16,507)
Acquisition of ownership interests in subsidiaries	(197)	(5,436)
Interest paid	(88,552)	(74,441)
Changes in non-controlling interests	(6,842)	(805)
Net cash provided by financing activities	<u>4,782,511</u>	<u>510,074</u>
Effect of exchange rate changes on cash and cash equivalents	(91,286)	(197,898)
Net increase in cash and cash equivalents	1,465,928	816,257
Cash and cash equivalents at beginning of period	1,947,779	1,131,522
Cash and cash equivalents at end of period	<u>\$3,413,707</u>	<u>\$1,947,779</u>

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

PANJIT International Inc.

FY2021 Earnings Distribution Chart

Unit: NT\$

Items	Amount		Remark
	Subtotals	Total	
Opening undistributed earnings		\$ 428,650,386	
LESS:			
Changes of equities in subsidiary ownership	(204,899,901)	(204,899,901)	
PLUS:			
Disposal of investments in equity instruments measured at fair value through other comprehensive income	51,990,920		
FY2021 Other Comprehensive Income (Re-measurement of Defined Benefit Plan)	1,920,539		
FY2021 Net Income	1,926,974,775	1,980,886,234	
Earnings available for distribution		2,204,636,719	
LESS:			
Legal reserve recognized	(177,598,633)		
Allocation:			
Shareholder bonus - cash (nt\$3 per share)	(1,146,344,781)	(1,323,943,414)	
Ending undistributed earnings		<u>\$880,693,305</u>	

Note: 1. The legal reserve is set out in accordance with the MOEA letter No. 10802432410 dated January 9, 2020, and calculated based on "the net profit for the current period plus items other than the net profit for the current period shall be included in the current year's undistributed earnings."

2. Based on the number of issued shares as of March 17, 2022, 382,814,927 shares, excluding 700,000 treasury shares, the distribution of NT\$3 per share is calculated. The amount of dividend distribution to shareholders is calculated as follows:

$$\text{NT\$3} \times 382,114,927 \text{ shares} = \text{NT\$1,146,344,781}$$

Chairman: FANG, MIN-QING

Managerial Officer: FANG, MIN-QING

Accounting Supervisor: XIE, BAI-CHENG

PANJIT International Inc.

2021 Plan of Issuing Common Stock for Cash and Issuing Global Depositary Receipt & Explanation of the fundraising plan before and after the change

I. Original plan

(I) Source of Funds

1. The total amount of funds required for this project: about US\$235,714 thousand. It is equivalent to about NT\$6,600,000 thousand (the exchange rate of US dollars to New Taiwan dollars is estimated at 1:28)

2. Current Source of Funds

(1) Issue new shares for cash capital increase to participate in overseas depositary receipts, each unit of overseas depositary receipts commends 1 ordinary share of the company. The total amount of shares to be issued is expected to range from 50,000 thousand shares to 66,000 thousand shares. The amount raised is approximately US\$178,571 thousand to US\$235,714 thousand (The exchange rate between US dollars and New Taiwan dollars is estimated at 1:28, which is equivalent to about NT\$5,000,000 thousand thousand to 6,600,000 thousand)

(2) In the matter of issuing common stock for cash and issuing global depositary receipt, if the number of shares to be raised changes, or the actual issue price per share is adjusted due to market changes, when the raised funds are insufficient, the company will use its own funds or bank loans to pay for the difference; However, if the raised funds increase, the difference will continue to be used for overseas purchases.

(II) The progress of planned projects and the use of scheduled funds

Units: \$ thousands

Items	Scheduled finish date	Total fund required		Scheduled fund utilization progress			
				2021	2022		
				Q4	Q1	Q2	Q3
Repay bank loan	2021 Q4	USD	33,250	33,250	-	-	-
		NTD equivalent	931,000	931,000	-	-	-
Investment in overseas subsidiaries -PAN-JIT Wuxi	2022 Q2	USD	15,000	3,517	9,917	1,566	-
		NTD equivalent	420,000	98,476	277,676	43,848	-
Investment in overseas subsidiaries -PAN-JIT Xuzhou	2022 Q3	USD	35,000	13,125	12,306	7,966	1,603
		NTD equivalent	980,000	367,500	344,568	223,048	44,884
Foreign currency for material purchase	2022 Q3	USD	152,464	42,000	38,000	38,000	34,464
		NTD equivalent	4,269,000	1,176,000	1,064,000	1,064,000	965,000
Total		USD	235,714	91,892	60,223	47,532	36,067
		NTD equivalent	6,600,000	2,572,976	1,686,244	1,330,896	1,009,884

Source of data: the Company

Note: For the time being, the exchange rate of US dollars to New Taiwan dollars is estimated at 1:28

(III) Expected possible benefits

1. Repay bank loan

Part of the Company's financing plan is used to repay bank loans. Based on the borrowing rate of 0.695% ~ 0.800% proposed by the Company to repay the bank loan, the interest expense that can be saved in 2021 is USD 41 thousand, equivalent to roughly NT\$1,148 thousand. In the following years, the interest expense can be saved by USD 244 thousand, which is equivalent to approximately NT\$6,832 thousand (the exchange rate between US dollars and New Taiwan dollars is estimated at 1:28). In addition to reducing the financial burden, it can also enhance the ability to pay debts, reduce the debt ratio of the Company, strengthen the financial structure, and improve the competitiveness in the medium and long term. It will be of positive benefit to the overall operation and development of the Company, the sound financial structure and the strengthening of solvency.

2. Investments in subsidiaries

(1) Investments in subsidiaries - PAN-JIT Wuxi

The Company plans to increase the capital of US\$50,000 thousand through its 100%-owned subsidiary, PAN-JIT ASIA INTERNATIONAL INC. (hereinafter referred to as "PAN-JIT ASIA"), indirectly layer by layer, to hold 100.00% shares of the overseas subsidiary PAN-JIT Electronics (Wuxi) Co., Ltd. (hereinafter referred to as "PAN-JIT Wuxi") all together. Among them, US\$15,000 thousand of the funds will be used to purchase machinery and equipment to expand production lines and improve production efficiency. It is estimated that the investment income recognized by the Company in accordance with the shareholding ratio in each year from 2022 to 2026 will be 1,255 thousand, 2,844 thousand, 4,106 thousand, 4,603 thousand, and 4,603 thousand, respectively.

(2) Investments in subsidiaries - PAN-JIT Xuzhou

This time, the Company plans to increase the capital of US\$50,000 thousand through its 100%-owned subsidiary, PAN-JIT ASIA, indirectly layer by layer, to hold 100.00% shares of the overseas subsidiary PAN-JIT Xuzhou all together. The funds of USD 35,000 thousand were used to reinvest in PAN-JIT Semiconductor (Xuzhou) Co., Ltd. (hereinafter referred to as "PAN-JIT Xuzhou"), It is proposed to use the leased workshop for decoration and ancillary facilities and purchase of machinery and equipment, and a new production line for the production of small signal components, It is estimated that the investment income recognized by the Company in accordance with the shareholding ratio in each year from 2022 to 2027 is 3,773 thousand, 5,965 thousand, 7,163 thousand, 6,879 thousand, 6,603 thousand, and 6,334 thousand, respectively.

3. Expenditure foreign currency for material purchase

In response to the development trend of new technologies and application

products such as automotive, 5G, AI, Internet of Things, data centers, and new energy, the demand for components related to power semiconductors has increased rapidly. The Company expects that the US\$152,464 thousand of the fund raising plan will be used to cover the purchase of materials in foreign currency. It can enhance the Company's financial structure, contribute to the development of future annual operations, and reduce operating expenses from bank borrowings which erodes the Company's profits. If the Company's current average borrowing rate for purchasing materials in US dollars is 0.734%, it can save US\$1,119 thousand in interest expenses in the future, equivalent to about NT\$31,332 thousand (the exchange rate of US dollars to New Taiwan dollars is estimated at 1:28).

II.. Contents of the plan after the change

(I) Source of Funds

1. The total amount of funds required for this project: The Company plans to issue common stock for cash and issuing global depositary receipt, the actual total number of units issued by the company is 50,000,000 units 50,000,000 ordinary shares of the Company, at the issue price per unit is US\$3.02, and the total amount raised is US\$151,000 thousand (equivalent to approximately NT\$4,228,000 thousand).

2. Source of funds in this run:

Considering the recent changes in the capital market environment, the impact and uncertainty caused by the new coronavirus epidemic and the US-China trade conflict, coupled with the expectation that the US dollar will raise interest rates, it will increase the expenditure on foreign currency purchases, after comprehensive evaluation and consideration of the Company's operations, shareholders' rights and interests of the Company as a whole, it was decided to issue new shares to participate in overseas depositary receipts with 2021 cash capital increase. The actual raised amount is USD 151,000 thousand (equivalent to approximately NT\$

4,228,000 thousand) to cover the funds required for the project.

(II) The progress of planned projects and the use of scheduled funds

Units: \$ thousands

Items	Scheduled finish date	Total fund required		Scheduled fund utilization progress			
				2021		2022	
				Q4	Q1	Q2	Q3
Repay bank loan	2021 Q4	USD	33,250	33,250	-	-	
		NTD equivalent	931,000	931,000	-	-	
Foreign currency for material purchase	2022 Q3	USD	117,750	47,352	17,538	30,000	22,860
		NTD equivalent	3,297,000	1,325,856	491,064	840,000	640,080
Total		USD	151,000	80,602	17,538	30,000	22,860
		NTD equivalent	4,228,000	2,256,856	491,064	840,000	640,080

Source of data: the Company

Note: The exchange rate between US dollars and New Taiwan dollars is calculated at 1:28

(III) Expected possible benefits

1. Repay bank loan

After considering the amount of the loan that the Company intends to repay and the actual interest rate, about NT\$1,148 thousand in interest expenses can be saved in 2021. After that, it is expected to save NT\$6,832 thousand in interest expenses every year. It will moderately reduce the financial burden of the Company. At the same time, it can improve the solvency and increase the liquidity of funds. It is very helpful for the future operation of the Company.

2. Foreign currency for material purchase

The Company issued 2021 common stock for cash and global depositary receipt. The part of the total raised funds is US\$117,750 thousand (equivalent to approximately NT\$3,297,000 thousand) for foreign currency purchases. After the raised funds are completed, they will be disbursed in stages according to the period required for the Company to purchase materials in foreign currency. If the Company's current average borrowing rate for US dollar purchases is 0.83%, it can save US\$977 thousand in interest expenses each year in the future. Equivalent to about NT\$27,356 thousand (the exchange rate between US dollars and Taiwan dollars is calculated at 1:28). Therefore, this fundraising should reduce the interest burden, and increase earnings, therefore, it should be of positive benefit to the Company's finances.

PANJIT International Inc.

2021 Changes to Plan of Issuing Common Stock for Cash and Issuing Global Depositary Receipt & Underwriter Evaluation Opinion

Taishin Securities Co.,Ltd.

M a r c h 2 5 , 2 0 2 2

I. Original plan

(I) Source of Funds

1. The total amount of funds required for this project: about US\$235,714 thousand. It is equivalent to about NT\$6,600,000 thousand (the exchange rate of US dollars to New Taiwan dollars is estimated at 1:28).

2. Current Source of Funds

- (1) In the matter of issuing common stock for cash and issuing global depositary receipt, Each unit of overseas depositary receipts commends 1 ordinary share of the Company. The total amount of shares to be issued is expected to range from 50,000 thousand shares to 66,000 thousand shares. The amount raised is approximately US\$178,571 thousand to US\$235,714 thousand (The exchange rate between US dollars and New Taiwan dollars is estimated at 1:28, which is equivalent to about NT5,000,000 thousand to 6,600,000 thousand)
- (2) Issue new shares in cash and participate in the issuance of overseas depositary receipts. If the number of shares to be raised changes or the actual issue price per share is adjusted due to changes in the market, resulting in insufficient raised funds, the company will use its own funds or bank loans for the difference. However, if the raised funds increase, the difference will continue to be used for overseas purchases of materials. However, if the raised funds increase, the difference will continue to be used for overseas purchases.

