

Stock Code: 3149



正達國際光電股份有限公司
G-Tech Optoelectronics Corp.

2022 Annual General Meeting

Meeting Minutes

(Translation)

Date and Time: 9 a.m., June 24, 2022

Location: No. 99, Zhongxing Rd., Neighborhood 29, Zhongping Vil., Tongluo Township,
Miaoli County
(2F Conference Room of the Company)

G-TECH Optoelectronics Corporation

2022 Annual General Meeting Minutes

Date and Time: 9 a.m., Friday, June 24, 2021

Location: No. 99, Zhongxing Rd., Neighborhood 29, Zhongping Vil., Tongluo Township, Miaoli County (2F Conference Room of the Company)

Meeting Type: Physical Shareholders Meeting

Attending Shareholders: Attending shareholders and proxy represented 111,839,921 shares (including 49,484,927 shares which attended through electronic voting) accounting for 54.18% of 206,393,604 shares, the Company's total outstanding shares.

Attending Directors: Chairman Chih-Ming Chung, Independent Director Kuo-Shih Huang (Chairperson of the Audit Committee), Director Kuo-Hung Wang and Director Jen-Liang Hsiao.

Chairperson: Chih-Ming Chung, Chairman

Minute Recorder: Hsiu-Li Kao

I. Meeting called to Order: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Chairperson's Remarks: (Omitted)

III. Report Items

Agenda 1

Agenda: 2021 Business Report submitted for review.

Explanation:

- I. Explanation: Please refer to [Attachment 1] for the 2021 Business Report.
- II. The Company's accumulated deficit was \$1,124,630 thousand at the end of 2021, which exceeded one-half of the paid-in capital of \$2,063,936 thousand. In accordance with Article 211 of the Company Act, this matter is hence submitted to be reported to the meeting.

Agenda 2

Agenda: 2021 Audit Committee's Review Report submitted for review.

Explanation: Please refer to [Attachment 2] for the Audit Committee's Review Report.

Agenda 3

Agenda: Implementation status of the Company's sound operation plan is submitted for review.

Explanation:

- I. The Company issued the 3rd domestic secured convertible corporate bond in 2021 after receiving approval from the FSC via letter Jin-Guan-Zheng-Fa-Zi No. 1090379949 dated March 8, 2021. Please refer to the Sound Operation Plan Implementation Report [Attachment 3].
- II. The Company's 2022 cash capital increase and new share issuance declaration was handled according to the letter Jin-Guan-Zheng-Fa-Zi No. 1100379092 dated January 26, 2022. Please refer to the Sound Operation Plan Implementation Report [Attachment 4].

Proposal 4

Agenda: Report on the Company to not continuing to execute the common shares private placement approved by the 2021 annual general meeting submitted for review.

Explanation:

- I. Pursuant to Article 43-6 of the Securities and Exchange Act, private placement of common shares may be carried out in installments within one year of the date of the resolution of the shareholder meeting.
- II. The execution of the private placement for issuance of common shares of the Company has been approved by the 2021 annual general meeting. Since the execution deadline is due soon, the plan for the execution of private placement is not to be further carried out in the remaining period before the deadline.

Proposal 5

Agenda: Amend and rename some articles of the “Code of Practice for Corporate Social Responsibility,” submitted for review.

Explanation:

The “Corporate Social Responsibility Best Practice Principles for the TWSE/TPEX-Listed Companies” was renamed “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” pursuant to the FSC letter Jin-Guan-Zheng-Fa-Zi No. 1100375814 dated November 25, 2021. As such, the Company has amended some articles of its “Corporate Social Responsibility Best Practice Principles” and renamed it “Sustainable Development Best Practice Principles.” Please see [Attachment 5] for the article amendment comparison table.

IV. Ratification Items

Agenda 1 (Proposed by the Board of Directors)

Agenda: 2021 Business Report and Financial Statements of the Company, proposed for ratification.

Explanation:

- I. The Company's 2021 Financial Statements have been approved by the board of directors and have been duly audited by CPA Tsung-Che Chen and CPA Shih-Chin Chih of KPMG Taiwan with the issuance of an unqualified opinion report.
- II. Please refer to [Attachment 1, Attachment 2 and Attachment 6] for the Business Report and related statements referred to in the preceding paragraph.

Resolution: The result is as follows:

Voting Results: Shares presented at the time of voting: 109,043,721. (net of shares without voting rights 2,796,200)

Voting Results	% of the total represented share present
Votes in favor: 106,260,850 votes (including 46,947,056 shares voted via electronic transmission)	97.44%
Votes against: 32,101 votes (including 32,101 shares voted via electronic transmission)	0.02%
Votes invalid: 0 vote	0.00%
Votes abstained / Not Voted: 2,750,770 votes (including 2,505,770 shares voted via electronic transmission)	2.52%

It was resolved that the above proposal be approved as proposed.

Agenda 2 (Proposed by the Board of Directors)

Agenda: 2021 proposal for deficit compensation of the Company, proposed for ratification.

Explanation:

- I. The Company's deficit to be compensated at the beginning of 2021 was \$1,003,835,055, and after adding the deficit after tax of \$120,794,778 of the year, the deficit to be compensated at the end of the year was \$1,124,629,833.
- II. The 2021 Deficit Compensation Statement is as follows:

G-TECH Optoelectronics Corporation
2021 Deficit Compensation Statement

Unit: NT\$

Item	Amount	
Deficit to be compensated at the beginning of the period		(1,003,835,055)
Less: Net loss of current year	(120,794,778)	
Deficit yet to be compensated		(1,124,629,833)

Responsible Person

Managerial Officer

Accounting Manager

Resolution: The result is as follows:

Voting Results: Shares presented at the time of voting: 109,043,721. (net of shares without voting rights 2,796,200)

Voting Results	% of the total represented share present
Votes in favor: 106,189,820 votes (including 46,876,026 shares voted via electronic transmission)	97.38%
Votes against: 33,129 votes (including 33,129 shares voted via electronic transmission)	0.03%
Votes invalid: 0 vote	0.00%
Votes abstained / Not Voted: 2,820,772 votes (including 2,575,772 hares voted via electronic transmission)	2.58%

It was resolved that the above proposal be approved as proposed.

V. Discussions

Agenda 1 (Proposed by the Board of Directors)

Agenda: Proposal for the Company's issuance of new shares for cash capital increase, proposed for discussion.

Explanation:

For the next year, the Company plans to perform a capital market funding plan depending on the status of capital demand, and the number of shares planned to be issued is within the limit of 50,000,000 shares. It is proposed to the shareholder meeting to authorize the Board of Directors to execute the domestic issuance of new shares for cash capital increase according to the conditions of the market and based on the consideration of the Company's capital demand, and the content is as described in the following:

- I. Pursuant to Article 28-1 of the Securities and Exchange Act, regarding the sales method for the portion of the shares requiring public offering, the Board of Directors is authorized to adopt the book building method, and the percentage of new shares for public offering shall be handled in accordance with the following method:
 - (1) For the total amount of new shares issued, 10% to 15% of such new shares is to be subtracted from the total and reserved according to the provisions of Article 267 of the Company Act, and the remaining balance is submitted to the shareholder meeting for approval on the waiver of the right to subscribe new shares. Following this, the appointed underwriter is to deduct and reserve the portion for self-subscription in order to perform public offering on the entire amount according to the provisions of Article 28-1 of the Securities and Exchange Act via the book building method. If there is any deficiency in the employees' subscription or waiver of subscription of the Company, the Chairperson of the Board is authorized to arrange specific persons to perform subscription at the issue price.

- (2) The issue price of the present issuance is determined in accordance with the regulations of the competent authority. For the actual issue price, after the end of the book building period, it is proposed to the shareholder meeting to authorize the Board of Directors and the handling underwriter to engage in joint discussion based on the consideration of the summarization of the book building status and the issue market condition, followed by reporting to the competent authority for recordation and executing the issuance accordingly.
 - (3) For the aforementioned public offering sales method, it is proposed to the shareholder meeting to authorize the Board of Directors to handle relevant matters according to the law.
- II. The material content of the present cash capital increase plan includes the underwriting method, issue price, actual number of shares issued, issuance criteria, plan items, funding amount, predefined schedule and relevant matters of expected possible benefits, and all other matters related to the present cash capital increase. In the future, if there is a need to make correction due to decision of the competent authority, operational evaluation or due to regulatory retirements and objective environmental needs, it is proposed to the shareholder meeting to authorize the Board of Directors to handle such matters with full discretion.
- III. The present proposal for cash capital increase is reported to the competent authority of securities for approval before issuance, and it is proposed to the shareholder meeting to authorize the Board of Directors to specify the subscription base date, payment period and capital increase base date and other matters related to the issuance of new shares.

- IV. The rights and obligations for the present issuance of new shares are the same as those of the original shares, and no physical share issuance is to be performed.

Resolution: The result is as follows:

Voting Results: Shares presented at the time of voting: 109,043,721. (net of shares without voting rights 2,796,200)

Voting Results	% of the total represented share present
Votes in favor: 106,041,661 votes (including 46,727,867 shares voted via electronic transmission)	97.24%
Votes against: 255,285 votes (including 255,285 shares voted via electronic transmission)	0.23%
Votes invalid: 0 vote	0.00%
Votes abstained / Not Voted: 2,746,775 votes (including 2,501,775 hares voted via electronic transmission)	2.51%

It was resolved that the above proposal be approved as proposed.

Agenda 2 (Proposed by the Board of Directors)

Agenda: Proposal for the Company's execution of private placement of common shares.

Explanation:

- I. Based on the consideration of sufficient working capital, repayment of bank loans and the timeliness, feasibility and cost of issuance of the Company, it is proposed that at the appropriate time and in accordance with Article 43-6 of the Company Act, the private placement method is to be adopted to execute the issuance of common shares for cash capital increase. It is proposed to the shareholder meeting to authorize the Board of Directors to execute three installments in one year starting from the date of resolution on the private placement proposal resolution by the

shareholder meeting.