(II) The progress of planned projects and the use of scheduled funds

Units: \$ thousands

Items	Scheduled finish date	Total fund required		Scheduled fund utilization progress			
				FY2021	FY2022		
				Q4	Q1	Q2	Q3
Repay bank loan	FY2011 Q4	USD	33,250	33,250	-	-	-
		NTD equivalent	931,000	931,000	-	-	-
Investment in overseas subsidiaries-PAN-JIT Wuxi	FY2022 Q2	USD	15,000	3,517	9,917	1,566	-
		NTD equivalent	420,000	98,476	277,676	43,848	-
Investment in overseas subsidiaries-PAN-JIT Xuzhou	FY2022 Q3	USD	35,000	13,125	12,306	7,966	1,603
		NTD equivalent	980,000	367,500	344,568	223,048	44,884
Foreign currency for material purchase	FY2022 Q3	USD	152,464	42,000	38,000	38,000	34,464
		NTD equivalent	4,269,000	1,176,000	1,064,000	1,064,000	965,000
Total		USD	235,714	91,892	60,223	47,532	36,067
		NTD equivalent	6,600,000	2,572,976	1,686,244	1,330,896	1,009,884

Source of data: the Company

Note: the exchange rate of US dollars to New Taiwan dollars is estimated at 1:28

(III) Expected possible benefits

1. Repay bank loan

Part of the Company's financing plan is used to repay bank loans. Based on the borrowing rate of 0.695% ~ 0.800% proposed by the Company to repay the bank loan, the interest expense that can be saved in 2021 is USD 41 thousand, equivalent to roughly NT\$1,148 thousand. In the following years, the interest expense can be saved by USD 244 thousand, which is equivalent to approximately NT\$6,832 thousand (the exchange rate between US dollars and New Taiwan dollars is estimated at 1:28). In addition to reducing the financial burden, it can also enhance the ability to pay debts, reduce the debt ratio of the Company, strengthen the financial structure, and improve the competitiveness in the medium and long term. It will be of positive benefit to the overall operation and development of the Company, the sound financial structure and the strengthening of solvency.

2. Investments in subsidiaries

(1) Investments in subsidiaries - PAN-JIT Wuxi

The Company plans to increase the capital of US\$50,000 thousand through its 100%-owned subsidiary, PAN-JIT ASIA INTERNATIONAL INC. (hereinafter referred to as "PAN-JIT ASIA"), indirectly layer by layer, to hold 100.00% shares of the overseas subsidiary PAN-JIT Electronics (Wuxi) Co., Ltd. (hereinafter referred to as "PAN-JIT Wuxi") all together. Among them, US\$15,000 thousand of the funds will be used to purchase machinery and equipment to expand production lines and improve production efficiency. It is estimated that the investment income recognized by the Company in accordance with the shareholding ratio in each year from 2022 to 2026 will be 1,255 thousand, 2,844 thousand, 4,106 thousand, 4,603 thousand, and 4,603 thousand, respectively.

(2) Investments in subsidiaries - PAN-JIT Xuzhou

This time, the Company plans to increase the capital of US\$50,000 thousand through its 100%-owned subsidiary, PAN-JIT ASIA, indirectly layer by layer, to hold 100.00% shares of the overseas subsidiary PAN-JIT Xuzhou all together. The funds of USD 35,000 thousand were used to reinvest in PAN-JIT Semiconductor (Xuzhou) Co., Ltd. (hereinafter referred to as "PAN-JIT Xuzhou"), It is proposed to use the leased workshop for decoration and ancillary facilities and purchase of machinery and equipment, and a new production line for the production of small signal components, It is estimated

that the investment income recognized by the Company in accordance with the shareholding ratio in each year from 2022 to 2027 is 3,773 thousand, 5,965 thousand, 7,163 thousand, 6,879 thousand, 6,603 thousand, and 6,334 thousand, respectively.

3. Expenditure foreign currency for material purchase

In response to the development trend of new technologies and application products such as automotive, 5G, AI, Internet of Things, data centers, and new energy, the demand for components related to power semiconductors has increased rapidly. The Company expects that the US\$152,464 thousand of the fundraising plan will be used to cover the purchase of materials in foreign currency. It can enhance the Company's financial structure, make working capital scheduling more flexible, contribute to the development of future annual operations, and reduce operating expenses from bank borrowings which erodes the Company's profits. If the Company's current average borrowing rate for purchasing materials in US dollars is 0.734%, it can save US\$1,119 thousand in interest expenses in the future. It is equivalent to about NT\$31,332 thousand (the exchange rate of US dollars to New Taiwan dollars is estimated at 1:28).

II. Contents of the plan after the change

The Company plans to issue common stock for cash and issuing global depositary receipt. The total number of units to be issued is 50,000 thousand units, in recognition of 50,000 thousand ordinary shares of the Company, at an issue price of \$3.02 per unit. The total amount raised is US\$151,000 thousand (equivalent to approximately NT\$4,228,000 thousand).

(I) The progress of planned projects and the use of scheduled funds

Units: \$ thousands

Items	Scheduled finish date	Total fund required		Scheduled fund utilization progress			
				FY2011		FY2022	
				Q4	Q1	Q2	Q3
Repay bank loan	FY2021 Q4	USD	33,250	33,250	-	-	
		NTD equivalent	931,000	931,000	-	-	
Foreign currency for material purchase	FY2022 Q3	USD	117,750	47,352	17,538	30,000	22,860
		NTD equivalent	3,297,000	1,325,856	491,064	840,000	640,080
Total		USD	151,000	80,602	17,538	30,000	22,860
		NTD equivalent	4,228,000	2,256,856	491,064	840,000	640,080

Source of data: the Company

Note: The exchange rate between US dollars and New Taiwan dollars is calculated at 1:28

(II) Necessity and reasonableness of the changes.

Due to the recent rapid changes in domestic and foreign political and economic situations and capital markets, the funds raised have been reduced, comparing to the original plan. The actual total number of units issued by the company is 50,000,000 units, the issue price per unit is US\$3.02, and the total amount raised is US\$151,000 thousand (equivalent to approximately NT\$4,228,000 thousand), In consideration of retaining the flexibility of capital utilization, reducing the capital cost of the company's reinvestment expenses to improve shareholders' equity, and reducing part of the amount of foreign currency purchases, it is planned to change the capital utilization plan. In summary, the Company adjusted the amount of this planned project in consideration of the flexibility of capital utilization, market changes and business strategy evaluation. It has the necessity and reasonableness indeed.

(III) The progress of planned projects and the use of scheduled funds after change

The Company's 2021 cash capital increase and issuance of new shares to participate in the raising of overseas depositary receipts has fully raised funds at the end of October 2021. The original purpose of the plan is to repay bank loans, reinvest in overseas subsidiaries and purchase materials in foreign currencies. The plan after the change are the repayment of bank loans and the purchase of foreign currency materials. The feasibility of using the funds is hereby explained as follows:

1. Repay bank loan

After reviewing the bank loan schedule and loan contract that the company expects to repay the bank loan this time, Such loans do exist and there is no prepayment or other special restrictions in the contractual content, Therefore, the loan can be repaid according to the progress of US\$33,250 thousand (equivalent to NT\$931,000 thousand). The bank loan will be repaid upon completion of fundraising. Therefore, the capital utilization plan and estimated progress should be reasonable and feasible.

2. Foreign currency for material purchase

The Company is mainly engaged in the research and development, manufacturing and sales of discrete components such as rectifier diodes, power semiconductors, and surge suppressors. Its main products are rectifier diodes and various power components. The main raw materials are Schottky wafers, epi wafers, MOFSET wafers, gold wires, leadframe and molding glue. Since power semiconductor components can be found in almost all kinds of electronic equipment, and in the process of signal transmission, it also relies on power semiconductor components

to perform power control functions. Therefore, with the continuous growth of terminal electronic equipment, the advent of the 5G communication era, and the rise of solar energy and electric vehicles, more electronic equipment will eventually be born. With the electrification of automobiles and new energy vehicles (EV) as the development trend in the next ten years, the demand for power semiconductor components is expected to continue to rise. The procurement of the above-mentioned raw materials and components is mostly denominated in foreign currencies, because the company has long-term relationships with major suppliers and maintains a good cooperative relationship. It can ensure the safe supply of materials. Therefore, it is feasible to use USD 117,750 thousand (equivalent to NT\$ 3,297,000 thousand) in this plan to purchase materials in foreign currencies.

(IV) The reasonableness of the expected benefits after the change

1. Repay bank loan

(1) Save interest expenses and reduce financial burden

Units: USD 1,000/NT\$ 1,000

Lending institutions	Interest rate	Contract period	Original purpose	Original loan Amount	Repay Amount	Interest expense saved (Note 1)	
						FY2021	Future year
Land bank	0.702%	2021/05/10~ 2022/01/26	Operating turnover	16,792	16,744	20	118
Cathay United Bank	0.751%	2021/07/26~ 2021/10/26	Operating turnover	4,267	4,267	5	32
Mega Bank	0.800%	2021/04/09~ 2022/01/26	Operating turnover	3,911	3,911	5	31
Chang Hwa Bank	0.795%	2021/07/12~ 2021/11/02	Operating turnover	5,303	5,303	7	42
Yuanta Bank	0.695%	2021/07/12~ 2022/01/07	Operating turnover	3,025	3,025	4	21
Total			USD	33,298	33,250	41	244
			NTD equivalent	931,145	931,000	1,148	6,832

Source of data: the Company

Note 1: The company expects to repay the loan in November 2021 immediately after the fund raising is completed at the end of October 2021.

Note 2: The exchange rate between US dollars and New Taiwan dollars is calculated at 1:28

Note 3: After the above loan is repaid, its credit line can be used cyclically during the contract period

After the Company's cash capital increase and issuance of new shares to participate in the issuance of overseas depositary receipts, part of the raised amount was used to repay bank loans. After considering the amount of the loan that the Company intends to repay and the actual interest rate, about NT\$1,148 thousand in interest expenses can be saved in 2021. After that, it is expected to save NT\$6,832 thousand in interest expenses every year. It will moderately

reduce the financial burden of the Company. At the same time, it can improve the solvency and increase the liquidity of funds. It is very helpful for the future operation of the Company. Therefore, it is reasonable that this fundraising plan is used to repay the bank borrowings and it is expected that the benefit of saving interest expenses may be generated.

(2) Strengthen the financial structure and improve the solvency

Unit: %

Fiscal year		Items	2021/6/30 (before fundraising)	2021/12/31 (after fundraising)
Financial structure	Debt ratio		59.69	42.85
	Proportion of long-term capitals to property, plant, and equipment		385.55	431.21
Debt-paying ability	Current ratio		75.88	102.09
	Quick ratio		57.57	72.68

Source: The Company's individual financial report and self-assessment statement verified and certified by an accountant

After the Company completed the fundraising operation at the end of October 2021, it immediately used part of the funds raised to repay the bank loan of US\$33,250 thousand. In June 2021, the self-assessed financial statement of the individual and the trial calculation of the individual financial report verified and certified by an accountant in 2021, Its debt ratio dropped from 59.69% to 42.85%. In addition, in the solvency part, after the fundraising, the current ratio has increased from 75.88% to 102.09%. The quick ratio increased from 57.57% to 72.68%. The financial structure and solvency of the company after fundraising have improved compared with those before fundraising. It can be seen that after the 2021 cash capital increase, issuance of new shares and participation in the issuance of overseas depositary receipts, part of the funds used to repay bank loans will have a positive impact on the company's financial structure and solvency. It can maintain the stability of the financial structure while expanding the scale of operation, thereby reducing the financial and operational risks of the Company, Therefore, it is reasonable to expect that it may generate benefits.

(3) Reduce the dependence on banks and increase the space for flexible use of funds

In recent years, due to the quantitative easing monetary policy adopted by the US government, As a result, the global cost of capital remains low for a long time. Enterprises tend to use bank loans to finance their operations. However, relying on bank borrowings to support the funds required for operations, if interest rates rise in the future, it will inevitably face higher capital costs. It is also possible that the banking system may face a reduction in financing due to the general

economic downturn. In addition, the current US monetary policy has gradually adjusted the direction of quantitative easing due to inflation factors, towards a consensus on gradual rate increase. It will likely affect the capital cost of the company's future financing from banks, In addition, the long-term borrowing and borrowing of financial institutions, the result of excessive credit expansion may deteriorate the Company's financial structure. Therefore, part of the Company's raising plan will be used to repay bank loans, which can effectively reduce the Company's dependence on banks. Avoid rising interest rates and increase interest expenses, And reserve the flexible use of funds allocation space. Therefore, the expected benefits of this fund-raising plan should be reasonable in reducing the Company's dependence on financial institutions and increasing the flexibility for the use of funds.

2. Foreign currency for material purchase

The Company issued 2021 common stock for cash and global depositary receipt. The total amount raised is US\$117,750 thousand (equivalent to approximately NT\$3,297,000 thousand. It is used as foreign currency for material purchase. After the raised funds are completed, they will be disbursed in stages according to the period required for the Company to purchase materials in foreign currency. If the Company's current average borrowing rate for US dollar purchases is 0.83%, it can save US\$977 thousand in interest expenses each year in the future, equivalent to roughly NT\$27,356 thousand. Therefore, this fundraising should reduce the interest burden, and increase earnings, therefore, it should be of positive benefit to the Company's finances.

(V) Implementation Status

The Company's 2021 cash capital increase, issuance of new shares to participate in the issuance of overseas depositary receipts was completed in the fourth quarter of 2021. The implementation of the plan before and after the application change as of the fourth quarter of 2021 is as follows:

Units: USD thousand; %

Items	Implementation status		As of 2021 Q4	
			Implementation Status before plan change	Implementation Status after plan change
Repay bank loan	Amount paid	Planned	33,250	33,250
		Actual	33,250	33,250
	Progress (%)	Planned	100%	100%
		Actual	100%	100%
Investment in overseas subsidiaries (PAN-JIT Wuxi)	Amount paid	Planned	3,517	0
		Actual	0	0
	Progress (%)	Planned	23.45%	0.00%
		Actual	0.00%	0.00%

Items	Implementation status		As of 2021 Q4	
			Implementation Status before plan change	Implementation Status after plan change
	Investment in overseas subsidiaries (PAN-JIT Xuzhou)	Amount paid	Planned	13,125
Actual			0	0
Progress (%)		Planned	37.50%	0.00%
		Actual	0.00%	0.00%
Foreign currency for material purchase	Amount paid	Planned	42,000	47,352
		Actual	47,352	47,352
	Progress (%)	Planned	27.55%	40.21%
		Actual	31.06%	40.21%
Total	Amount paid	Planned	91,892	80,602
		Actual	80,602	80,602
	Progress (%)	Planned	38.98%	53.38%
		Actual	34.19%	53.38%
Reasons for progress ahead or behind schedule and improvement plan	The Company considered the recent rapid changes in domestic and foreign political and economic situations, the impact and uncertainty brought about by the new coronavirus epidemic and the US-China trade conflict, which caused delays in the use of the original capital plan. After a comprehensive assessment of the Company's operations, shareholders' rights and interests of the company as a whole, the project amount of this plan is adjusted. It has decided to adjust the cash capital increase to issue new shares to participate in the issuance of overseas depositary receipts. The raised amount is USD 151,000 thousand to cover the funds required for the project. After the plan was changed, the bank loan repayment was US\$33,250 thousand and the foreign currency purchase material was US\$117,750 thousand. It is expected to be completed in the third quarter of 2022.			

Source of data: the Company

(VI) Influence to shareholders' equity by the change

The Company considered the recent rapid changes in domestic and foreign political and economic situations, the impact and uncertainty brought about by the new coronavirus epidemic and the US-China trade conflict, which caused delays in the use of the original capital plan. After a comprehensive assessment of the Company's operations, shareholders' rights and interests of the Company as a whole, the total amount of this plan was adjusted to US\$151,000 thousand. Therefore, the expenditure situation of the planned project shall be adjusted and changed appropriately according to the operation needs and benefits. There is still concrete and positive assistance to the actual operation and development of the Company and the use of funds. Therefore, this change plan is still positively beneficial to shareholders' equity.

(VII) Summary comments

The Company considered the recent rapid changes in domestic and foreign political and economic situations, the impact and uncertainty brought about by the new coronavirus epidemic and the US-China trade conflict, which caused delays in the use of the original capital plan. After comprehensive evaluation and consideration of the Company's operations, shareholders' rights and interests of the Company as a whole, it was decided to issue new shares to participate in overseas depositary receipts with 2021 cash capital increase. The actual raised amount is USD 151,000 thousand to cover the funds required for the project. The Company adjusted the amount of this planned project in consideration of the flexibility of capital utilization, market changes and business strategy evaluation. The Company partly used to repay the bank loan amount of USD 33,250 thousand. It is expected to save NT\$6,832 thousand in interest expenses every year. It can be assessed to reduce the company's future financial burden, reduce bank dependence and strengthen financial structure, improve the Company's long-term competitiveness. The rest was used for foreign currency purchases with an amount of USD 117,750 thousand. After that, it is expected to save NT\$27,356 thousand in interest expenses every year. Therefore, this fundraising should reduce the interest burden, and increase earnings, therefore, it should be of positive benefit to the Company's finances.

Based on the above evaluation, the Company's plan changes and adjustments are in response to market changes and business strategy evaluations. The expenditure situation of some planned projects will be adjusted and changed appropriately according to business needs and benefits. It has the necessity and reasonableness indeed, and it should be feasible to achieve the expected benefits and progress of the plan after the change.

Comparison of “Procedure for Acquisition and Disposal of Assets” before and after proposed amendment:

Article No.	Amended	Before amendments	Description
Article 6	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappeasable sentence to imprisonment for one year or longer for a violation of the Security and Exchange 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 three years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</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.</p> <p>When issuing valuation reports or opinions, the</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappeasable sentence to imprisonment for one year or longer for a violation of the Security and Exchange 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 three years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</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</p>	Comply with the laws and regulations of the authority to amend.

Article No.	Amended	Before amendments	Description
	<p>personnel referred to in the preceding paragraph shall comply with the <u>self-discipline regulations of their respective trade associations and the following matters:</u></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 working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriateness and reasonableness</u>, and that they have complied with applicable laws and regulations.</p>	<p>may not be related parties or de facto related parties of each other.</p> <p>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 <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</p>	

Article No.	Amended	Before amendments	Description
Article 7	<p>Procedures Governing the Acquisition and Disposal of Real Property, Equipment or Right-of-use Assets</p> <p>I. Appraisal and Operation Procedure The acquisition or disposal of real property, equipment, or right-of-use assets by the Company shall follow the accounting cycle, as part of the Company's internal control system, for real property, equipment, or right-of-use assets.</p> <p>II. Determination Procedure for Trading Terms & Conditions and Authorization Limit (I) The acquisition or disposal of real property or right-of-use assets shall refer to the reported current value, rated value, real trade price of nearby real property. The analysis of the trading conditions and the transaction price shall be made. The amount less than NT\$<u>300</u> million shall be approved step by step according to the authorization method; The amount more than NT\$<u>300</u> million (<u>inclusive</u>) shall be submitted to the Board for approval before implementation. (II) The acquisition or disposal of equipment or its right-of-use asset shall be decided with one of the methods: inquiry, bargaining, or bidding. The amount less than NT\$<u>300</u> million shall be approved according to the authorized approval</p>	<p>Procedure for Acquisition or Disposal of real property, equipment or right-of-use assets</p> <p>I. Appraisal and Operation Procedure The acquisition or disposal of real property, equipment, or right-of-use assets by the Company shall follow the accounting cycle, as part of the Company's internal control system, for real property, equipment, or right-of-use assets.</p> <p>II. Determination Procedure for Trading Terms & Conditions and Authorization Limit (I) The acquisition or disposal of real property or right-of-use assets shall refer to the reported current value, rated value, real trade price of nearby real property. The analysis of the trading conditions and the transaction price shall be made. The amount less than NT\$<u>100</u> million shall be approved step by step according to the authorization method; The amount more than NT\$<u>100</u> million (<u>inclusive</u>) shall be submitted to the Board for approval before implementation. (II) The acquisition or disposal of equipment or its right-of-use asset shall be decided with one of the methods: inquiry, bargaining, or bidding. The amount less than</p>	<p>Comply with the laws and regulations of the authority and the actual operation needs to amend.</p>

Article No.	Amended	Before amendments	Description
	<p>schedule. The amount more than NT\$<u>300</u> million (<u>inclusive</u>) shall be recognized by the Board before implementation.</p> <p>(III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to the Audit Committee.</p> <p>Where the Company has established the position of Independent Director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be</p>	<p>NT\$<u>100</u> million shall be approved according to the authorized approval schedule. The amount more than NT\$<u>100</u> million (<u>inclusive</u>) shall be recognized by the Board before implementation.</p> <p>(III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to the Audit Committee.</p> <p>Where the Company has established the position of Independent Director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Where an audit committee has been established in accordance with the</p>	

Article No.	Amended	Before amendments	Description
	<p>subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p>III. Responsible Departments The acquisition or disposal of real estate, equipment <u>or its right-of-use asset</u> shall be approved with the preceding authorized approval schedule, then shall be implemented by the department of utilization and administrative department.</p> <p>IV. Appraisal report for real property, equipment, or right-of-use assets In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (refer to the formate by the authority for items to be included in the appraisal report) prior to the date of occurrence of the event 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, specified price, or special price as a</p>	<p>provisions of the Act, any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p>III. Responsible Departments The acquisition or disposal of real estate <u>or</u> equipment shall be approved with the preceding authorized approval schedule, then shall be implemented by the department of utilization and administrative department.</p> <p>IV. Appraisal report for real property, equipment, or right-of-use assets In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (refer to the formate by the authority for items to be</p>	

Article No.	Amended	Before amendments	Description
	<p>reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</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 one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2.The discrepancy between the appraisal results of two or more professional</p>	<p>included in the appraisal report) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</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 one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance</u></p>	

Article No.	Amended	Before amendments	Description
	<p>appraisers is 10 percent or more of the transaction amount.</p> <p>(IV) The period between the issued date of the appraisal report and the establishment of the contract shall be no more than 3 months. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p><u>with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2.The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(IV) The period between the issued date of the appraisal report and the establishment of the contract shall be no more than 3 months. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p><u>(V) For acquisition or disposal of assets through auction procedures of courts, the appraisal report or certified public</u></p>	

Article No.	Amended	Before amendments	Description
		<u>accountant's opinion can be replaced by documents issued by the courts.</u>	
Article 8	<p>Procedure for Acquisition or Disposal of Securities</p> <p>I. Appraisal and Operation Procedure The <u>acquisition or disposal</u> of the Company's securities are handled in accordance with the investment cycle operations of the Company's internal control system.</p> <p>II. Determination Procedure for Trading Terms & Conditions and Authorization Limit (I) For the transaction of securities on the centralized exchange market or the business office of a securities firm, <u>the most recent financial statement of the subject company that has been checked, certified or reviewed</u> by an accountant shall be taken as a reference for evaluating the transaction price before the date of the fact. It shall be determined by the responsible unit according to market conditions. The amount less than <u>NT\$300</u> million shall be approved step by step according to the authorization method; The amount more than <u>NT\$300</u> million (inclusive) shall be submitted to the Board for approval before implementation. The responsible unit is also required to submit an analysis report on unrealized profits or losses of marketable securities on a monthly basis.</p>	<p>Procedure for Acquisition or Disposal of Securities</p> <p>I. Appraisal and Operation Procedure The <u>purchase and sale</u> of the Company's securities are handled in accordance with the investment cycle operations of the Company's internal control system.</p> <p>II. Determination Procedure for Trading Terms & Conditions and Authorization Limit (I) The purchase and sale of negotiable securities on the centralized exchange market or the business office of a securities firm <u>shall</u> be determined by the responsible unit according to market conditions. The amount of which is less than <u>NT\$100</u> million (<u>inclusive</u>) shall be approved by levels according to the authorization policy. The amount exceeding <u>NT\$100</u> million shall be approved by the board of directors. The responsible unit shall submit an analysis report on the unrealized profit or loss of marketable securities every month, and report to the most recent routine board of directors.</p> <p>(II) For the trading of securities not on the centralized trading market or the</p>	Comply with the laws and regulations of the authority and the actual operation needs to amend.