II. Relevant information on the issuance of new shares for the cash capital increase via private placement of common shares is as follows:

(I) Issuance Criteria

1. Private placement shares type: Common shares.
2. Number of shares of private placement: No more than 50,000,000 shares.
3. Par value per share: NT\$10 per share.
4. Total private placement amount: The Board of Directors is authorized to determine the total amount based on the actual execution status.

(II) Basis and Rational for Determination of Private Placement Price

1. The price determination of the common shares of the present private placement shall not be lower than 80% of the higher price of the prices calculated based on the standards described in the following two paragraphs on the price determination date of the Company:

(1) The simple average closing price of the common shares of the Company either 1, 3 or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; or

(2) The simple average closing price of the common shares of the Company 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

However, for the actual price determination date and actual issue price, depending on the condition of the arrangements of specific persons, it is proposed to authorize the Board of

Directors to make the determination based on the aforementioned method.

2. For the determination of the actual issue price of the common shares of the present private placement, the operation status, future outlook, restriction on the freedom of transfer of such shares and the most recent stock price condition of the Company are to be considered, as well as the provisions of the “Directions for Public Companies Conducting Private Placements of Securities” and the provisions of current laws and regulations; consequently, the determination of the price shall have a certain rationality.

(III) Specific Persons Selection Method:

1. The subjects for the present private placement of common shares are limited to the specific persons specified in Article 43-6 of the Securities and Exchange Act and prescribed in Financial Supervisory Commission’s (2002) Tai-Cai-Zheng-Yi-Zi No. 0910003455 Decree dated June 13, 2002, and presently no places have been arranged.
2. The lists of the insiders or related parties to participate in the private placement, method of choice and objectives, and relationship between the responsive subscribers and the Company.

Subscriber	Selection Method and Purpose	Relationship with the Company
Hong Yuan International Investment Co., Ltd.	With extensive understanding on the business of the Company	Director of the Company
Hong Yang Capital Investment Co., Ltd.	With extensive understanding on the business of the Company	Related party of the Director
Hong Chi International Investment Co., Ltd.	With extensive understanding on the business of the Company	Related party of the Director

Subscriber	Selection Method and Purpose	Relationship with the Company
Bao Xin International Investment Co., Ltd.	With extensive understanding on the business of the Company	Related party of the Director
Chung, Jung-Hua	With extensive understanding on the business of the Company	Relative of first degree of kinship of the Chairman
Chung, Kuo Feng-Mei	With extensive understanding on the business of the Company	Relative of first degree of kinship of the Chairman
Chung, Chih-Ming	With extensive understanding on the business of the Company	Chairman
Yeh, Ching-Lan	With extensive understanding on the business of the Company	Spouse of the Chairman
Lai, Hsiu-Chi	With extensive understanding on the business of the Company	Relative of second degree of kinship of the Chairman
Subscriber	Selection Method and Purpose	Relationship with the Company
Chung, Yu-Hsin	With extensive understanding on the business of the Company	Relative of first degree of kinship of the Chairman
Chung, Li-Hsin	With extensive understanding on the business of the Company	Relative of first degree of kinship of the Chairman
Lin, Shih-Chang	With extensive understanding on the business of the Company	Director of the Company
Wang, Kuo-Hung	With extensive understanding on the business of the Company	Director of the Company
Hsiao, Jen-Liang	With extensive understanding on the business of the Company	Director of the Company
Chiu, Huo-Sheng	With extensive understanding on the business of the Company	Vice President of the Company
Wang, Yao-Chang	With extensive understanding on the business of the Company	Vice President of the Company
Hsu, Hsien-Yi	With extensive understanding on the business of the Company	Assistant Vice President of the Company
Huang, Yung-Cheng	With extensive understanding on the business of the Company	Assistant Vice President of the Company
Wu, Tai-Chiou	With extensive understanding on the business of the Company	Financial Officer of the Company

Subscriber	Selection Method and Purpose	Relationship with the Company
Tsai, Tsung-Tien	With extensive understanding on the business of the Company	R&D Supervisor of the Company
Hung, Yu-Te	With extensive understanding on the business of the Company	Assistant Vice President of the Company
Lin, Hsing-Chiao	With extensive understanding on the business of the Company	Assistant Vice President of the Company
Wang, Ju-Wen	With extensive understanding on the business of the Company	Assistant Vice President of the Company

3. Relationship between Shareholders of Corporate Subscribers with Top Ten Shareholding and the Company:

(1) Hong Yuan International Investment Co., Ltd.

Name of Shareholders	Shareholding Percentage	Relationship with the Company
Hon Hai Precision Industry Co., Ltd.	100%	Investment company using the indirect equity method on the Company

(2) Hong Yang Capital Investment Co., Ltd.

Name of Shareholders	Shareholding Percentage	Relationship with the Company
Hon Hai Precision Industry Co., Ltd.	97.95%	Investment company using the indirect equity method on the Company
Baoxin International Investment Co., Ltd.	2.05%	Related Party of the Director

(3) Hong chi International Investment Co., Ltd.

Name of Shareholders	Shareholding Percentage	Relationship with the Company
Hon Hai Precision Industry Co., Ltd.	100%	Investment company using the indirect equity method on the Company

(4) Bao Xin International Investment Co., Ltd.

Name of Shareholders	Shareholding Percentage	Relationship with the Company
Hon Hai Precision Industry Co., Ltd.	100%	Investment company using the indirect equity method on the Company

(IV) Reasons of Necessity for Execution of Private Placement

1. Reasons for not adopting public offering method: Based on the consideration of the timeliness, feasibility and issuance cost for the raising of capital and the consideration of the restriction on the freedom of transfer of private placement securities in three years, to ensure the long-term equity relationship between the Company and the placees, the public offering method is not to be adopted but the private placement method is to be adopted for the issuance.
2. Limit of Private Placement: Within the limit of 50,000,000 shares, three installments are to be performed in one year starting from the resolution date of the shareholder meeting.
3. Purpose of capital raised through private placement of each installment and expected benefit to be achieved:

The capital raised through the three installments will be used to increase the working capital and to repay bank loans. The benefits expected to be generated are the strengthening of the financial structure and the saving of interest expenditures, etc., which will have a positive impact on the shareholders' equity.

(V) Rights and Obligations for Present Private Placement of Common Shares

1. For the common shares of the present private placement and subsequent distribution, the rights and obligations thereof are the same as those of the common shares already issued by the Company. However, according to the regulations, the common shares of the present private placement and subsequent distribution, unless in compliance with the provisions of Article

43-8 of the Securities and Exchange Act, such common shares shall not be resold within three years from the delivery date of the common shares of the present private placement.

2. For the common shares of the present private placement and the common shares subsequently distributed, after the period of three years from the delivery date of the common shares of the present private placement, it is proposed to authorize the Board of Directors to file an application and obtain an approval letter complying with the listing standards with TWSE in accordance with the relevant provisions of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” and the “Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings”, followed by reporting to the Financial Supervisory Commission for retroactive review of public issuance. In addition, such common shares are to be delivered by book-entry transfer in scripless form for the application of listing and trading.

(VI) The independent directors held no dissenting or qualified opinions.

(VII) Whether there is any significant change in managerial control within the one year period immediately preceding the day on which the Board of Directors resolves on the private placement, or whether there will be a significant change in managerial control after the introduction of strategic investors through private placement: When the Company assesses the selection of placees, the Company will consider and avoid the occurrence of any significant changes to the managerial control in principle.

- III. Regarding matters related to the issuance of new shares for cash capital increase via private placement, it is proposed to authorize the Board of Directors to execute three installments in one year starting from the resolution date of the shareholder meeting depending upon the actual condition of the raising of capital. In addition, within one year from the resolution date of the shareholder meeting, regardless of whether sufficient amount of capital is raised, it will be submitted to the shareholder meeting for authorizing the Board of Directors to reach a resolution. If the original plan is still determined to be feasible, then it is deemed to have raised sufficient capital through private placement for executing the issuance of new shares for cash capital increase, and the raising of capital through private placement of issuance of new shares for cash capital increase will be considered to be complete.
- IV. The Board of Directors is authorized to decide the price determination date, the actual issue price and the capital increase base date for the issuance of new shares for the cash capital increase of the present private placement.
- V. Regarding the issuance of new shares for the cash capital increase of the present private placement, the Board of Directors is authorized to handle the issue price, issuance criteria, plan items, and other relevant matters such as changes to laws and regulations, opinions of the competent authority or changes in the market condition, etc., with full discretion.
- VI. According to the letter Zheng-Bao-Fa-Zi No. 1110001665 dated May 17, 111 by the Securities Futures Investors Protection Center of the Consortium Legal Person, please refer to [Appendix 7].

Resolution: The result is as follows:

Voting Results: Shares presented at the time of voting: 109,043,721. (net of shares without voting rights 2,796,200)

Voting Results	% of the total represented share present
Votes in favor: 106,112,654 votes (including 46,798,860 shares voted via electronic transmission)	97.31%
Votes against: 183,297 votes (including 183,297 shares voted via electronic transmission)	0.16%
Votes invalid: 0 vote	0.00%
Votes abstained / Not Voted: 2,747,770 votes (including 2,502,770 hares voted via electronic transmission)	2.51%

It was resolved that the above proposal be approved as proposed.

Agenda 3 (Proposed by the Board of Directors)

Agenda: Proposal to amend part of the articles of the Company's "Procedures for Election of Directors" is submitted for discussion.

Explanation:

- I. In accordance with the Company's actual operation and Taiwan Stock Exchange's letter Tai-Zheng-Zhi-Li-Zi No. 10900094681 dated June 03, 2020, part of the "Procedures for Election of Directors" of the Company is proposed to be amended.
- II. Please refer to [Attachment 7] for the article amendment comparison table.