Article No.	Amended	Before amendments	Description
	<p>(II) For the trading of securities not on the centralized trading market or the business office of a securities firm, the most recent financial statement of the subject company that has been checked, certified or reviewed by an accountant should be obtained before the date of the fact as a reference for evaluating the transaction price. Its net worth per share, profitability and future development potential, etc. should be considered. If the amount is less than <u>NT\$300</u> million, it shall be approved by hierarchie according to the authorization method. If the amount exceeds <u>NT\$300</u> million (inclusive), it must be approved by the board of directors. The responsible unit shall submit an analysis report on the unrealized profit or loss of marketable securities at least every six months, and report on the latest routine board of directors.</p> <p>(III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to</p>	<p>business office of a securities firm, the most recent financial statement of the target company that has been audited, certified or reviewed by an accountant shall be taken as a reference for evaluating the transaction price before the date of the occurrence of the fact. The net value of shares, profitability and future development potential, etc. shall be considered. The amount of which is less than <u>NT\$100</u> million (inclusive) shall be approved by levels according to the authorization policy. The amount exceeding <u>NT\$100</u> million shall be approved by the board of directors. The responsible unit shall submit an analysis report on the unrealized profit or loss of marketable securities at least every six months, and report to the most recent routine board of directors.</p> <p>(III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to the</p>	

Article No.	Amended	Before amendments	Description
	<p>the Audit Committee. Where the Company has established the position of Independent Director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p>III. Responsible Departments The <u>acquisition or disposal</u> of securities shall be approved with the preceding authorized approval schedule, then shall be implemented by the financial department and administrative department.</p> <p>IV. Expert opinions If the Company acquires or disposes of marketable securities, and the transaction</p>	<p>Audit Committee. Where the Company has established the position of Independent Director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p>III. Responsible Departments The <u>engagement</u> of security <u>investment</u> shall be approved with the preceding authorized approval schedule, then shall be implemented by the financial department and administrative department.</p>	

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	<p>amount exceeds 20% of the company's paid-in capital or NT\$300 million or more, it shall contact an accountant to express its opinion on the reasonableness of the transaction price before the actual occurrence. Unless these securities have an active public offering from the market or are otherwise regulated by the Financial Supervisory Commission, R.O.C., they can be excluded from the requirement mentioned above.</p>	<p>IV. Expert opinions If the Company acquires or disposes of marketable securities and the transaction amount reaches 20% of paid-up capital or beyond NTD 300 million, opinions from accountants shall be obtained on the rationality of the transaction price before the <u>transaction; if the accountant adopts consultancy reports, it shall be treated in accordance with Statement No. 20 of the Auditing Standards issued by the Accounting Research and Development Foundation.</u> Unless these securities have an active public offering from the market or are otherwise regulated by the Financial Supervisory Commission, R.O.C., they can be excluded from the requirement mentioned above.</p>	
Article 9	<p>Procedures Governing Related Party Transactions I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the provisions of Article 7, Article 8, Article 10, and this article are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's</p>	<p>Procedures Governing Related Party Transactions I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the provisions of Article 7, Article 8, Article 10, and this article are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company</p>	<p>Comply with the laws and regulations of the authority to amend.</p>

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	<p>opinion in compliance with the provisions according to Article 7, Article 8, and Article 10. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 11 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. Appraisal and Operation Procedure: When the Company intends to acquire or dispose of real property or its right-of-use asset thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use asset thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the Board of Directors: (I) The purpose, necessity and anticipated</p>	<p>shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions according to Article 7, Article 8, and Article 10.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 11 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. Appraisal and Operation Procedure: When the Company intends to acquire or dispose of real property or its right-of-use asset thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use asset thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the</p>	

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	<p>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 asset thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph III, subparagraph (I) and (IV).</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 to 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</p>	<p>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 the Board of Directors:</p> <p>(I) The purpose, necessity and 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 asset thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph III, subparagraph (I) and (IV).</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 to 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</p>	

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	<p>the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board may delegate the Chairman according to Article 7 to decide such matters when the transaction is within certain amount and have the decisions subsequently submitted to and ratified by the next Board meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>Where the Company has established the position of Independent Director, when matters bound by this paragraph are submitted for discussion by the Board, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters subject to approval by the Audit Committee in accordance with this subparagraph shall first be approved by more than half of all audit committee members and</p>	<p>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>The calculation of the transaction amounts referred to in the <u>preceding</u> paragraph shall be made in accordance with Article 15 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the Board of Directors need not be counted toward the transaction amount.</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 in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board may delegate the Chairman according to Article 7 to decide such matters when the transaction is within certain amount and have the decisions subsequently submitted to and ratified by the next</p>	

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	<p>then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p><u>The Company or the Company's subsidiary that is not a domestic public offering company has this transaction. If the transaction amount is more than 10% of the Company's total assets, the Company shall submit the documents listed in this item to the shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation.</u></p> <p>The calculation of the transaction amounts referred to in the <u>this</u> paragraph shall be made in accordance with Article 15 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders' meeting</u>, audit committee and the Board of Directors need not be counted toward the transaction amount.</p> <p>III. Reasonable Assessment of Transaction Cost</p> <p>(l) the Company that acquires real property or its right-of-use asset thereof from a related party shall evaluate the reasonableness of the transaction costs</p>	<p>Board meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>Where the Company has established the position of Independent Director, when matters bound by this paragraph are submitted for discussion by the Board, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters subject to approval by the Audit Committee in accordance with this subparagraph shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p>III. Reasonable Assessment of Transaction</p>	

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	<p>by the following means:</p> <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. If the related party has set up a collateralised borrowing with the underlying asset to the financial institution, the financial institution will evaluate the total value of the loan to the underlying asset. But the actual cumulative value of the financial institution's loan to the underlying assets should reach more than 70% of the total loan evaluation value and the loan period has been more than one year. However, this is not applicable if the financial institution is related to one of the transaction parties. <p>(II) 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</p>	<p>Cost</p> <ol style="list-style-type: none"> (I) the Company that acquires real property or its right-of-use asset thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means: <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. If the related party has set up a collateralised borrowing with the underlying asset to the financial institution, the financial institution will evaluate the total value of the loan to the underlying asset. But the actual cumulative value of the financial institution's loan to the underlying assets should reach more than 70% of the total loan 	

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	<p>structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(III) the Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the subparagraph (I) and (II) of paragraph III shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(IV) When the appraised values of real estate or its right-of-use assets acquired by the Company from the related party according paragraph III, subparagraph (I) and (II) of this Article are all relatively lower, it shall be handled according to paragraph III, subparagraph (V) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: 	<p>evaluation value and the loan period has been more than one year. However, this is not applicable if the financial institution is related to one of the transaction parties.</p> <p>(II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(III) the Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the subparagraph (I) and (II) of paragraph III shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(IV) When the appraised values of real estate or its right-of-use assets acquired by the Company from the related party according paragraph III, subparagraph (I) and (II) of this Article are all relatively lower, it shall</p>	

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	<p>(1)The undeveloped land was appraised according to the provisions of the <u>this Article</u>, but the buildings have been appraised based on the related party's construction costs plus reasonable construction profit and in combination with the land, the total exceeds the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2)Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in</p>	<p>be handled according to paragraph III, subparagraph (V) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1) The undeveloped land was appraised according to the provisions of the <u>preceding Article</u>, but the buildings have been appraised based on the related party's construction costs plus reasonable construction profit and in combination with the land, the total exceeds the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's</p>	

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	<p>accordance with standard property market sale or leasing practices.</p> <p>2 Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets</p>	<p>construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2 Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued</p>	

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	<p>thereof.</p> <p>(V) When the appraised values of real property or right-of-use assets acquired by the Company from related parties according to paragraph (III), subparagraph (I) through (IV) and (VI) of this Article is lower than the transaction price, the situation shall be handled in following manner:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between Special surplus reserveshe real property or right-of-use asset transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company. 2 The independent Directors of audit committee shall comply with Article 	<p>parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p>(V) When the appraised values of real property or right-of-use assets acquired by the Company from related parties according to paragraph (III), subparagraph (I) through (IV) and (VI) of this Article is</p>	

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	<p>218 of the Company Act.</p> <p>3. Actions taken pursuant to paragraph III, subparagraph (V), point 1 and point 2 of this Article shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectuses.</p> <p>The Company, which has set aside a special surplus reserve in accordance with the provisions of point 1 of subparagraph (5), subparagraph 3 of this article, may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(VI) Acquisition by the Company of real estate from a related party shall be performed in accordance with the provisions relating to appraisal procedures and operational procedures set forth in paragraph I and II of this</p>	<p>lower than the transaction price, the situation shall be handled in following manner:</p> <p>1.A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between Special surplus reserveshe real property or right-of-use asset transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>2.The independent Directors of audit committee shall comply with Article 218 of the Company Act.</p> <p>3.Actions taken pursuant to paragraph III, subparagraph (V),</p>	

Article No.	Amended	Before amendments	Description
	<p>Article; the provisions relating to appraisal procedures and operational procedures in paragraph III, subparagraph (I), (II) and (III) of this Article are not applicable:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land. 4. The real property right-of-use assets for business use are acquired by the Company with its Subsidiaries, or by its Subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. <p>(VII) When the Company acquires real estate or its right-of-use assets from a related party and any evidence indicates that the acquisition was not performed in</p>	<p>point 1 and point 2 of this Article shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectuses.</p> <p>The Company, which has set aside a special surplus reserve in accordance with the provisions of point 1 of subparagraph (5), subparagraph 3 of this article, may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(VI) Acquisition by the Company of real estate from a related party shall be performed in accordance with the provisions relating to appraisal procedures and operational procedures set forth in paragraph I</p>	

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	<p>accordance with operational conventions, then it shall comply with paragraph III, subparagraph (V) of this Article.</p>	<p>and II of this Article; the provisions relating to appraisal procedures and operational procedures in paragraph III, subparagraph (I), (II) and (III) of this Article are not applicable:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land. 4. The real property right-of-use assets for business use are acquired by the Company with its Subsidiaries, or by its Subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. <p>(VII) When the Company acquires real</p>	

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		<p>estate or its right-of-use assets from a related party and any evidence indicates that the acquisition was not performed in accordance with operational conventions, then it shall comply with paragraph III, subparagraph (V) of this Article.</p>	
Article 10	<p>Procedure Governing the Acquisition or Disposal of intangible assets or its right-of-use Asset, or Memberships</p> <p>I. Appraisal and Operation Procedure</p> <p>The acquisition or disposal of intangible assets or its right-of-use asset, or memberships by the Company shall follow the accounting cycle, as part of the Company's internal control system, for real property, equipment, or right-of-use assets.</p> <p>II. Determination Procedure for Trading Terms & Conditions and Authorization Limit</p> <p>(I) The acquisition or disposal of membership shall refer to the reported fair market value. The analysis of the trading conditions and the transaction price shall be made. The amount less than <u>NT\$300 million</u> shall be approved step by step according to the authorization method; The amount more than <u>NT\$300 million (inclusive)</u> shall be submitted to the Board for approval before implementation.</p> <p>(II) The acquisition or disposal of intangible</p>	<p>rocedure Governing the Acquisition or Disposal of intangible assets or its right-of-use Asset, or Memberships</p> <p>I. Appraisal and Operation Procedure</p> <p>The acquisition or disposal of intangible assets or its right-of-use asset, or memberships by the Company shall follow the accounting cycle, as part of the Company's internal control system, for real property, equipment, or right-of-use assets.</p> <p>II. Determination Procedure for Trading Terms & Conditions and Authorization Limit</p> <p>(I) The acquisition or disposal of membership shall refer to the reported fair market value. The analysis of the trading conditions and the transaction price shall be made. The amount less than <u>NT\$50 million (inclusive)</u> shall be approved step by step according to the authorization method; The amount more than <u>NT\$50 million</u> shall be submitted to the Board for approval</p>	<p>Comply with the laws and regulations of the authority and the actual operation needs to amend.</p>

Article No.	Amended	Before amendments	Description
	<p>assets or its reight-of-use assets shall refer to the expert assessment report or the fair value of the market. The analysis of the trading conditions and the transaction price shall be made. The amount less than <u>NT\$300 million</u> shall be approved step by step according to the authorization method; The amount more than <u>NT\$300 million (inclusive)</u> shall be submitted to the Board for approval before implementation.</p> <p>(III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to the Audit Committee.</p> <p>Where the Company has established the position of Independent Director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in</p>	<p>before implementation.</p> <p>(II) The acquisition or disposal of intangible assets or its reight-of-use assets shall refer to the expert assessment report or the fair value of the market. The analysis of the trading conditions and the transaction price shall be made. The amount less than <u>NT\$50 million (inclusive)</u> shall be approved step by step according to the authorization method; The amount more than <u>NT\$50 million</u> shall be submitted to the Board for approval before implementation.</p> <p>(III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to the Audit Committee.</p> <p>Where the Company has established the position of Independent Director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board</p>	

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	<p>the minutes of the Board meeting. Where an audit committee has been established in accordance with the provisions of the Act, any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p>III. Responsible Departments The acquisition or disposal of intangible assets or its right-of-use asset, or memberships shall be approved with the preceding authorized approval schedule, then shall be implemented by the department of utilization and administrative departments.</p> <p>IV. Expert assessment report for intangible assets or its right-of-use asset, or memberships Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting. Where an audit committee has been established in accordance with the provisions of the Act, any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 18, paragraphs 4 and 5.</p> <p>III. Responsible Departments The acquisition or disposal of intangible assets or its right-of-use asset, or memberships shall be approved with the preceding authorized approval schedule, then shall be implemented by the department of utilization and administrative departments.</p> <p>IV. Expert assessment report for intangible assets or its right-of-use asset, or memberships Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the</p>	

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		<p>transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	
<u>Article 11-1</u>	<p><u>For acquisition or disposal of assets through auction procedures of courts, the appraisal report or certified public accountant's opinion can be replaced by documents issued by the courts.</u></p>		<p>Moved from Article 7, Paragraph 4, Paragraph 5</p>
Article 15	<p>Information Disclosure Procedures I. Criteria for Items to be announced and the reported (l) Acquisition or disposal of real property or right-of-use asset thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use asset thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government</p>	<p>Information Disclosure Procedures I. Criteria for Items to be announced and the reported (l) Acquisition or disposal of real property or right-of-use asset thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use asset thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply</p>	<p>Comply with the laws and regulations of the authority to amend.</p>

Article No.	Amended	Before amendments	Description
	<p>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, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> 1. For a company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For a company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. <p>(V) Acquisition or disposal by a company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related</p>	<p>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, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> 1. For a company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For a company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. <p>(V) Acquisition or disposal by a company</p>	

Article No.	Amended	Before amendments	Description
	<p>party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(VI) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million.</p>	<p>in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(VI) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>(VII) Where an asset transaction other</p>	

Article No.	Amended	Before amendments	Description
	<p>Following situations are not subject to this limit:</p> <ol style="list-style-type: none"> 1. Trading domestic public bonds <u>or foreign public bonds with a credit rating not lower than my country's sovereign rating.</u> 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign public debt</u> 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, <u>or to purchase or sell back index investment securities,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic 	<p>than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. Following situations are not subject to this limit:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 	

Article No.	Amended	Before amendments	Description
	<p>securities investment trust enterprises.</p> <p>The calculation method of the transaction amounts for the above-mentioned Subparagraph is as followed; Moreover, the referred “within one year” starts from transaction date, and trace back to one year; the amount that has been reported according to regulations shall not be counted in.</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. 	<p>3.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The calculation method of the transaction amounts for the above-mentioned Subparagraph is as followed; Moreover, the referred “within one year” starts from transaction date, and trace back to one year; the amount that has been reported according to regulations shall not be counted in.</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within 	

Article No.	Amended	Before amendments	Description
	<p>II. Time Limit for Announcement and filing the Company shall report related information to the website designated by FSC for announcement and reporting within 2 days of the transaction date if the assets acquired or disposed of by the Company are within the scope stipulated in paragraph I of this Article and the transaction amount reaches the announcement standard.</p> <p>III. Procedures for Announcement and Declaration</p> <p>(I) The Company shall report related information to the designated website by FSC for announcement.</p> <p>(II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>(III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days</p>	<p>the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>II. Time Limit for Announcement and filing the Company shall report related information to the website designated by FSC for announcement and reporting within 2 days of the transaction date if the assets acquired or disposed of by the Company are within the scope stipulated in paragraph I of this Article and the transaction amount reaches the announcement standard.</p> <p>III. Procedures for Announcement and Declaration</p> <p>(I) The Company shall report related information to the designated website by FSC for announcement.</p> <p>(II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the</p>	

Article No.	Amended	Before amendments	Description
	<p>counting inclusively from the date of knowing of such error or omission.</p> <p>(IV) the Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>(V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the this article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2 The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and declared information. 	<p>prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>(III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>(IV) the Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>(V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the this article, a public report of relevant information shall be made on the</p>	

Article No.	Amended	Before amendments	Description
		<p>information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1.Change, termination, or rescission of a contract signed in regard to the original transaction. 2.The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3.Change to the originally publicly announced and declared information. 	
Article 18	<p>Implementation and Revision</p> <p>The proposed “Procedures for Acquisition or Disposal of Assets” shall be approved by the board of directors, then delivered to all supervisors and proposed to the shareholders’ meeting for approval; any amendments shall also follow this procedure. If any director expresses an objection on the record or by a written statement, the Company shall submit the objection to all supervisors.</p> <p>When a procedure involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to proceeding paragraph by the Company, the Board shall take into full consideration each Independent Director's</p>	<p>Implementation and Revision</p> <p>The proposed “Procedures for Acquisition or Disposal of Assets” shall be approved by the board of directors, then delivered to all supervisors and proposed to the shareholders’ meeting for approval; any amendments shall also follow this procedure. If any director expresses an objection on the record or by a written statement, the Company shall submit the objection to all supervisors.</p> <p>When a procedure involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to proceeding paragraph by the Company, the</p>	Text revision

Article No.	Amended	Before amendments	Description
	<p>opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>When the procedures for the acquisition and disposal of assets are adopted or amended by the Company, they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.</p> <p>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>The all audit committee members and the all directors in the each preceding paragraph refers to the actual Incumbents.</p>	<p>Board shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>When the procedures for the acquisition and disposal of assets are adopted or amended by the Company, they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.</p> <p>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>The terms "all Audit Committee Members" in <u>paragraph 3</u> and "all Directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	

Comparison of “Articles of Incorporation” before and after proposed amendment:

Article No.	Amended	Before amendments	Description
<u>Article 9-1</u>	<u>When the shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.</u>	(Addition)	In accordance with the addition to the Company Act.
Article 13	<p>The Company shall appoint 7 <u>to 11</u> directors for a term of three-years. They shall be elected among persons of adequate capacity by the shareholders meeting and may be re-elected for consecutive terms. The total shareholding percentage of all directors shall be determined by regulations of the competent authority of securities.</p> <p>Among the above-mentioned number of directors, the number of independent directors shall not be less than three (at least one independent director shall have accounting or financial expertise) and shall not be less than one-fifth of the number of directors.</p> <p>The election of directors follows the candidate nomination system provided in Article 192-1 of the Company Act. The shareholders shall elect Directors from the list of director candidates.</p> <p>The election of independent directors and non-independent directors shall be held together. The number of elected seats shall be calculated independently. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and other requirements with regard to the Independent Directors shall be set forth in accordance with the relevant laws by the competent authorities.</p>	<p>The Company shall appoint seven directors for a term of three-years. They shall be elected among persons of adequate capacity by the shareholders meeting and may be re-elected for consecutive terms. The total shareholding percentage of all directors shall be determined by regulations of the competent authority of securities.</p> <p>Among the above-mentioned number of directors, the number of independent directors shall not be less than three (at least one independent director shall have accounting or financial expertise) and shall not be less than one-fifth of the number of directors.</p> <p>The election of directors follows the candidate nomination system provided in Article 192-1 of the Company Act. The shareholders shall elect Directors from the list of director candidates.</p> <p>The election of independent directors and non-independent directors shall be held together. The number of elected seats shall be calculated independently. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and other requirements with regard to the Independent Directors shall be set forth in accordance with the relevant laws by the competent authorities.</p>	Revised to meet the Company's operational needs.

Article No.	Amended	Before amendments	Description
Article 15-1	<p>When the director is unable to attend the meeting of the Board of Directors for some reason, a power of attorney enumerating the reason for the convening of the power of attorney shall be issued and signed and sealed to entrust other directors to attend as a proxy. One person can be entrusted by one person only.</p> <p>When the Board of Directors is convening a meeting, if the method of video conferencing is used, the directors who participate in the meeting on the video screen shall be deemed to have attended the meeting in person.</p> <p>In calling a meeting of the Board of Directors, a notice setting forth to each director can be in the form of writing, e-mail, or fax.</p> <p>In calling a meeting of the Board, a notice setting forth can be in the form of writing, e-mail, or fax.</p>	<p>When the director is unable to attend the meeting of the Board of Directors for some reason, a power of attorney enumerating the reason for the convening of the power of attorney shall be issued and signed and sealed to entrust other directors to attend as a proxy. One person can be entrusted by one person only. <u>Directors residing abroad may entrust other shareholders residing in the country in writing to attend on behalf of other shareholders.</u></p> <p>When the Board of Directors is convening a meeting, if the method of video conferencing is used, the directors who participate in the meeting on the video screen shall be deemed to have attended the meeting in person.</p> <p>In calling a meeting of the Board of Directors, a notice setting forth to each director can be in the form of writing, e-mail, or fax.</p> <p>In calling a meeting of the Board, a notice setting forth can be in the form of writing, e-mail, or fax.</p>	In accordance with the amendment to the Company Act.
Article 22	<p>This Articles of Association was established on April 23, 1986.</p> <p>The 1st amendment was made on May 13, 1986.</p> <p>.</p> <p>.</p> <p>.(Omitted)</p>	<p>This Articles of Association was established on April 23, 1986.</p> <p>The 1st amendment was made on May 13, 1986.</p> <p>.</p> <p>.</p> <p>.(Omitted)</p>	Addition of revision numeration and date

Article No.	Amended	Before amendments	Description
	The 29th amendment was made on June 13, 2019. <u>The 30th amendment was made on June 14, 2022.</u>	The 29th amendment was made on June 13, 2019.	

Comparison of "Rules of Procedures for Shareholders Meetings" before and after proposed amendment:

Article No.	Amended	Before amendments	Description
Article 3	<p>(Notice of convening and meeting of the shareholders meeting)</p> <p>Unless otherwise provided by regulations, the shareholders meeting is convened by the Board of Directors.</p> <p><u>Changes to the method of convening the shareholders' meeting of the Company shall be subject to the resolution of the board of directors. And at the latest before the notice of the shareholders' meeting is dispatched.</u></p> <p>Thirty days before the Company convenes a regular shareholders meeting or 15 days before a special shareholders meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the shareholders meeting agenda, and upload them to the Market Observation Post System. wenty-one days before the Company is to convene an ordinary shareholders meeting, or 15 days before it convenes an extraordinary shareholders meeting, it shall prepare an electronic file of the shareholders meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. <u>However, if the Company's paid-in capital exceeds NT\$10 billion at the end of the most recent fiscal year, or the Company convened an ordinary shareholders' meeting in the most recent fiscal</u></p>	<p>(Notice of convening and meeting of the shareholders meeting)</p> <p>Unless otherwise provided by regulations, the shareholders meeting is convened by the Board of Directors.</p> <p>Thirty days before the Company convenes a regular shareholders meeting or 15 days before a special shareholders meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the shareholders meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an ordinary shareholders meeting, or 15 days before it convenes an extraordinary shareholders meeting, it shall prepare an electronic file of the shareholders meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. Fifteen days before the Company is to convene a shareholders meeting, it shall prepare the shareholders meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p><u>year, If the total shareholding ratio of foreign capital and Mainland capital recorded in the shareholder register is more than 30%, the electronic file shall be transmitted 30 days before the ordinary shareholders meeting.</u> Fifteen days before the Company is to convene a shareholders meeting, it shall prepare the shareholders meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent. <u>The procedure manual and meeting supplementary materials mentioned in the preceding paragraph shall be provided to shareholders for reference by the Company on the day of the shareholders' meeting in the following ways:</u></p> <p><u>1. When a physical shareholders meeting is held, it should be distributed on the spot of the shareholders meeting.</u></p> <p><u>2. When a video-assisted shareholders' meeting is held, it shall be distributed on the spot of the shareholders' meeting and sent to the video-conferencing platform as an electronic file.</u></p> <p><u>3. When holding a video conference of shareholders, the electronic file shall be transmitted to the video conference platform.</u></p> <p>The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically. For appointment or dismissal of directors, change of</p>	<p><u>meeting.</u></p> <p>The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically. For appointment or dismissal of directors, change of Articles of Association, capital reduction, application for suspension of public offerings, directors' competition license, a capital increase from surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the main content should be listed and explained in the reason for convening. Provisional motions shall not be allowed for the proposal.</p> <p>The reasons for the convening of the shareholders meeting have been stated for the full re-election of directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means.</p> <p>Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders meeting. The number of proposals is limited to one. Additional proposals shall not be included in the agenda. When any of the circumstances provided</p>	

Article No.	Amended	Before amendments	Description
	<p>Articles of Association, capital reduction, application for suspension of public offerings, directors' competition license, a capital increase from surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the main content should be listed and explained in the reason for convening. Provisional motions shall not be allowed for the proposal.</p> <p>The reasons for the convening of the shareholders meeting have been stated for the full re-election of directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means.</p> <p>Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders meeting. The number of proposals is limited to one. Additional proposals shall not be included in the agenda. When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Shareholders may submit proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited</p>	<p>in Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item following the relevant provisions of Article 172-1 of the Company Act. The number of proposals is limited to one. Additional proposals shall not be included in the agenda.</p> <p>Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than ten days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.</p> <p>The Company shall, prior to the delivery of the shareholders meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in the Rules. At the</p>	

Article No.	Amended	Before amendments	Description
	<p>to one item following the relevant provisions of Article 172-1 of the Company Act. The number of proposals is limited to one. Additional proposals shall not be included in the agenda.</p> <p>Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than ten days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.</p> <p>The Company shall, prior to the delivery of the shareholders meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	<p>shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	
Article 4	<p>Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.</p>	<p>Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.</p>	<p>It is amended to comply with relevant laws and regulations.</p>