Resolution: The result is as follows:

Voting Results: Shares presented at the time of voting: 109,043,721. (net of shares without voting rights 2,796,200)

Voting Results	% of the total represented share present
Votes in favor: 106,264,833 votes (including 46,951,039 shares voted via electronic transmission)	97.45%
Votes against: 33,116 votes (including 33,116 shares voted via electronic transmission)	0.03%
Votes invalid: 0 vote	0.00%
Votes abstained / Not Voted: 2,745,772 votes (including 2,500,772 hares voted via electronic transmission)	2.51%

It was resolved that the above proposal be approved as proposed.

Agenda 4 (Proposed by the Board of Directors)

Agenda: Proposal to amend parts of articles of the Company's "Rules of Procedure for Shareholders Meeting" submitted for discussion.

Explanation:

- I. In accordance with the Company's actual operation and Taiwan Stock Exchange's letter Tai-Zheng-Zhi-Li-Zi No. 1000014461 dated January 28, 2021, part of the " Rules of Procedure for Shareholders Meeting " of the Company is proposed to be amended.
- II. Please refer to [Attachment 8] for the article amendment comparison table.

Resolution: The result is as follows:

Voting Results: Shares presented at the time of voting: 109,043,721. (net of shares without voting rights 2,796,200)

Voting Results	% of the total represented share present
Votes in favor: 106,264,826 votes (including 46,951,032 shares voted via electronic transmission)	97.45%
Votes against: 33,124 votes (including 33,124 shares voted via electronic transmission)	0.03%
Votes invalid: 0 vote	0.00%
Votes abstained / Not Voted: 2,745,771 votes (including 2,500,771 hares voted via electronic transmission)	2.51%

It was resolved that the above proposal be approved as proposed.

Agenda 5 (Proposed by the Board of Directors)

Agenda: Proposal to amend some articles of the Company's "Procedures Governing the Acquisition or Disposal of Assets," submitted for discussion.

Explanation:

- I. In accordance with Financial Supervisory Commission's letter of Chin-Kuan-Cheng-Fa-Tzu No. 1110380465 dated January 28, 2022, part of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the Company is proposed to be amended.
- II. Proposal to amend some articles of the Company's "Procedures Governing the Acquisition or Disposal of Assets." Please see [Attachment 9] for the article amendment comparison table.

Resolution: The result is as follows:

Voting Results: Shares presented at the time of voting: 109,043,721. (net of shares without voting rights 2,796,200)

Voting Results	% of the total represented share present
Votes in favor: 106,189,828 votes (including 46,876,034 shares voted via electronic transmission)	97.38%
Votes against: 36,116 votes (including 36,116 shares voted via electronic transmission)	0.03%
Votes invalid: 0 vote	0.00%
Votes abstained / Not Voted: 2,817,777 votes (including 2,572,777 hares voted via electronic transmission)	2.58%

It was resolved that the above proposal be approved as proposed.

VI. Extraordinary Motions :None.

VII. Meeting Adjourned :The meeting was adjourned at 9:23AM

Attachment 1

G-TECH Optoelectronics Corporation 2021 Business Report

I. Business Implementation Outcome

G-TECH Optoelectronics is a professional glass processing manufacturer with comprehensive glass processing technologies capable of satisfying the demands of different markets. The product lines and technology level keep up with the time. The Company faces competition in various individual technical fields such as glass cutting, thinning, reinforcement, coating, 3D formation and bonding and lamination; nevertheless, the Company owns integrated services for all the production processes and is also equipped with collaborative advantages for crossing the barriers of different markets of consumer electronics, factory control, automotive and smart building glass.

With the rise of new technologies such as the internet of things, artificial intelligence and 5G networks, touch screens are constantly being developed for factory control, automobile, smart home, education, healthcare and other various applications, which are exactly the directions for the Company's product development. From glass manufacture for consumer electronic products to modular services of TP Module, the application of coating technology further covers optoelectronics, healthcare, architecture and other industries, and the full lamination technology of large size 3D glass is even able to make a single piece of glass to perform functions of high curvature, glossy and matte joint surfaces and planar three-dimensional variations. In addition, our customers have also gradually evolved from LCM factories to end-users in the field of sports, automobiles, and architecture.

In 2021, the economic environment was still under the impacts of COVID-19 pandemic, and inflation and material shortage are posing greater uncertainties and fluctuations to the industry. However, the Company sticks to its original vision of being firmly rooted in developing the core technology of glass manufacture, strives to collect, analyze, and evaluate market information, continuously invests resources in product and technology development, and reinforces the in-depth cooperation among upstream and downstream customers, and makes good response measures to adjust products, production lines and supply chain according to the market trends. By doing so, we aim to seize market opportunities and control costs in this volatile economic environment, in order to reduce economic losses and achieve the goal of gaining operational income.

The development of smart cars is growing exponentially due to the worldwide environmental awareness and the policy support from various countries. Currently, the Company

is successfully given recognition by car manufacturers for 3D forming glasses applications, and through the quality system, we have met the high standards of automotive certification. Moreover, we work with our customers to develop integrated products of non-flat glass for automotive interiors, which include dashboard, central control system, multimedia system and rear view mirror and other displays combined with the applications of touch control products. On the other hand, regarding the curved or multi-curved trim panels, the design is aimed at the aesthetic, wear-resistant and lightweight protective glass application in order to achieve integrated automotive product development, thus providing the market with more simple, safe and innovative product applications. Persistence is the key to success. G-TECH is ready for this development trend of smart car, and we believe that our products will flourish and shine in the near future.

II. Financial Revenue and Expenditure and Profitability Analysis

Although the Company's operating results in 2021 were not as good as expected, due to active inventory control and operating cost reduction, the operating performance has increased significantly compared to the same period; furthermore, the Company has adjusted its product mix to reduce the pressure on working capital. Therefore, the current and quick ratio has increased significantly, which indicates the benefits from improving the financial structure.

Important Financial Ratio Table

Analysis Item		2021	2020
Financial structure	Ratio of liabilities to assets (%)	68.12	60.94
	Long-term funds to fixed assets (%)	253.03	104.44
Solvency	Current ratio (%)	116.32	99.65
	Quick ratio (%)	100.83	87.36
Profitability	Return on assets (%)	-2.10	-0.60
	Return on equity (%)	-8.13	-3.82
	Net profit margin (%)	-4.62	-2.11
	Earnings per share (after tax) (NT\$)	-0.59	-0.29

III. Research and Development Status

1. The Company is committed to the improvement of its own technologies and product quality, with the main research development outcomes as follows:

- A. Automotive 3D glass AR coating development
- B. Development of vehicle display multi-curved large glass >1000mm.
- C. Development of electrochromic glass G5 products.
- D. Edge polishing technology development for architectural glass.

2. R&D of new product R&D projects in progress and expected investment in R&D budget:

R&D project	Current progress	Necessary R&D budget for further investment	Expected mass production completion time	Main factors affecting success of R&D in the future
Automotive 3D glass AR coating development	Development in progress	NT\$80,000 thousand	August 2022	Film quality is improved by using e-beam deposition technology combined with ion assisted deposition, and accurate optical properties are obtained through film thickness monitoring.
Development of vehicle display multi-curved large glass.	Development in progress	NT\$25,000 thousand	December 2022	Glass curvature technology Mold material durability and cost control Machine stability
Development of electrochromic glass G5 products.	Development in progress	NT\$10,000 thousand	December 2022	Preparation and production of electrolyte film Electrochromic layer coating technique Optimization of Electrical Control System
Edge polishing technology development for architectural glass.	Development in progress	NT\$15,000 thousand	December 2022	Edge polishing machine design and production process optimization.

Responsible Person

Managerial Officer

Accounting Manager

Attachment 2

G-TECH Optoelectronics Corporation

Audit Committee's Review Report

The board of directors has prepared the 2021 business report, financial statements, and proposal for covering of losses, in which the financial statements have been fully audited by the CPAs of KPMG Taiwan, and an unqualified audit report has been issued. The aforementioned financial statements, business reports, and loss offsetting proposal table have been audited by the Audit Committee, and no discrepancy was found. A report has been prepared and submitted for examination pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2022 Annual General Meeting of G-TECH Optoelectronics Corporation

G-TECH Optoelectronics Corporation
Chairperson of the Audit Committee
Huang, Kuo-Shih

March 21, 2022

Attachment 3

G-TECH Optoelectronics Corporation 2021 Sound Operational Plan Execution Status

(1) Implementation status of sound operation plan

Unit: NT\$ thousand

Item	2021	2020	Implementation difference
Operating income	2,613,833	2,448,536	165,297
Operating cost	2,576,765	2,457,634	119,131
Gross profit (loss)	37,067	-9,099	46,166
Operating expenses	235,484	427,528	-192,044
Selling and marketing expenses	30,950	31,187	-237
Administrative expenses	140,429	356,899	-216,470
R&D expenditure	64,105	39,443	24,662
Net operating profit (loss)	-198,416	-436,627	238,210
Non-operating income & expense	77,609	146,107	-68,498
Loss before tax	-120,807	-290,520	169,713
Income tax expense	-13	2,604	-2,616
Net loss after tax	-120,795	-293,124	172,329

(II) Explanation on major differential gaps

1. Operating revenue

In 2021, the operating revenues increased by NT\$165 million over the preceding year, i.e., 2020, a growth by 6.75%, primarily resulting from the stay-home economy under COVID-19 pandemic spread that proved conducive toward the consumption oriented electronic products as well as the trend of rapid development of smart vehicles into application. The purchase orders grew by approximately NT\$404 million. On the other hand, nevertheless, amidst the significant hike of construction oriented raw materials & materiel coupled with the government policy to curb housing prices and vigilance against COVID-19 pandemic spread, our construction projects were significantly delayed, leading to a NT\$238 million decrease in the aspect of smart construction products.