Article No.	Amended	Before amendments	Description
	<p>A shareholder may only execute one letter of appointment, appoint one proxy only, and submit such a letter of appointment to the Company no later than 5 days before the shareholders meeting. If two or more letters of appointment are received from the same shareholder, the first one received by the Company shall prevail. Provided that this does not apply to a declaration made to cancel the previous proxy appointment.</p> <p>After the letter of appointment is submitted to the Company, in case the shareholder issuing the said letter of appointment intends to attend the shareholders' meeting in person or to exercise his/her voting rights in writing or electronically, a proxy rescission notice shall be filed with the Company 2 days in writing prior to the date of the shareholders' meeting; otherwise, the voting rights exercised by the proxy at the meeting shall prevail.</p> <p><u>After the letter of appointment is submitted to the Company, in case the shareholders want to attend the shareholders meeting by video, a proxy rescission notice shall be filed with the Company 2 days in writing prior to the date of the shareholders' meeting; otherwise, the voting rights exercised by the proxy at the meeting shall prevail.</u></p>	<p>A shareholder may only execute one letter of appointment, appoint one proxy only, and submit such a letter of appointment to the Company no later than 5 days before the shareholders meeting. If two or more letters of appointment are received from the same shareholder, the first one received by the Company shall prevail. Provided that this does not apply to a declaration made to cancel the previous proxy appointment.</p> <p>After the letter of appointment is submitted to the Company, in case the shareholder issuing the said letter of appointment intends to attend the shareholders' meeting in person or to exercise his/her voting rights in writing or electronically, a proxy rescission notice shall be filed with the Company 2 days in writing prior to the date of the shareholders' meeting; otherwise, the voting rights exercised by the proxy at the meeting shall prevail.</p>	
Article 5	<p>(Principles of the place and time of the shareholders meeting)</p> <p>The venue where a shareholder meeting is to be held shall be in the premises of the Company or a location easy for shareholders to access and appropriate for</p>	<p>(Principles of the place and time of the shareholders meeting)</p> <p>The venue where a shareholder meeting is to be held shall be in the premises of the Company or a location easy for shareholders to access and</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p>holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent Directors shall be fully taken into consideration in decision of the location and time of a shareholder meeting.</p> <p><u>When the Company convenes a video-conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.</u></p>	<p>appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent Directors shall be fully taken into consideration in decision of the location and time of a shareholder meeting.</p>	
Article 6	<p>(Preparation of signature books and other documents) <u>The Company shall specify in its meeting notices, for the shareholders, solicitors, entrusted agents (hereinafter referred to as shareholders), the time during which shareholder registrations will be accepted, the place to register for attendance, and other matters for attention.</u></p> <p><u>The registration time described in the preceding paragraph shall be at least 30 minutes before the meeting begins. The registration counter shall be precisely indicated and enough competent personnel shall be assigned to help shareholders register. For the video conference of the shareholders' meeting, registration should be accepted on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.</u></p> <p>Shareholders shall attend shareholders meetings with attendance cards, attendance sign-in cards, or other certificates of attendance, <u>the Company shall not arbitrarily add other supporting documents to the</u></p>	<p>(Preparation of signature books and other documents)</p> <p>The Company shall establish a attendance book for <u>shareholders or their proxies (hereafter referred to as shareholder)</u> to sign in, or the shareholders present shall turn in a sign-in card.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials; Where there is an election of Directors, pre-printed ballots shall also be furnished.</p> <p>Shareholders shall attend shareholders meetings with attendance cards, attendance sign-in cards, or other certificates of attendance. Solicitors soliciting letters of appointment shall also bring identification documents for verification.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting.</p> <p>When a juristic person is appointed to attend as proxy, it may designate only one person to</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p><u>supporting documents relied on by shareholders to attend</u>. Solicitors soliciting letters of appointment shall also bring identification documents for verification. Shareholders shall attend shareholders meetings with attendance cards, attendance sign-in cards, or other certificates of attendance.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials, where there is an election of Directors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference should register with the Company two days before the shareholders' meeting.</u></p> <p><u>If the shareholders' meeting is held by video conference, the Company shall upload the procedure manual, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.</u></p>	<p>represent it in the meeting.</p>	

Article No.	Amended	Before amendments	Description
<u>Article 6-1</u>	<p><u>(Convening a video conference of the shareholders' meeting, and the matters to be included in the convening notice)</u></p> <p><u>When the Company holds a video conference of the shareholders' meeting, the following matters shall be stated in the notice of convening the shareholders' meeting:</u></p> <p><u>1. Shareholders' participation in video conferences and methods for exercising their rights.</u></p> <p><u>2. The handling of obstacles to the video conference platform or participation in video conferences due to natural disasters, incidents or other force majeure events, including at least the following:</u></p> <p><u>(1) The time when the pre-occupational obstacle cannot be ruled out and the meeting needs to be postponed or resumed, and the date when the meeting needs to be postponed or resumed.</u></p> <p><u>(2) Shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the extension or continuation of the meeting.</u></p> <p><u>(3) To hold a video-assisted shareholders meeting, if the video conference cannot be continued, after deducting the number of shares attending the shareholders meeting by video, the total number of shares attending the shareholders meeting reaches the statutory quota for the shareholders meeting, and the</u></p>	<p>(Addition)</p>	<p>It is amended to comply with relevant laws and regulations.</p>

Article No.	Amended	Before amendments	Description
	<p><u>shareholders meeting should continue.</u> <u>Shareholders who participate by video conference, the number of shares attended shall be included in the total number of shareholder shares present, and all resolutions of the shareholders' meeting shall be deemed as abstentions.</u> <u>(4) In the event that all the motions have been announced, but no provisional motion has been made, the handling method.</u> <u>3. To convene a video conference of shareholders, and to specify appropriate alternatives to shareholders who have difficulty participating in shareholders by video.</u></p>		
Article 8	<p>(Record of audio and video recording of shareholders meetings) The Company shall record the shareholders meetings by audio and video and keep the recording for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation. <u>If the shareholders' meeting is held by video conference, the Company shall keep records of shareholders' registration, registration, registration, questioning, voting and the Company's vote counting results, etc. The video conference will be recorded and recorded continuously without interruption.</u> <u>The information and audio and video recordings mentioned in the preceding paragraph shall be properly preserved by the Company during the period of</u></p>	<p>(Record of audio and video recording of shareholders meetings) The Company shall record the shareholders meetings by audio and video and keep the recording for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.</p>	<p>It is amended to comply with relevant laws and regulations.</p>

Article No.	Amended	Before amendments	Description
	<p>existence. <u>The audio and video recordings shall be provided to those who are entrusted to handle video conference affairs for preservation.</u></p> <p><u>If the shareholders' meeting is held by video conference, the Company should record and record the background operation interface of the video conference platform.</u></p>		
Article 9	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed, <u>the number of shares registered on the video conference platform</u>, and the number of shares of voting rights are exercised in writing or electronically. The chair shall call the meeting to order at the appointed meeting time. At the same time, relevant information such as the number of non-voting rights and the number of shares present shall be announced. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>If the shareholders' meeting is held by video conference, the company shall also announce the streaming meeting on the video conference platform of</u></p>	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed and the number of shares of voting rights are exercised in writing or electronically. The chair shall call the meeting to order at the appointed meeting time. At the same time, relevant information such as the number of non-voting rights and the number of shares present shall be announced. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p><u>the shareholders' meeting.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. <u>If the shareholders meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the company in accordance with Article 6.</u></p> <p>When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may submit the tentative resolution for a vote to the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may submit the tentative resolution for a vote to the shareholders meeting pursuant to Article 174 of the Company Act.</p>	
Article 11	<p>(Shareholders' speeches)</p> <p>Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the attendance card number) and account name. The sequence of speeches shall be determined by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p>	<p>(Shareholders' speeches)</p> <p>Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the attendance card number) and account name. The sequence of speeches shall be determined by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p>Each attending shareholder shall make no more than two speeches for each motion, and each speech shall not exceed 5 minutes unless otherwise consented by the chair. The chair shall retain all rights to stop any speech if the shareholder's speech violates the aforementioned principle or is outside the scope of the topic.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chair and the shareholder who has the floor, the chair shall stop any violation.</p> <p>When a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>If the shareholders' meeting is held by video conference, shareholders participating by video conference may ask questions in text on the video conference platform of the shareholders' meeting after the chairman announces the meeting and before the announcement of the adjournment of the meeting. The number of questions asked for each proposal shall not exceed two times, each time shall be limited to 200 words, and the provisions of items 1 to 5 shall not apply.</u></p> <p><u>If the question mentioned in the preceding paragraph</u></p>	<p>shall prevail.</p> <p>Each attending shareholder shall make no more than two speeches for each motion, and each speech shall not exceed 5 minutes unless otherwise consented by the chair. The chair shall retain all rights to stop any speech if the shareholder's speech violates the aforementioned principle or is outside the scope of the topic.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chair and the shareholder who has the floor, the chair shall stop any violation.</p> <p>When a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	

Article No.	Amended	Before amendments	Description
	<p><u>does not violate the regulations or does not exceed the scope of the proposal, it is advisable to expose the question on the video conference platform of the shareholders' meeting for public knowledge.</u></p>		
Article 13	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.</p> <p>When the Company holds a shareholders meeting, it shall allow the shareholders to exercise voting rights in writing or electronically. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person. But will be deemed to have waived his/her rights with respect to the extempore motions and revisions to the original proposals of that meeting.</p> <p>A shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights in writing or electronically, in the event the shareholder intends to attend the shareholders meeting in person <u>or by video</u>, he/she shall use the same mean by which the voting rights were exercised to retract the voting rights already exercised under the preceding paragraph 2</p>	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.</p> <p>When the Company holds a shareholders meeting, it shall allow the shareholders to exercise voting rights in writing or electronically. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person. But will be deemed to have waived his/her rights with respect to the extempore motions and revisions to the original proposals of that meeting.</p> <p>A shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights in writing or electronically, in the event the shareholder intends to attend the shareholders meeting in person, he/she shall use the same mean by which the voting rights were exercised to retract the voting rights already exercised under the</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p>days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or electronically shall prevail. When a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholders meeting by the letter of appointment, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the shareholders shall vote, and after the shareholders meeting is held, the results of shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System.</p> <p>When there is an amendment or an alternative to the same proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>The counting of votes shall be made public in the shareholders meeting and the results of the voting shall</p>	<p>preceding paragraph 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or electronically shall prevail. When a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholders meeting by the letter of appointment, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the shareholders shall vote, and after the shareholders meeting is held, the results of shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System.</p> <p>When there is an amendment or an alternative to the same proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall</p>	

Article No.	Amended	Before amendments	Description
	<p>be reported on the spot and recorded.</p> <p><u>The Company convened a video conference of the shareholders' meeting. Shareholders who participated in the video conference should vote on various resolutions and election resolutions through the video conference platform after the chairman announced the meeting. And it should be completed before the chairman announces the close of voting. Those who exceed the time will be deemed to abstain.</u></p> <p><u>If the shareholders' meeting is held by video conference, the votes shall be counted in one go after the chairman announces the close of voting, and announce the voting and election results.</u></p> <p><u>If the shareholders' meeting is held by video conference, the votes shall be counted in one go after the chairman announces the close of voting, and announce the voting and election results.</u></p> <p><u>When the Company holds a video-assisted shareholders meeting, shareholders who have registered to attend the shareholders' meeting by video-conference in accordance with the provisions of Article 6, who wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; Those who cancel within the time limit can only attend the shareholders' meeting by video conferencing.</u></p> <p><u>Those who exercise their voting rights in writing or electronically without revoking their intentions and participate in the shareholders' meeting by video</u></p>	<p>be shareholders of the Company.</p> <p>The counting of votes shall be made public in the shareholders meeting and the results of the voting shall be reported on the spot and recorded.</p>	

Article No.	Amended	Before amendments	Description
	<p><u>conferencing shall not exercise their voting rights on the original proposal or propose amendments to the original proposal or exercise the voting rights for amendments to the original proposal, except for temporary motions.</u></p>		
Article 15	<p>Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. Electronic measures may be adopted to print and distribute meeting minutes. Electronic measures may be adopted to print and distribute meeting minutes.</p> <p>Distribution of the meeting minutes as described in the preceding paragraph may be conducted by uploading them to the Market Observation Post System.</p> <p>Proceedings should exactly record the year, month, day, place, name of the Chairman, resolution method, the essentials of the deliberations, and voting results (including statistical weights.) When electing directors, the number of votes each candidate has should be disclosed. It shall be retained for the duration of the existence of the Company.</p> <p><u>If the shareholders' meeting is held by video conference, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the record, and the name of the chairman of the shareholders' meeting, as well as</u></p>	<p>Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. Electronic measures may be adopted to print and distribute meeting minutes. Electronic measures may be adopted to print and distribute meeting minutes.</p> <p>Distribution of the meeting minutes as described in the preceding paragraph may be conducted by uploading them to the Market Observation Post System.</p> <p>Proceedings should exactly record the year, month, day, place, name of the Chairman, resolution method, the essentials of the deliberations, and voting results (including statistical weights.) When electing directors, the number of votes each candidate has should be disclosed. It shall be retained for the duration of the existence of the Company.</p>	<p>It is amended to comply with relevant laws and regulations.</p>

Article No.	Amended	Before amendments	Description
	<p><u>the events caused by natural disasters, incidents or other force majeure. The handling method and handling situation when an obstacle occurs to the video conferencing platform or participation by video conferencing.</u></p> <p><u>In addition to complying with the provisions of the preceding paragraph when convening a video conference of shareholders, the Company shall also specify in the minutes of the meeting the alternative measures provided by shareholders who have difficulty participating in video conference.</u></p>		
Article 16	<p>(Official notice)</p> <p><u>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors in writing or electronically through solicitation and the number of shares represented by proxies and the number of shares attended by shareholders, and shall make an express disclosure of the same at the place of the shareholders meeting. If the shareholders' meeting is held by video conference, the Company shall upload the above-mentioned materials to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting. The Company holds a video conference of the shareholders' meeting. When announcing the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and</u></p>	<p>(Official notice)</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p><u>voting rights of the shareholders attending the meeting are otherwise counted during the meeting.</u> If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>		
<u>Article 19</u>	<p><u>(Information disclosure of video conference)</u> <u>If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations. And it should continue to expose for at least fifteen minutes after the chairman announces the dismissal of the meeting.</u></p>	(Addition)	It is amended to comply with relevant laws and regulations.
<u>Article 20</u>	<p><u>(Location of the chairman of the video shareholder meeting and the recorder)</u> <u>When the Company holds a video-video shareholders meeting, the chairman and the recorder shall be in the same place in China. The chairman shall announce the address of the place at the meeting.</u></p>	(Addition)	It is amended to comply with relevant laws and regulations.
<u>Article 21</u>	<p><u>(Handling of disconnection)</u> <u>If the shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before the meeting and during the meeting to assist in handling technical problems of communication.</u></p>	(Addition)	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<p><u>If the shareholders' meeting is held by video conference, the chairman shall, when announcing the meeting, separately announce that there is no need for extension or continuation of the meeting, except for the circumstances stipulated in Paragraph 4, Article 44-20 of the Share Handling Standards for Public Offering Companies. Before the chairman announces the dismissal of the meeting, due to natural disasters, incidents or other force majeure events, the video conference platform is blocked or the participation by video is blocked for more than 30 minutes. The provisions of Article 182 of the Company Act shall not apply.</u></p> <p><u>In the event of the occurrence of the preceding paragraph, the meeting shall be postponed or renewed. Shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or resumed meeting.</u></p> <p><u>In accordance with the provisions of Paragraph 2, the meeting should be postponed or continued. Shareholders who have registered to participate in the original shareholders meeting by video and have completed the registration, but who do not participate in the postponed or continued meeting, the number of shares attended at the original shareholders meeting, the voting rights exercised and Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the adjourned or continued meeting.</u></p>		

Article No.	Amended	Before amendments	Description
	<p><u>In accordance with the provisions of Paragraph 2, when the shareholders' meeting is postponed or reconvened, the voting and counting of votes have been completed, and the voting results or the list of elected directors shall be announced. There is no need to proceed with discussions and resolutions.</u></p> <p><u>The Company convened a video-assisted shareholders meeting, and when the second paragraph cannot be continued, if the total number of shares attended by video conference still reaches the statutory quota for the shareholders' meeting after deducting the number of shares attended by video-conferencing, the shareholders' meeting shall continue. conduct, There is no need to postpone or renew the assembly in accordance with the second paragraph.</u></p> <p><u>In the event that the meeting should be continued in the preceding paragraph, the shareholders who participate in the shareholders' meeting by video, the number of shares attended shall be included in the total number of shares of the shareholders present. However, all the resolutions of the shareholders' meeting shall be regarded as abstention.</u></p> <p><u>The Company shall postpone or renew the meeting in accordance with the provisions of Paragraph 2, and shall comply with the provisions set out in Paragraph 7 of Article 44-20 of the Standards for the Handling of Shares of Public Offering Companies. Relevant preparatory work shall be handled according to the date of the original shareholders' meeting and the provisions of this article.</u></p>		

Article No.	Amended	Before amendments	Description
	<p>The following rules are adopted for public companies to attend shareholders' meetings, including the latter paragraph of Article 12 and Article 13 Paragraph 3 of the Power of Attorney Rules, and the period specified in Article 44-5 Paragraph 2 and 4, Article 14-15 and Article 44-17 Paragraph 1 of the Public Company's Share Handling Guidelines, the Company shall postpone or renew the date of the shareholders' meeting in accordance with the provisions of Paragraph 2.</p>		
<p><u>Article 22</u></p>	<p><u>(Handling of digital gap)</u> When the Company convenes a video conference of shareholders, and to specify appropriate alternatives to shareholders who have difficulty participating in shareholders by video.</p>	<p>(Addition)</p>	<p>It is amended to comply with relevant laws and regulations.</p>
<p><u>Article 23</u></p>	<p>The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders meetings.</p>	<p>The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders meetings.</p>	<p>In line with the revision, the numeration is adjusted accordingly.</p>

Comparison of " Procedure for Election of Directors " before and after proposed amendment:

Article No.	Amended	Before amendments	Description
Article 2	The election of directors of the Company adopts the cumulative voting system. The name of the elector may be replaced by the attendance card number printed on the ballot. Each share shall have the same voting rights as the number of directors to be elected, One person may be elected centrally or a number of people may be allocated for election.	The election of directors of the Company adopts the <u>single-registered</u> cumulative voting system. The name of the elector may be replaced by the <u>shareholder account number</u> or the attendance card number printed on the ballot. Each share shall <u>according to its voting rights</u> have the same voting rights as the number of directors to be elected, One person may be elected centrally or a number of people may be allocated for election.	It is amended to comply with relevant laws and regulations.
Article 7	<u>Before</u> the election begins, the chairman shall designate a number of scrutinizers and counting staff <u>with shareholder status</u> to perform various relevant <u>duties</u> .	<u>When</u> the election begins, the chairman shall designate <u>a number</u> of scrutinizers and counting staff to perform various <u>election</u> related <u>matter</u> .	It is amended to comply with relevant laws and regulations.
Article 8	(This article is deleted)	<u>If the electee is a shareholder, the elector shall fill in the electee's account name and shareholder account number in the elector's column of the ballot; If the person is not a shareholder, the name of the electee and the identification document number should be filled in. However, when the government or legal person shareholder is the electee, the name of the government or legal person shall be filled in the name of the electee in the election ballot. Also fill in the name of the government or legal person and the name of its representative; When there are several representatives, the names of the representatives should be added separately.</u>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
Article 9	<p>Any one of the following events during the election is invalid:</p> <ol style="list-style-type: none"> 1. Those which do not use the ballots prepared by <u>the person with the right to convene</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or altered. 4. Those who have filled in the list of candidates for election do not match the <u>list of candidates for directors</u>. 5. In addition to filling in the number of voting rights, other words are included. 	<p>Any one of the following events during the election is invalid:</p> <ol style="list-style-type: none"> 1. Those which do not use the ballots prepared by Board of directors with the right to convene. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or altered. 4. <u>The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register.</u> 5. <u>If the filled-in electee is not a shareholder, his name and identification document number are not consistent after verification.</u> 6. <u>In addition to filling in the account name (name) or shareholder account number (identification document number) of the electee and the number of voting rights allocated, other words are included.</u> 7. <u>The name of the electee filled in is the same as that of other shareholders, but the shareholder account number or identification document number is not filled in for identification.</u> 	It is amended to comply with relevant laws and regulations.
Article 10	<p>After the voting is completed, the votes shall be counted <u>on the spot</u>, and the results of the voting shall be announced by the chairman on the spot, <u>containing the list of directors elected and their right to be elected</u>.</p> <p>After the meeting, a notice of election will be issued separately.</p>	<p>After voting, the ballots shall be opened <u>immediately. A scrutinizer should be on hand to monitor the ticketing process</u>. The results of the voting shall be announced by the chairman on the spot. After the meeting, a notice of election will be issued separately.</p>	It is amended to comply with relevant laws and regulations.

Article No.	Amended	Before amendments	Description
	<u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.</u>		

Directors' shareholding status of PANJIT International Inc.:

1. The number of issued shares was 382,814,927.
2. According to Article 26, Paragraph 2 of the Securities and Exchange Act, all directors shall hold a minimum of 15,312,597 shares.
3. The numbers of shares held by the directors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date is disclosed in the table below.

Individual And Total Number Of Shares Held By Directors

Book closure date: April 16, 2022

Position title	Account name	Number of Shares Held
Directors	FANG, MIN-QING	8,522,888 shares
Directors	ZHONG, YUN-HUI	2,225,319 shares
Directors	Jinmao Investment Co., Ltd. Representative I: FANG, MIN-ZONG Representative II: Temporarily vacant (note)	50,496,710 shares
Independent director	CHEN, YI-CHENG	9,975 shares
Independent director	FAN, LIANG-FU	0 shares
Independent director	CHEN, SHI-ZHEN	0 shares
Total number of Directors (independent director excluded)		61,244,917 shares

(Note) Mr. ZHAN, WEN-XIONG, the representative of the legal person director PANJIT Investment Co., Ltd., resigned on March 16, 2022. As of the closing date of the shareholders meeting, the legal person director has not appointed a representative.

Influence of Stock Dividend on Business Performance, EPS, and Shareholder's Return on Investment :

There is no free allotment proposed at the shareholders meeting, so it is not applicable.

PANJIT International Inc.

Rules of Procedure for Shareholder Meetings (before amendments)

Revised on 2021/07/13

Article 1 - To establish an excellent governance system, complete a sound supervisory function and strengthen the management mechanism, the Company, in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, formulated the Rules.

Article 2 - The Company's Rules of Procedure for the Shareholders meeting, except as otherwise provided by law, regulation, or the Articles of Association, shall be applied.

Article 3 - (Notice of convening and meeting of the shareholders meeting)

Unless otherwise provided by regulations, the shareholders meeting is convened by the Board of Directors.

Thirty days before the Company convenes a regular shareholders meeting or 15 days before a special shareholders meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the shareholders meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an ordinary shareholders meeting, or 15 days before it convenes an extraordinary shareholders meeting, it shall prepare an electronic file of the shareholders meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. Fifteen days before the Company is to convene a shareholders meeting, it shall prepare the shareholders meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting.

The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically.

For appointment or dismissal of directors, change of Articles of Association, capital reduction, application for suspension of public offerings, directors' competition license, a capital increase from

surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the main content should be listed and explained in the reason for convening. Provisional motions shall not be allowed for the proposal.

The reasons for the convening of the shareholders meeting have been stated for the full re-election of directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means.

Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders meeting. The number of proposals is limited to one. Additional proposals shall not be included in the agenda. When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item following the relevant provisions of Article 172-1 of the Company Act. The number of proposals is limited to one. Additional proposals shall not be included in the agenda.

Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than ten days.

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

The Company shall, prior to the delivery of the shareholders meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 - Shareholders may appoint a proxy to attend the shareholders meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.
A shareholder may only execute one letter of appointment, appoint one proxy only, and submit such a letter of appointment to the Company no later than 5 days before the shareholders meeting. If two or more letters of appointment are received from the same shareholder, the first one received by the Company shall prevail. Provided that this does not apply to a declaration made to cancel the previous proxy appointment.
After the letter of appointment is served to the company, shareholders who wish to attend the shareholders meeting in person or exercise their voting rights in writing or electronically shall notify the Company in writing of the revocation of the entrustment two days before the shareholders meeting. Should the revocation has not been made in time, the voting rights exercised by people present shall prevail.

Article 5 (Principles of the place and time of the shareholders meeting)

The venue where a shareholder meeting is to be held shall be in the premises of the Company or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent Directors shall be fully taken into consideration in decision of the location and time of a shareholder meeting.

Article 6 (Preparation of signature books and other documents)

The Company shall establish a attendance book for shareholders or their proxies (hereafter referred to as shareholder) to sign in, or the shareholders present shall turn in a sign-in card.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished. Shareholders shall attend shareholders meetings with attendance cards, attendance sign-in cards, or other certificates of attendance. Solicitors soliciting letters of appointment shall also bring identification documents for verification.