2. Gross profit

In 2021, the gross profit increased by NT\$46 million compared with 2020, growing by 507.37%, due primarily to tremendous growth in operating revenues. On the other hand, nevertheless, the operating costs were adversely affected by the global shortage in containers, raw materials and such supply chains and were rising as a result.

3. Operating expenses

In 2021, the operating expenses decreased by NT\$192 million compared with 2020, a 44.92% decrease rate, due primarily to the NT\$222 million loss estimated for the credit

impairment. Meanwhile, the research & development cost increased by NT\$25 million because of investment into the smart vehicles.

4. Non-operating income & expense

The non-operating income decreased by NT\$68 million in 2021 from 2020, a 46.88% decrease rate, due primarily to the fact that the Company converted the assets into investment-oriented real property that led to a NT\$70 million loss in impairment in the estimated assets

Attachment 4

G-TECH Optoelectronics Corporation 2022 First Quarter Sound Operational Plan Execution Status

(1) Implementation status of sound operation plan

Unit: NT\$ thousand

Item	2022 First Quarter	2021 First Quarter	Implementation difference
Operating income	495,174	656,945	-161,771
Operating cost	510,767	607,339	-96,572
Gross profit (loss)	-15,593	49,606	-65,199
Operating expenses	58,962	82,693	-23,731
Selling and marketing expenses	7,407	8,092	-685
Administrative expenses	36,696	59,690	-22,994
R&D expenditure	14,859	14,911	-52
Net operating profit (loss)	-74,555	-33,087	-41,468
Non-operating income & expense	28,400	8,777	19,624
Loss before tax	-46,154	-24,310	-21,844
Income tax expense	0	0	0
Net loss after tax	-46,154	-24,310	-21,844

(II) Explanation on major differential gaps

1. Operating revenue

Operating revenue for the first quarter of 2022 is expected to decrease by approximately NTD162 million, representing an achievement rate of 75.38%. This is mainly due to the impact of the COVID-19, supply chain bottlenecks, the Russian-Ukrainian war and the government's housing policy, resulting in a decrease of approximately NTD28 million, NTD93 million and NTD40 million for intelligent cars, intelligent optoelectronics and intelligent building products respectively.

2. Gross profit

Gross profit for the first quarter of 2022 is expected to decrease by approximately NTD65 million, with an achievement rate of -131.43%. This is mainly due to the lower gross profit. The unrelieved global supply chain bottlenecks and inflation have exacerbated the increase of costs.

3. Operating expenses

Operating expenses for the first quarter of 2022 is expected to decrease by approximately NTD24 million, with an achievement rate of 71.30%, mainly due to the lower than expected operating revenues, resulting in lower marketing and administrative expenses of approximately NTD690,000 and NTD22.99 million respectively. There will be no significant difference in R&D expenses for smart car products as planned.

4. Non-operating income & expense

Non-operating income & expenses for the first quarter of 2022 is expected to increase by approximately NTD20 million, with an achievement rate 323.59%, mainly due to the impact of exchange rate changes with a profit on exchange approximately NTD22 million.



G-TECH Optoelectronics Corporation

Code of Practice for Corporate Social Responsibility Article Amendment Comparison Table

Name after amendment	Name before amendment	Explanation
<u>Sustainable Development</u> Best Practice Principles	<u>Corporate Social Responsibility</u> Best Practice Principles	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
Article 1	In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Principles to be followed by the Company is promulgated in accordance with " <u>Sustainable Development</u> Best Practice Principles for TWSE/TPEX Listed Companies."	In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Principles to be followed by the Company is promulgated in accordance with " <u>Corporate Social Responsibility</u> Best Practice Principles for TWSE/TPEX Listed Companies."	Amendments are made in line with the law.
Article 2	The Principles apply to the Company, including the entire operations of each such company and its business group. The company shall actively fulfill its corporate <u>sustainable development</u> in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u> .	The Principles apply to the Company, including the entire operations of each such company and its business group. The company shall actively fulfill its corporate <u>social responsibility</u> in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>corporate social responsibility</u> .	Amendments are made in line with the law.
Article 3	In fulfilling <u>sustainable development initiatives</u> , the Company shall, in its corporate management guidelines and	In fulfilling <u>corporate social responsibility</u> , the Company shall, in its corporate management guidelines and business operations,	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
	<p>business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p><u>The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</u></p>	<p>give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>	
Article 4	<p>To implement <u>sustainable development</u>, the Company is advised to follow the principles below:</p> <ol style="list-style-type: none"> (1) Exercise corporate governance. (2) Foster a sustainable environment. (3) Preserve public welfare. (4) Enhance disclosure of <u>sustainable development information</u>. 	<p>To implement <u>corporate social responsibility</u>, the Company is advised to follow the principles below:</p> <ol style="list-style-type: none"> (1) Exercise corporate governance. (2) Foster a sustainable environment. (3) Preserve public welfare. (4) Enhance disclosure of <u>corporate social responsibility information</u>. 	Amendments are made in line with the law.
Article 5	<p>The Company <u>shall take into consideration the correlation between the development of domestic and international sustainability topics and corporate core business operations, and the effect of the operation of the Company and of its respective business groups as a whole on stakeholders</u>, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting.</p>	<p>The Company <u>shall comply with the provisions of laws and regulations, and the contract signed with the Taiwan Stock Exchange and the relevant norms and may take into consideration the correlation between the development of domestic and international corporate social responsibility and corporate core business operations, and the effect of the operation of the Company and of its respective business groups as a whole on stakeholders</u>, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> programs, which shall be approved by the board of directors and then</p>	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
	<p>When a shareholder proposes a motion involving <u>sustainable development</u>, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>reported to the shareholders meeting. When a shareholder proposes a motion involving Corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	
Article 6	<p>The Company's board of directors shall exercise the due care of good administrators to urge the Company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development</u> policies. The board of directors of the Company is advised to give <u>full consideration to the interests of stakeholders</u>, including the following matters, in the company's performance of its <u>sustainable development</u> initiatives:</p> <ol style="list-style-type: none"> (1) Identifying the company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines; (2) Making <u>sustainable development</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives. (3) Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information. <p>The board of directors shall appoint the president with</p>	<p>The Company's board of directors shall exercise the due care of good administrators to urge the Company <u>to perform its social responsibility initiatives</u>, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>corporate social responsibility</u> policies.</p> <p>The board of directors of the Company is advised to contain the following matters in the company's performance of its <u>corporate social responsibility initiatives</u>:</p> <ol style="list-style-type: none"> (1) Identifying the company's <u>corporate social responsibility</u> mission or vision, and declaring its <u>corporate social responsibility</u> policy, systems or relevant management guidelines. (2) Making <u>corporate social responsibility</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for <u>corporate social responsibility</u> initiatives. (3) Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information. <p>The board of directors shall appoint the president with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to</p>	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
	responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors.	the board of directors.	
Article 7	<p>For the purpose of managing <u>sustainable development</u> initiatives, the finance department shall be in charge of the formulation of the <u>sustainable development</u> best practice principles, and the <u>administration</u> department shall be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p><u>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</u></p> <p><u>It is advised that the employee performance evaluation system be combined with corporate sustainable development policies, and that a clear and effective incentive and discipline system be established.</u></p>	<p>For the purpose of managing <u>corporate social responsibility</u> initiatives, the finance department shall be in charge of the formulation of the <u>corporate social responsibility</u> best practice principles, and the <u>human resource development</u> department shall be in charge of proposing and enforcing the <u>corporate social responsibility</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p>	Amendments are made in line with the law.
Article 8	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable</u>	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>corporate social</u>	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
	<u>development</u> issues which they are concerned about.	<u>responsibility</u> issues which they are concerned about.	
Article 10	The Company are advised to, on a regular basis, organize education and training on the implementation of <u>sustainable development</u> , including promotion of the matters prescribed in paragraph 2 of the article 6.	The Company are advised to, on a regular basis, organize education and training on the implementation of <u>corporate social responsibility initiatives</u> , including promotion of the matters prescribed in paragraph 2 of the article 6.	Amendments are made in line with the law.
Article 12	The Company are advised to endeavor to utilize <u>energy</u> more efficiently <u>and</u> use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	The Company is advised to endeavor to utilize <u>all resources more</u> efficiently <u>and</u> use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	Amendments are made in line with the law.
Article 13	The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks: (1) Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment. (2) Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis. (3) <u>Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation</u> on a regular basis.	The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks: (1) Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment. (2) Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis. (3) Regularly reviewing the <u>progress toward environmental sustainability goals</u> .	Amendments are made in line with the law.
Article 15	The Company <u>is advised to</u> consider the impact of the operations on ecological and to publicize concept of sustainable consumption, and follow the following principles such as research and development,	The Company shall consider the impact of the operations on ecological and to publicize concept of sustainable consumption, and follow the following principles such as research and development, procurement, production, operation	Amendments are made based on the Company's actual operation.

Article	Amended Articles	Unamended Articles	Explanation
	procurement, production, operation and service provision activities to reduce the impact of company operations on the natural environment and humans: (Omitted hereinafter)	and service provision activities to reduce the impact of company operations on the natural environment and humans: (Omitted hereinafter)	
Article 17	<p><u>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.</u></p> <p>The Company is advised to adopt standards or guidelines generally used in home and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <p>(1) Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</p> <p>(2) Indirect greenhouse gas emissions: emissions resulting from the generation of <u>externally acquired</u> electricity, heating, or steam.</p> <p><u>(3) Other indirect emissions: The emissions generated by the Company's activities are not indirect energy emissions, but come from emission sources owned or controlled by other companies.</u></p> <p>The Company is advised to compile <u>statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes.</u> The Company's carbon reduction strategies shall include obtaining carbon credits and be promoted</p>	<p>The Company is advised to adopt standards or guidelines generally used in home and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <p>(1) Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</p> <p>(2) Indirect greenhouse gas emissions: emissions resulting from the generation of <u>externally purchased</u> electricity, heating, or steam.</p> <p>The Company is advised to <u>monitor the impact of climate change on their operations</u> and shall establish <u>the Company's</u> strategies for energy conservation and carbon <u>and</u> greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies shall include obtaining carbon credits to promote and minimize the impact of their business operations on climate</p>	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
	accordingly to minimize the impact of their business operations on climate change.	change.	
Article 18	The Company...(Omitted) In order to fulfill the responsibility of protecting human rights, the Company shall establish relevant management policies and procedures, which include. (Omitted hereinafter)	The Company...(Omitted) In order to fulfill <u>the Company's</u> responsibility of protecting human rights, the Company shall establish relevant management policies and procedures, which include. (Omitted hereinafter)	Amendments are made based on the Company's actual operation.
Article 21	The Company shall create a sound environment for the career development of employees and establish an effective career ability development training program. The Company shall <u>establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.), and</u> shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	The Company shall create a sound environment for the career development of employees and establish an effective career ability development training program. The Company shall appropriately reflect the <u>corporate</u> business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	Amendments are made in line with the law.
Article 22-1	<u>The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The company shall also develop the relevant strategies and specific measures for implementation.</u>	This article is newly added.	Addition is made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
Article 23	<p>The Company shall be responsible for the services provided and value marketing ethics. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of their products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.</p>	<p>The Company shall be responsible for the services provided and value marketing ethics. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of their products and services. It further shall establish and disclose <u>its</u> policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.</p>	<p>Amendments are made based on the Company's actual operation.</p>
Article 24	<p>The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of their industries.</p> <p>The Company shall follow relevant laws, regulations and international guidelines in regard to <u>customer health and safety and customer privacy</u> involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of their industries. The Company shall follow relevant laws, regulations and international guidelines in regard to marketing and labeling of their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>Amendments are made in line with the law.</p>
Article 25	<p>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. For the products and services, the Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection</p>	<p>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. For <u>the Company's</u> products and services, the Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information</p>	<p>Amendments are made based on the Company's actual operation.</p>

Article	Amended Articles	Unamended Articles	Explanation
	Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.	Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.	
Article 26	<p>The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.</p> <p>The Company <u>is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights.</u> Prior to engaging in commercial dealings, The Company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</p> <p><u>When the Company enters into a contract with any of their major suppliers, the content shall include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</u></p>	<p>The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.</p> <p>Prior to engaging in commercial dealings, The Company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</p>	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
Article 27	<p>The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>The Company is advised to, through <u>equity investment</u>, commercial activities, endowments, volunteering service or other charitable professional services <u>etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies</u> relating to community development and community education to promote community development.</p>	<p>The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>The Company is advised to, through commercial activities, <u>in-kind</u> donations, volunteering service or other charitable professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	Amendments are made in line with the law.
Chapter 5	Enhance disclosure of <u>sustainable development</u> information.	Enhancing disclosure of <u>corporate social responsibility</u> information	Amendments are made in line with the law.
Article 28	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> to improve information transparency. Relevant information relating to <u>sustainable development</u> which the Company shall disclose includes:</p> <p>(1) The policy, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the board of directors.</p> <p>(2) The risks and the impact on the corporate operations and</p>	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its <u>corporate social responsibility</u> to improve information transparency. Relevant information relating to <u>corporate social responsibility</u> which the Company shall disclose includes:</p> <p>(1) The policy, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> initiatives, as resolved by the board of directors.</p> <p>(2) The risks and the impact on the corporate operations and financial condition arising from exercising corporate</p>	Amendments are made in line with the law.

Article	Amended Articles	Unamended Articles	Explanation
	<p>financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.</p> <p>(3) Goals and measures for realizing the <u>sustainable development</u> initiatives established by the Company, and performance in implementation.</p> <p>(4) Major stakeholders and their concerns.</p> <p>(5) Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</p> <p>(6) Other information relating to <u>sustainable development</u></p>	<p>governance, fostering a sustainable environment and preserving social public welfare.</p> <p>(3) Goals and measures for realizing the <u>corporate social responsibility</u> initiatives established by the Company, and performance in implementation.</p> <p>(4) Major stakeholders and their concerns.</p> <p>(5) Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</p> <p>(6) Other information relating to <u>corporate social responsibility</u> initiatives.</p>	
Article 29	<p>The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the implementation of the <u>sustainable development</u> policy.</p>	<p>The Company shall at all times monitor the development of domestic and foreign <u>corporate social responsibility</u> standards and the change of business environment so as to examine and improve their established <u>corporate social responsibility</u> framework and to obtain better results from the implementation of the <u>corporate social responsibility</u> policy.</p>	<p>Amendments are made in line with the law.</p>

Article	Amended Articles	Unamended Articles	Explanation
<u>Article 30</u>	<p><u>The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.</u></p> <p><u>The reports are advised to include:</u></p> <p><u>(1) The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.</u></p> <p><u>(2) Major stakeholders and their concerns.</u></p> <p><u>(3) Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</u></p> <p><u>(4) Future improvements and goals.</u></p>	<p><u>The principles of shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.</u></p>	<p>The new article is added, and the article number is revised in line with the law.</p>
<u>Article 31</u>	<p>The principles of shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.</p>	(Nil)	<p>The article number is modified.</p>

Attachment 6

Independent Auditor's Report

The Board of Directors G-TECH Optoelectronics Corporation

Audit opinion

We have audited the accompanying financial statements of G-TECH Optoelectronics Corporation (the "Company") which comprise the balance sheets for the years ended December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows and notes to parent company only financial statements, including a summary of significant accounting policies, for the years ended December 31, 2020 and 2019.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years ended December 31, 2021 and 2020 in accordance with the regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norms for Professional Ethics for Certified Public Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2021. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the audit of the financial statements are stated as follows:

I. Revenue Recognition

Please refer to Note 4(16) of the unconsolidated financial statements for the detailed accounting policy on revenue recognition. Please refer to Note 6(18) of the unconsolidated financial statements for detailed descriptions of the revenue recognition.

Description of Key Audit Matters:

The revenue of the Company mainly comes from product sales to customers, and the sales contract with customers involve different types of transaction terms. For the recognition of sales revenue, the product control transfer status is determined according to the transaction terms of each individual sales contract. Accordingly, the test of the recognition of revenue is identified as a key audit matter for the execution of the audit of the financial statements of the Company.

Corresponding Audit Procedures:

The primary audit procedures adopted by our independent auditors with respect to the aforementioned key audit matters include evaluation of the appropriateness of the accounting policy for revenue recognition; understanding and testing the type, transaction model, contract clauses and transaction terms as well as relevant internal control design and execution effectiveness; sampling of the detailed test presently conducted to verify all forms and charts in order to confirm the authenticity of the transaction. A stop-point test is conducted at a certain period before and after the report date of the financial statements in order to obtain samples and verify relevant certificates, thereby ensuring the reasonableness of the recognition time point for transactions. Furthermore, a certain period before and after the financial statement report date, the Company is inspected to determine whether allowance and deduction have been provided to customers according to sales contract requirements, whether there is any material sales return or allowance, in order to ensure the authenticity of transactions. Moreover, the accrued allowance amount specified by the management authority is obtained and is verified with relevant internal and external data, in order to evaluate the rationality of relevant parameters and primary assumptions. In addition, the accuracy of the accrued allowance estimation of the previous year is inspected in order to evaluate the appropriateness of the accrued allowance amount specified by the management authority.

II. Investment Property Fair Value Evaluation

Please refer to Note 4(10) of the parent company only financial statements for detailed accounting policy on investment property fair value evaluation. Please refer to Note 5(2) of the parent company only financial statements for detailed accounting estimation and assumption uncertainty for the investment property fair value. Please refer to Note 6(6) of the parent company only financial statements for details of the investment property.

Description of Key Audit Matters:

The investment property of the Company refers to important assets for operation, and its amount accounts for 26% of the total assets. For the investment property, the accounting procedure adopts the standard of IAS 40, and the fair value model is selected for the adoption. Subsequent fair value change is reorganized as current profit/loss. Since the Company uses the recommendations of external real estate appraiser reports as the basis for the evaluation of the investment property fair value, the neighborhood rental market prices referenced and financial information related to the investment property rental provided by the Company for the execution of the appraisal procedure may involve material judgment and estimation uncertainty. Accordingly, any inappropriate evaluation of the fair value change may result in misstatement of the financial statements. Accordingly, the investment property fair value evaluation is identified as a key audit matter for the execution of the audit of the financial statements of the Company.

Corresponding Audit Procedures:

- Assess the professionalism, objectiveness and experience of the real estate appraiser retained by the Company to be in charge of the fair value measurement.
- Verify the rationality of the material assumptions and critical judgments adopted in its appraisal

report, and review the lease agreements and comparison with relevant market information, in order to determine whether the future cash flow, income and discount rate have been handled according to the regulations.

- Verify the appraisal report and relevant accounting records in order to determine the accuracy of accounting procedures.

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

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

1. Identify and assess the risk of material misstatement in the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on 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 the management level.
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 of the Company to continue as a going concern. If we conclude that a material uncertainty exists, then relevant disclosures of the unconsolidated financial statements are required to be provided in our audit report to allow users of unconsolidated financial statements to be aware of such events or circumstances, 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 unconsolidated financial statements, including relevant notes, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of investees under the equity method, and express an opinion on the unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the opinion on the Company.

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 have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the Company's 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 preclude 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 could reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Zong Zhe, Chen and Shih-Chin, Chih.