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

Article 7 (Chairman of the shareholders meeting and non-voting members)

When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case

the Chairman is on leave or for any reason unable to exercise his powers, the vice Chairman shall act in place of the Chairman. If there is no vice Chairman or the vice Chairman is also on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the managing Directors to act as the chair, or if managing Directors have not been appointed, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such appointment, the managing Directors or the Directors shall elect one person from among themselves to serve as chair.

Shareholders meetings convened by the Board of Directors shall be attended by a majority of the Directors.

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

The Company may appoint its attorneys, certified public accountants, or related persons to attend a Shareholders Meeting with a non-voting capacity.

Article 8 - (Record of audio or video recording of shareholders meetings)

The Company shall record the shareholders meetings by audio and video and keep the recording for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.

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

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares,

a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

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

Article 10 (Proposal and discussion)

If a Shareholders Meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders Meeting.

The provisions of the preceding paragraph apply to a shareholders meeting convened by a party with the power to convene that is the member of the Board of Directors.

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

The chair shall allow ample opportunities for explanation and discussion of proposals of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote and arrange an adequate voting time.

Article 11 (Shareholders' speeches)

Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the attendance card number) and account name. The sequence of speeches shall be determined by the chair.

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

Each attending shareholder shall make no more than two speeches for each motion, and each speech shall not exceed 5

minutes unless otherwise consented by the chair. The chair shall retain all rights to stop any speech if the shareholder's speech violates the aforementioned principle or is outside the scope of the topic.

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

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

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

Article 12 - (Calculation of voting shares and recusal system)

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

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. Except for a stock agency approved by a trusted enterprise or the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. The excess voting rights shall not be counted.

Article 13 - A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the company convenes a general meeting of shareholders, it shall use electronic means and may exercise its voting rights in writing;

When exercising voting rights in writing or electronically, the method of exercising shall be specified in the notice of convening the shareholders' meeting. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person. But will be deemed to have waived his/her rights with respect to the extempore motions and revisions to the original proposals of that meeting.

A shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights in writing or electronically, in the event the shareholder intends to attend the shareholders meeting in person, he/she shall use the same mean by which the voting rights were exercised to retract the voting rights already exercised under the preceding paragraph 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or electronically shall prevail. When a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholders meeting by the letter of appointment, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the shareholders shall vote, and after the shareholders meeting is held, the results of shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The counting of votes shall be made public in the shareholders meeting and the results of the voting shall be reported on the spot and recorded.

Article 14 (Elections)

The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of voting rights with which they were elected.

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

Article 15 - Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. Electronic measures may be adopted to print and distribute meeting minutes.

Distribution of the meeting minutes as described in the preceding paragraph may be conducted by uploading them to the Market Observation Post System.

Proceedings should exactly record the year, month, day, place, name of the Chairman, resolution method, the essentials of the deliberations, and voting results (including statistical weights.) When electing directors, the number of votes each candidate has should be disclosed. It shall be retained for the duration of the existence of the Company.

Article 26 (Official notice)

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

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

Article 17 (Maintenance of venue order)

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

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

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

When a shareholder violates the rules of procedure, defies the chair's correction, obstructs the proceedings and refuses to heed order to stop, the chair may direct the inspectors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and continuation)

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

If the meeting venue is no longer available for continuous use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 - The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders meetings.

Articles of Incorporation of PANJIT International Inc. (before revision)

Chapter I General Provisions

Article 1: The Company is named PAN JIT INTERNATIONAL INC. following the provisions of the Company Act on companies limited by shares.

Article 2: The Company's scope of business is as follows:

1. General import and export trade business (except licensed business.)
2. Assembling, trading, and technology transfer of various mechanical parts.
3. Import and export business of manufacturing, processing, assembling, buying, and selling various semiconductor rectifiers.
4. The import and export business of resins and coatings for electronics in the preceding paragraph.
5. Import and export business of manufacturing, processing, assembling, trading of general precision electronic materials and components.
6. The import and export business of the products mentioned in the preceding paragraph and the sales of electronic products as an agent of domestic and foreign manufacturers.
7. Business items not prohibited or restricted by law, besides those requiring special approval.

Article 2-1: Due to business needs, the Company may handle endorsement and guarantee matters following the Company's Procedures for Endorsement and Guarantee provisions.

Article 3: The Company set up its headquarters in Kaohsiung City. When necessary, it may set up branch offices domestically or abroad with a resolution by the Board of Directors.

Article 4: Deleted.

Chapter II Shares

Article 5: The Company's authorized capital is NT\$6 billion, which is divided into 600 million shares. Each share carries a face value of NT\$10, and can be issued in installments. The Board of Directors is

authorized to decide, as required, the issuance of shares not issued.

The rated share capital reserves the stock options in an amount of NT\$10 million for employees and involves a total of 1 million shares at NT\$10 each. The shares may be issued by the Board of Directors' resolution in installment.

Article 6: Deleted.

Article 7: The share certificates of the Company shall, without exception, be in registered form, signed by, or affixed with the seals of the director representing the Company and authenticated by the competent governmental authority upon issuance. The Company may be exempted from printing any share certificate for the shares issued but shall appoint a centralized securities custody institution to register such shares.

Article 8: The transfer of shares shall be suspended within 60 days before the convening date of an annual general meeting, or within 30 days before the convening date of an extraordinary general meeting, or within 5 days before the base date fixed by the Company for distribution of dividends, bonus or other benefits.

Article 8-1: The treasury stocks purchased by the Company itself can be transferred to employees at a price lower than the average price of the actually purchased shares. However, it shall be subject to a resolution of the shareholders meeting. The shareholders meeting shall be present on behalf of more than half of the total number of shares issued, with two-third of the voting rights of the present shareholders agree.

Article 8-2: For treasury stocks purchased by the Company per the Company Act, the transferring parties may include employees of controlling or subordinate companies that meet certain conditions.

The Company's employee stock option certificates may be issued to the target, including the employees of the controlling or subordinate Company that meet certain conditions.

When the Company issues new shares, the employees who subscribe to the shares may include employees of controlling or subordinate companies that meet certain conditions.

The subjects of the Company's issuance of new employee restricted shares may include employees of controlling or related companies that meet certain conditions.

The Board of Directors shall determine the "certain conditions" mentioned in the preceding items.

Chapter 3 Shareholders Meeting

Article 9: The Company's shareholders meetings are of two kinds: annual general meetings and extraordinary general meetings.

Article 10: When a shareholder is unable to attend the shareholder's meeting, he/she may appoint a proxy through a letter of appointment printed by the Company, stating the scope of authorization to the proxy. Shareholders' attendance by proxy shall be conducted in accordance with the Company Act, as well as meeting the requirements provided in the Regulations Governing the Use of Proxies for Attendance at Shareholder meetings of Public Companies.

Article 11: The Company's shareholder is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

Article 12: Unless otherwise provided by applicable law or regulation, a resolution of the shareholders meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Chapter 4 Directors and Audit Committee

Article 13: The Company shall appoint seven directors for a term of three-years. They shall be elected among persons of adequate capacity by the shareholders meeting and may be re-elected for consecutive terms. The total shareholding percentage of all directors shall be determined by regulations of the competent authority of securities. Among the above-mentioned number of directors, the number of independent directors shall not be less than three (at least one independent director shall have accounting or financial expertise) and shall not be less than one-fifth of the number of directors. The election of directors follows the candidate nomination system provided in Article 192-1 of the Company Act. The shareholders shall elect Directors from the list of director candidates. The election of independent directors and non-independent directors shall be held together. The number of elected seats shall be calculated independently. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and other requirements with regard to the Independent Directors shall be set forth in accordance with the

relevant laws by the competent authorities.

Article 13-1: The Company establishes the Audit Committee following Article 14-4 of the Securities and Exchange Act. The Audit Committee is composed of all independent directors. The number, term of office, powers, and rules of procedure of the Audit Committee are related to the exercise of functions and powers of the public company audit committee.

Provisions shall be made separately by the organizational rules of the Audit Committee.

Article 14: The Board of Directors shall consist of the Company's Directors. The Chairman shall be elected from among the Directors by most Directors in attendance at a meeting attended by at least two-thirds of the Directors. The Chairman shall represent the Company externally.

Article 15: If the Chairman is on leave or cannot perform his duties for some reason, the Chairman shall designate a director to act on his behalf. If the Chairman does not designate a director, directors shall elect one person from among themselves to serve as chair.

Article 15-1: When the director is unable to attend the meeting of the Board of Directors for some reason, a power of attorney enumerating the reason for the convening of the power of attorney shall be issued and signed and sealed to entrust other directors to attend as a proxy. One person can be entrusted by one person only. Directors residing abroad may entrust other shareholders residing in the country in writing to attend on behalf of other shareholders.

When the Board of Directors is convening a meeting, if the method of video conferencing is used, the directors who participate in the meeting on the video screen shall be deemed to have attended the meeting in person.

In calling a meeting of the Board of Directors, a notice setting forth to each director can be in the form of writing, e-mail, or fax.

In calling a meeting of the Board, a notice setting forth can be in the form of writing, e-mail, or fax.

Article 16: The remuneration of all directors, regardless of operating profit or loss, may be determined by the authorized board meeting according to the usual standards of the industry.

Chapter 5 Managerial officer

Article 17: The Company may have managerial officers. Appointment, dismissal and compensation of the managerial officers shall be decided in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18: At the close of each fiscal year, the Board of Directors shall prepare the following statements and submit for approval at the annual general meeting:

1. Business Report.
2. Financial statements.
3. Earning distribution or loss make-up proposal.

Article 19: After annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. But the Company shall reserve a portion of profit to offset accumulated losses, if any.

The aforementioned employee compensation can be made in stock or cash. Its subjects may include employees of controlling or associates that meet certain conditions which are set by the Board of Directors.

Article 19-1: If there is a surplus in the Company's annual final accounts, the Company should accrue for taxes and make up for accumulated losses first, then withdraw 10% as a legal reserve and the special surplus reserve under the regulations of the competent authority. Afterward, the Board of Directors shall draft a surplus distribution proposal for the balance. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

In accordance with Article 240, Paragraph 5 of the Company Act, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to assign all or part of the dividends and bonuses payable. The resolutions shall be reported to the shareholders meeting.

Article 19-2: The Company's dividend policy is determined by the Board of Directors based on operating plans, investment plans, capital budgets, and changes in internal and external environments. The Company's business is a capital-intensive industry and is currently in the stage of operational growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the

principles of surplus distribution are as follows: The balance to be distributed for the current year is given priority to cash dividends and can also be distributed to shareholders in the form of stock dividends, but the total amount of cash dividends shall not be less than 10% of the total amount of dividends paid to shareholders.

Article 19-3: In accordance with Article 241 of the Company Act, the Company will issue all or part of the legal reserve and capital reserve as new shares or cash in proportion to the shareholders original shares. When cash is assigned, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to make a resolution and report to the shareholders meeting. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

Chapter 7 Supplementary Provisions

Article 20: The total amount of the Company's investment in other companies may exceed 40 percent of the paid-in capital. The Board is authorized for implementation.

Article 21: Matters not specified in these Articles shall be conducted in compliance with the Company Act.

Article 22: This Articles of Association was established on April 23, 1986.

The 1st amendment was made on May 13, 1986.

The 2nd amendment was made on June 12, 1986.

The 3rd amendment was made on June 4, 1988.

The 4th amendment was made on April 22, 1993.

The 5th amendment was made on December 28, 1993.

The 6th amendment was made on May 1, 1994.

The 7th amendment was made on November 11, 1994.

The 8th amendment was made on January 20, 1996.

The 9th amendment was made on June 10, 1997.

The 10th amendment was made on June 21, 1997.

The 11th amendment was made on March 28, 1998.

The 12th amendment was made on October 6, 1998.

The 13th amendment was made on April 29, 1999.

The 14th amendment was made on April 29, 1999.

The 15th amendment was made on March 31, 2000.

The 16th amendment was made on March 31, 2000.

The 17th amendment was made on April 24, 2001.

The 18th amendment was made on May 17, 2002.
The 19th amendment was made on May 17, 2002.
The 20th amendment was made on June 2, 2003.
The 21st amendment was made on May 21, 2004.
The 22nd amendment was made on June 17, 2005.
The 23rd amendment was made on June 13, 2007.
The 24th amendment was made on June 10, 2009.
The 25th amendment was made on June 10, 2011.
The 26th amendment was made on June 16, 2016.
The 27th amendment was made on June 13, 2017.
The 28th amendment was made on June 12, 2018.
The 29th amendment was made on June 13, 2019.

PANJIT International Inc.

Chairman: FANG, MIN-QING