KPMG
Taipei, Taiwan (Republic of China)
March 21, 2022

G-TECH Optoelectronics Corporation
Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

		<u>2021</u>		<u>2020</u>	
		Amount	%	Amount	%
4000	Operating revenues (Note 6(18) and 7)	\$ 2,431,645	100	2,322,138	100
5000	Operating costs (Note 6(3), (12) and 7)	<u>2,400,251</u>	<u>99</u>	<u>2,334,819</u>	<u>101</u>
	Gross profit (loss)	<u>31,394</u>	<u>1</u>	<u>(12,681)</u>	<u>(1)</u>
	Operating expenses (Notes 6(12), (15) and 7):				
6100	Selling and marketing expenses	29,288	1	24,470	1
6200	Administrative expenses	133,221	5	119,179	5
6300	Research and development expenses	64,105	3	39,443	2
6450	Expected credit losses (Gain from price recovery) (Note 6(2))	<u>(4,943)</u>	-	<u>170,427</u>	<u>7</u>
6300	Total operating expenses	<u>221,671</u>	<u>9</u>	<u>353,519</u>	<u>15</u>
	Net operating loss	<u>(190,277)</u>	<u>(8)</u>	<u>(366,200)</u>	<u>(16)</u>
	Non-operating income and expenses (Note 6(19)):				
7100	Interest income	18,733	1	331	-
7020	Other gains and losses (Note 6(6), (10), (11) and 7)	111,997	5	174,258	8
7050	Finance costs (Note 6(10) and 7)	(38,904)	(2)	(34,082)	(1)
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	<u>(22,357)</u>	<u>(1)</u>	<u>(64,826)</u>	<u>(3)</u>
	Total non-operating income and expenses	<u>69,469</u>	<u>3</u>	<u>75,681</u>	<u>4</u>
	Net loss before tax from continuing operating segments	(120,808)	(5)	(290,519)	(12)
7950	Less: Income tax expenses (Note 6(13))	<u>(13)</u>	-	<u>2,604</u>	-
	Net loss of current period	<u>(120,795)</u>	<u>(5)</u>	<u>(293,123)</u>	<u>(12)</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8312	Revalued amount of property (Note 6(5))	-	-	361,495	16
8349	Less: Income tax related to items not reclassified	-	-	<u>48,808</u>	<u>2</u>
	Total items that will not be reclassified to profit or loss	-	-	<u>312,687</u>	<u>14</u>
8360	Items that may subsequently be reclassified to profit or loss (Note 6(14))				
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method - Items may be reclassified into profit or loss	(1,934)	-	(505)	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total of items that may subsequently be reclassified to profit or loss	<u>(1,934)</u>	-	<u>(505)</u>	-
8300	Other comprehensive income (net of tax)	<u>(1,934)</u>	-	<u>312,182</u>	<u>14</u>
	Total comprehensive income of current period	<u>\$ (122,729)</u>	<u>(5)</u>	<u>19,059</u>	<u>2</u>
	Earnings per share (Note 6(16))				
	Basic loss per share (Unit: NTD)	<u>\$ (0.59)</u>		<u>(1.42)</u>	

Chairman of the Board: Chung, Chih-Ming

Managerial Officer: Chung, Chih-Ming

Accounting Officer: Wu, Tai-Chiou

G-TECH Optoelectronics Corporation
Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

	Common share capital	Capital surplus	Losses to be covered	Other equity		Total	Total equity
				Financial statements of foreign operations Exchange differences translated	Revalued amount of property		
Balance on January 1, 2020	\$ 2,063,936	40,528	(751,240)	164,257	-	164,257	1,517,481
Net loss of current period	-	-	(293,123)	-	-	-	(293,123)
Other comprehensive income (loss) of current period	-	-	-	(505)	312,687	312,182	312,182
Total comprehensive income of current period	-	-	(293,123)	(505)	312,687	312,182	19,059
Covering loss from capital surplus	-	(24,570)	24,570	-	-	-	-
Share-based compensation	-	753	-	-	-	-	753
Balance on December 31, 2020	2,063,936	16,711	(1,019,793)	163,752	312,687	476,439	1,537,293
Net loss of current period	-	-	(120,795)	-	-	-	(120,795)
Other comprehensive income (loss) of current period	-	-	-	(1,934)	-	(1,934)	(1,934)
Total comprehensive income of current period	-	-	(120,795)	(1,934)	-	(1,934)	(122,729)
Other capital surplus changes:							
Items of the equity- recognized due to issuance of convertible corporate bonds(preferred share))	-	12,724	-	-	-	-	12,724
Covering loss from capital surplus	-	(15,958)	15,958	-	-	-	-
Share-based compensation	-	5,471	-	-	-	-	5,471
Balance on December 31, 2021	\$ 2,063,936	18,948	(1,124,630)	161,818	312,687	474,505	1,432,759

Chairman of the Board: Chung, Chih-Ming

Managerial Officer: Chung, Chih-Ming

Accounting Officer: Wu, Tai-Chiou

G-TECH Optoelectronics Corporation
Statements of Cash Flows
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

	2021	2020
Cash Flows from Operating Activities:		
Net loss before tax in the period	\$ (120,808)	(290,519)
Adjustments:		
Income/expenses items		
Depreciation expense	203,694	271,901
Amortization expense	4,691	4,095
Expected (Gain from price recovery) credit losses	(4,943)	170,427
Net loss on financial asset or financial liability at fair value through profit or loss	726	-
Interest expense	38,904	34,082
Interest income	(18,733)	(331)
Share-based payment cost	5,471	753
Share of loss of subsidiaries, associates and joint ventures accounted for using the equity method	22,357	64,826
Loss (gain) on disposal and retirement of property, plant and equipment	(985)	7,056
Gain on reversal of impairment	-	(71,389)
Gain on fair value adjustment of investment property	<u>(22,994)</u>	-
Total adjustments to reconcile profit and loss	<u>228,188</u>	<u>481,420</u>
Change in assets/liabilities relating to operating activities:		
Net changes in assets related to operating activities:		
Increase in notes and accounts receivable	(12,672)	(62,306)
Decrease in accounts receivable - related parties	8,171	33,688
(Increase) decrease in Inventory	(54,834)	18,826
Decrease (increase) in other current assets	10,448	(13,933)
Decrease in other financial assets	<u>7,739</u>	<u>71,600</u>
Total net changes in assets related to operating activities	<u>(41,148)</u>	<u>47,875</u>
Net changes in liabilities related to operating activities:		
Increase (decrease) in contract liabilities	286	(2,363)
Increase in notes and accounts payable	77,225	10,562
Increase (decrease) in accounts payable - related party	(9,580)	16,093
Increase in other payables	21,837	7,420
Increase in provision for liabilities	27,039	886
Decrease in other current liabilities	-	(3)
Total net changes in liabilities related to operating activities	<u>116,807</u>	<u>32,595</u>
Total net changes in assets and liabilities related to operating activities	<u>75,659</u>	<u>80,470</u>
Total adjustments	<u>303,847</u>	<u>561,890</u>
Cash inflow generated by operating activities	183,039	271,371
Interest received	675	331
Interest paid	(33,934)	(32,892)
Income tax refunded	<u>238</u>	<u>2</u>
Net cash inflow generated by operating activities	<u>150,018</u>	<u>238,812</u>

G-TECH Optoelectronics Corporation
Statements of Cash Flows (continued)
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

	2021	2020
Cash flow from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(14,078)	-
Disposal of financial assets at fair value through profit or loss	14,352	-
Property, plant and equipment acquired	(31,768)	(4,104)
Disposal of property, plant and equipment	985	1,450
Acquisition of intangible assets	(2,908)	(9,928)
Decrease in other financial assets	(177,291)	(658)
Increase in prepayments for equipment	<u>(146,228)</u>	-
Net cash used in investing activities	<u>(356,936)</u>	<u>(13,240)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	1,193,541	2,108,310
Decrease in short-term borrowings	(1,228,957)	(2,312,986)
Insurance of corporate bonds	493,178	-
Proceeds from long-term borrowings	196,000	730,000
Repayments of long-term borrowings	(258,296)	(490,182)
Lease principle repayment	<u>(59,706)</u>	<u>(51,382)</u>
Net cash generated from (used in) financing activities	<u>335,760</u>	<u>(16,240)</u>
Increase of cash and cash equivalents in current period	128,842	209,332
Balance of cash and cash equivalents at beginning of period	<u>427,554</u>	<u>218,222</u>
Balance of cash and cash equivalents at end of period	<u>\$ 556,396</u>	<u>427,554</u>

Independent Auditor's Report

The Board of Directors G-TECH Optoelectronics Corporation

Audit opinion

We have audited the accompanying consolidated financial statements of G-TECH Optoelectronics Corporation and its subsidiaries (the "Group") which comprise the consolidated balance sheets for the years ended December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows and notes to consolidated financial statements, including a summary of significant accounting policies, for the years ended December 21, 2021 and 2020.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 21, 2021 and 2020 in accordance with the regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRS Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effects by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norms for Professional Ethics for Certified Public Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the audit of the financial statements are stated as follows:

I. Revenue Recognition

Please refer to Note 4(16) of the consolidated financial statements for the detailed accounting policy on revenue recognition. Please refer to Note 6(18) of the consolidated financial statements for detailed descriptions of the revenue recognition.

Description of Key Audit Matters:

The revenue of the Group mainly comes from product sales to customers, and the sales contract with customers involve different types of transaction terms. For the recognition of sales revenue, the product control transfer status is determined according to the transaction terms of each individual sales contract. Accordingly, the test of the recognition of revenue is identified as a key audit matter for the execution of the audit of the financial statements of the Group.

Corresponding Audit Procedures:

The primary audit procedures adopted by our independent auditors with respect to the aforementioned key audit matters include evaluation of the appropriateness of the accounting policy for revenue recognition; understanding and testing the type, transaction model, contract clauses and transaction terms as well as relevant internal control design and execution effectiveness; sampling of the detailed test presently conducted to verify all forms and charts in order to confirm the authenticity of the transaction. A stop-point test is conducted at a certain period before and after the report date of the financial statements in order to obtain samples and verify relevant certificates, thereby ensuring the reasonableness of the recognition time point for transactions. Furthermore, a certain period before and after the financial statement report date, the Group is inspected to determine whether allowance and deduction have been provided to customers according to sales contract requirements, whether there is any material sales return or allowance, in order to ensure the authenticity of transactions. Moreover, the accrued allowance amount specified by the management authority is obtained and is verified with relevant internal and external data, in order to evaluate the rationality of relevant parameters and primary assumptions. In addition, the accuracy of the accrued allowance estimation of the previous year is inspected in order to evaluate the appropriateness of the accrued allowance amount specified by the management authority.

II. Investment Property Fair Value Evaluation

Please refer to Note 4(10) of the consolidated financial statements for detailed accounting policy on investment property fair value evaluation. Please refer to Note 5(2) of the consolidated financial statements for detailed accounting estimation and assumption uncertainty for the investment property fair value. Please refer to Note 6(6) of the consolidated financial statements for details of the investment property.

Description of Key Audit Matters:

The investment property of the Group refers to important assets for operation, and its amount accounts for 25% of the total assets. For the investment property, the accounting procedure adopts the standard of IAS 40, and the fair value model is selected for the adoption. Subsequent fair value change is reorganized as current profit/loss. Since the Group uses the recommendations of external real estate appraiser reports as the basis for the evaluation of the investment property fair value, the neighborhood rental market prices referenced and financial information related to the investment property rental provided by the Group for the execution of the appraisal procedure may involve material judgment and estimation uncertainty. Accordingly, any inappropriate evaluation of the fair value change may result in misstatement of the financial statements. Accordingly, the investment property fair value evaluation is identified as a key audit matter for the execution of the audit of the financial statements of the Group.

Corresponding Audit Procedures:

- Assess the professionalism, objectiveness and experience of the real estate appraiser retained by the Group to be in charge of the fair value measurement.
- Verify the rationality of the material assumptions and critical judgments adopted in its appraisal report, and review the lease agreements and comparison with relevant market information, in

order to determine whether the future cash flow, income and discount rate have been handled according to the regulations.

- Verify the appraisal report and relevant accounting records in order to determine the accuracy of accounting procedures.

Other Matters

G-TECH Optoelectronics Corporation has prepared the parent company only financial statements for 2021 and 2020, to which we have issued an independent auditor's report with unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission, and for necessary 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, the responsibilities of the management also include assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

1. Identify and assess the risk of material misstatement in the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 of the Group to continue as a going concern. If we conclude that a material uncertainty exists, then relevant disclosures of the consolidated

financial statements are required to be provided in our audit report to allow users of consolidated financial statements to be aware of such events or circumstances, 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 Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide an opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion on the Group.

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 have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the Group's 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude 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 could reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Zong Zhe, Chen and Shih-Chin, Chih.

KPMG

Taipei, Taiwan (Republic of China)

March 21, 2022

G-TECH Optoelectronics Corporation and Subsidiaries

Consolidated Balance Sheet

December 31, 2021 and 2020

Unit: NTD thousand

Assets		2021-12-31		2020-12-31		Liabilities and equity		2021-12-31		2020-12-31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1) and (20))	\$ 621,683	14	499,504	12	2100	Short-term borrowings (Note 6(8), (20) and 8)	\$ 534,361	12	569,777	14
1170	Net notes and accounts receivable (Note 6(2), (18) and (20))	536,367	12	520,341	13	2130	Contract liabilities - current (Note 6(18))	4,661	-	7,592	-
1180	Net notes and accounts receivable - related parties (Note 6(2), (18) and (20) and 7)	123,124	3	129,163	3	2170	Notes and accounts payable (Note 6(20))	168,935	4	107,547	3
1220	Current income tax assets	5	-	230	-	2180	Notes and accounts payable - related parties (Note 6(20) and 7)	178,333	4	179,447	4
130X	Inventories (Note 6(3))	211,533	5	156,699	4	2219	Other payables (Note 6(20) and 7)	121,801	3	106,724	3
1476	Other financial assets - current (Note 6(7), (20), 7 and 8)	96,882	2	105,527	3	2213	Payables on equipment (Note 6(20) and (23))	3,303	-	3,424	-
1479	Other current assets - others	<u>21,381</u>	-	<u>37,025</u>	<u>1</u>	2250	Liability reserve - current (Note 6(12))	42,970	1	15,931	-
		<u>1,610,975</u>	<u>36</u>	<u>1,448,489</u>	<u>36</u>	2280	Lease liabilities - current (Note 6(20) and 7)	56,792	1	50,877	1
						2322	Long-term borrowings due in one year or one business cycle (Note 6(9), (20) and 8)	273,781	6	232,993	6
Non-current assets:						2399	Other current liabilities - others	<u>57</u>	-	<u>45</u>	-
1510	Financial asset at fair value through profit or loss – Non-current (Note 6(10), and (20))	1,250	-	-	-			<u>1,384,994</u>	<u>31</u>	<u>1,274,357</u>	<u>31</u>
1551	Investment accounted for under the equity method (Note 6(4))	47,814	1	47,473	1	Non-current liabilities:					
1600	Property, plant and equipment (Note 6(5), (23), 8 and 9)	1,228,620	27	1,371,860	34	2530	Corporate bonds payable (Note 6(10), (20) and 8)	487,048	11	-	-
1755	Right-of-use assets	115,575	3	50,877	1	2540	Long-term borrowings (Note 6(9), (20) and 8)	1,065,449	24	1,168,533	30
1760	Net investment property (Note 6(6) and 8)	1,138,062	25	1,115,068	28	2550	Liability reserve - non-current	18,300	-	18,300	-
1780	Intangible assets	5,163	-	6,946	-	2570	Deferred income tax liabilities (Note 6(13))	53,451	1	48,808	1
1840	Deferred income tax assets (Note 6(13))	4,643	-	-	-	2580	Lease liabilities - non-current (Note 6(20) and 7)	<u>51,821</u>	<u>1</u>	-	-
1915	Prepayments for equipment (Note 9)	157,805	4	-	-			<u>1,676,069</u>	<u>37</u>	<u>1,235,641</u>	<u>31</u>
1980	Other financial assets - non-current (Note 6(7) and (20) and 8)	<u>183,915</u>	<u>4</u>	<u>6,578</u>	-			<u>3,061,063</u>	<u>68</u>	<u>2,509,998</u>	<u>62</u>
		2,882,847	64	2,598,802	64	Total liabilities					
						Equity attributable to owners of the parent (Note 6(14)):					
						3100	Share capital	2,063,936	46	2,063,936	51
						3200	Capital surplus	18,948	-	16,711	-
						3300	Losses to be covered	(1,124,630)	(25)	(1,019,793)	(25)
						3400	Other equity (Note 6(5))	<u>474,505</u>	<u>11</u>	<u>476,439</u>	<u>12</u>
								<u>1,432,759</u>	<u>32</u>	<u>1,537,293</u>	<u>38</u>
								<u>1,432,759</u>	<u>32</u>	<u>1,537,293</u>	<u>38</u>
Total assets		<u>\$ 4,493,822</u>	<u>100</u>	<u>4,047,291</u>	<u>100</u>		Total liabilities and equity	<u>\$ 4,493,822</u>	<u>100</u>	<u>4,047,291</u>	<u>100</u>

Chairman of the Board: Chung, Chih-Ming

Managerial Officer: Chung, Chih-Ming

Accounting Officer: Wu, Tai-Chiou

G-TECH Optoelectronics Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenues (Note 6(18) and 7)	\$ 2,613,833	100	2,448,536	100
5000	Operating costs (Note 6(3), (12) and 7)	2,576,766	99	2,457,634	100
	Gross profit (loss)	37,067	1	(9,098)	-
	Operating expenses (Notes 6(12), (15) and 7):				
6100	Selling and marketing expenses	30,950	1	31,187	1
6200	Administrative expenses	145,372	6	134,746	6
6300	Research and development expenses	64,105	2	39,442	2
6450	Expected credit losses (Gain from price recovery) (Note 6(2))	(4,943)	-	222,153	9
	Total operating expenses	235,484	9	427,528	18
	Net operating loss	(198,417)	(8)	(436,626)	(18)
	Non-operating revenue and expenses:				
7100	Interest income (Note 6(19))	19,991	-	3,030	-
7020	Other gains and losses (Note 6(6), (10), (11), (19) and 7)	95,171	4	174,571	7
7050	Finance costs (Note 6(10), (19) and 7)	(38,904)	(1)	(34,082)	(1)
7060	Share of profit or loss on of associated companies and joint ventures accounted for using the equity method (Note 6(4))	1,351	-	2,588	-
	Total non-operating income and expenses	77,609	3	146,107	6
	Net loss before tax from continuing operating segments	(120,808)	(5)	(290,519)	(12)
7950	Less: Income tax expenses (Note 6(13))	(13)	-	2,604	-
	Net loss of current period	(120,795)	(5)	(293,123)	(12)
	Other comprehensive income:				
	Items that will not be reclassified to profit or loss				
8310	Revalued amount of property	-	-	361,495	15
8349	Less: Income tax related to items not reclassified	-	-	48,808	2
	Total items that will not be reclassified to profit or loss	-	-	312,687	13
	Items that may subsequently be reclassified to profit or loss (Note 6(14))				
8361	Difference in exchange from the conversion of financial statements of overseas operating entities	(2,274)	-	(1,401)	-
8370	Share of other comprehensive income of associated companies and joint ventures accounted for using the equity method	340	-	896	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total of items that may subsequently be reclassified to profit or loss	(1,934)	-	(505)	-
8300	Other comprehensive income (loss) of current period	(1,934)	-	312,182	13
8500	Total comprehensive income of current period	\$ (122,729)	(5)	19,059	1
	Net loss of current period attributable to:				
8610	Owners of the parent	\$ (120,795)	(5)	(293,123)	(12)
	Total comprehensive income attributable to:				
8710	Owners of the parent	\$ (122,729)	(5)	19,059	1
	Earnings per share (Note 6(16))				
9710	Basic loss per share (Unit: NTD)	\$	(0.59)	(1.42)	\$

Chairman of the Board: Chung, Chih-Ming

Managerial Officer: Chung, Chih-Ming

Accounting Officer: Wu, Tai-Chiou

G-TECH Optoelectronics Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

	Common share capital	Capital surplus	Losses to be covered	Other equity		Total	Total equity
				Financial statements of foreign operations Exchange differences translated	Revalued amount of property		
Balance on January 1, 2020	\$ 2,063,936	40,528	(751,240)	164,257	-	164,257	1,517,481
Net loss of current period	-	-	(293,123)	-	-	-	(293,123)
Other comprehensive income (loss) of current period	-	-	-	(505)	312,687	312,182	312,182
Total comprehensive income of current period	-	-	(293,123)	(505)	312,687	312,182	19,059
Covering loss from capital surplus	-	(24,570)	24,570	-	-	-	-
Share-based compensation	-	753	-	-	-	-	753
Balance on December 31, 2020	2,063,936	16,711	(1,019,793)	163,752	312,687	476,439	1,537,293
Net loss of current period	-	-	(120,795)	-	-	-	(120,795)
Other comprehensive income (loss) of current period	-	-	-	(1,934)	-	(1,934)	(1,934)
Total comprehensive income of current period	-	-	(120,795)	(1,934)	-	(1,934)	(122,729)
Other capital surplus changes:							
Items of the equity- recognized due to issuance of convertible corporate bonds (preferred share))	-	12,724	-	-	-	-	12,724
Covering loss from capital surplus	-	(15,958)	15,958	-	-	-	-
Share-based compensation	-	5,471	-	-	-	-	5,471
Balance on December 31, 2021	\$ 2,063,936	18,948	(1,124,630)	161,818	312,687	474,505	1,432,759

Chairman of the Board: Chung, Chih-Ming

Managerial Officer: Chung, Chih-Ming

Accounting Officer: Wu, Tai-Chiou

G-TECH Optoelectronics Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

	2021	2020
Cash Flows from Operating Activities:		
Net loss before tax in the period	\$ (120,808)	(290,519)
Adjustments:		
Income/expenses items		
Depreciation expense	206,542	274,319
Amortizations	4,691	4,095
Expected (Gain from price recovery) credit losses	(4,943)	222,153
Net loss on financial asset or financial liability at fair value through profit or loss	726	-
Investment income recognized under the equity method	(1,351)	(2,588)
Loss (gain) on disposal and retirement of property, plant and equipment	(985)	7,056
Interest expense	38,904	34,082
Interest income	(19,991)	(3,030)
Share-based payment cost	5,471	753
Impairment loss on property, plant, and equipment	20,215	-
Gain on reversal of impairment of financial assets	-	(71,389)
Gain on fair value adjustment of investment property	(22,994)	-
Total adjustments to reconcile profit and loss	226,285	465,451
Change in assets/liabilities relating to operating activities:		
Net changes in assets related to operating activities:		
Decrease (increase) in notes and accounts receivable (including related parties)	13,075	(57,903)
(Increase) decrease in Inventory	(54,834)	18,826
Decrease in other current assets	15,569	71,294
Decrease (increase) in other financial assets	7,745	(21,082)
Total net changes in assets related to operating activities	(18,445)	11,135
Net changes in liabilities related to operating activities:		
Increase (decrease) in contract liabilities - current	(2,896)	1,547
Increase in notes and accounts payable (including related parties)	61,017	46,044
Increase in other payables	15,121	7,335
Increase in provision for liabilities - current	27,039	886
Increase (decrease) in other current liabilities - others	12	(4)
Decrease in other non-current liabilities - others	-	(1,077)
Total net changes in liabilities related to operating activities	100,293	54,731
Total net changes in assets and liabilities related to operating activities	81,848	65,866
Total adjustments	308,133	531,317
Cash inflow generated by operating activities	187,325	240,798
Interest received	1,933	3,030
Interest paid	(33,934)	(32,892)
Income tax refunded	238	2
Net cash inflow generated by operating activities	155,562	210,938

G-TECH Optoelectronics Corporation and Subsidiaries
Consolidated Statements of Cash Flows (continued)
For the years ended December 31, 2021 and 2020

Unit: NTD thousand

	2021	2020
Cash flow from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(14,078)	-
Disposal of financial assets at fair value through profit or loss	14,352	-
Property, plant and equipment acquired	(27,498)	(7,143)
Disposal of property, plant and equipment	985	1,450
Acquisition of intangible assets	(2,908)	(9,928)
Increase in other financial assets	(177,337)	(708)
Increase in prepayments for equipment	(162,010)	-
Net cash used in investing activities	(368,494)	(16,329)
Cash flows from financing activities:		
Increase in short-term borrowings	1,193,541	2,108,310
Decrease in short-term borrowings	(1,228,957)	(2,312,986)
Insurance of corporate bonds	493,178	-
Proceeds from long-term borrowings	196,000	730,000
Repayments of long-term borrowings	(258,296)	(490,182)
Lease principle repayment	(59,706)	(51,382)
Net cash generated from (used in) financing activities	335,760	(16,240)
Effect of exchange rate changes on cash and cash equivalents	(649)	932
Increase of cash and cash equivalents in current period	122,179	179,301
Balance of cash and cash equivalents at beginning of period	499,504	320,203
Balance of cash and cash equivalents at end of period	\$ 621,683	499,504



G-TECH Optoelectronics Corporation

Procedures for Election of Directors Article Amendment Comparison Table

Article after amendment	Article before amendment	Explanation
<p>Article 1</p> <p>To ensure a just, fair, and open election of directors, these regulations are adopted pursuant to the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."</p>	<p>Article 1</p> <p>To ensure a just, fair, and open election of directors <u>and supervisors</u> these regulations are adopted pursuant to the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."</p>	Amendments are made based on the Company's actual operation.
<p>Article 5</p> <p>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election. When the number of independent directors is lower than the requirement in the regulations, an independent director by-election shall be held at the next shareholders meeting. When all independent directors have been dismissed, the company shall convene a</p>	<p>Article 5</p> <p>The election of directors shall follow the nomination procedure specified in Article 192-1 of the Company Act.</p> <p><u>Documentation regarding the candidates' qualifications, academic experience, and whether they meet any condition specified in Article 30 of the Company Act, no other qualification-related documents shall be added arbitrarily, shall be provided for shareholders' reference in order to facilitate the selection of a qualified Board of Directors.</u></p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election. When the number of independent directors is lower than the requirement in the regulations, an independent director by-election shall be held at the next shareholders meeting. When all independent directors have been dismissed, the company shall convene a</p>	Amendments are made in line with the law.

Article after amendment	Article before amendment	Explanation
special shareholders meeting to hold a by-election within 60 days from the date on which the fact occurred.	special shareholders meeting to hold a by-election within 60 days from the date on which the fact occurred.	
<p>Article 10 This article is removed</p>	<p>Article 10 <u>If the candidate is a shareholder, the voter must fill in the name in the “Candidate” column of the ballot with the candidate’s shareholder account name and number noted. If the candidate is not a shareholder, the name and the identification document number or passport number of the candidate should be filled in the said column of the ballot. However, when the government or corporate shareholder is a candidate, the title of the government or corporate should be filled in the “Candidate” column of the ballot with the name of its representative stated. If there is more than one representative appointed, the representatives’ name shall be added separately.</u></p>	<p>Amendments are made in line with the law.</p>
<p>Article <u>10</u> An election ballot is invalid under any of the circumstances listed on the left: 1. The ballot was not prepared by a <u>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 has been altered. 4. The candidate whose name is entered in the ballot does not conform to <u>the director candidate list</u>.</p>	<p>Article <u>11</u> An election ballot is invalid under any of the circumstances listed on the left: 1. The ballot was not prepared by the <u>board of directors</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot <u>is a shareholder and his/her account name and shareholder account number does not conform to the shareholder registry, or the candidate whose name is entered in the ballot is not a shareholder and does not conform to the name and identification document number provided</u>.</p>	<p>The article content and the article number are revised in line with the law.</p>

Article after amendment	Article before amendment	Explanation
<p>5. Other words or marks are entered in addition to the number of voting rights allotted.</p>	<p>5. Other words or marks are entered in addition to the <u>name (personal name) of the candidate, the shareholder number (or identification document number) and</u> the weight of the vote. <u>6. Where a candidate's name is the same as that of other shareholders, the shareholder's account number or identity document number is not written.</u> <u>7. The ballot bears the names of more than one candidate.</u></p>	
<p><u>Article 11</u> The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. 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 one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p><u>Article 12</u> The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. 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 one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>The article number is revised in line with the law.</p>
<p><u>Article 12</u> Any unregulated items herewith shall be subject to the Company Act, the Securities Exchange Act and the Company's Articles of Incorporation.</p>	<p><u>Article 13</u> Any unregulated items herewith shall be subject to the Company Act, the Securities Exchange Act and the Company's Articles of Incorporation.</p>	<p>The article number is revised in line with the law.</p>
<p><u>Article 13</u> These regulations shall take effect after having been submitted to and approved by a shareholder meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p><u>Article 14</u> These regulations shall take effect after having been submitted to and approved by a shareholder meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>The article number is revised in line with the law.</p>



G-TECH Optoelectronics Corporation

Rules of Procedure for Shareholders Meeting Article Amendment Comparison Table

Article	Article after amendment	Article before amendment	Explanation
Article 3	<p>The Company (Omitted)</p> <p>:</p> <p>Matters pertaining to the election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval for directors to compete, surplus profit distribution in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the Company, or any matter under Item 1 of Article 185 of the <u>Company Act</u>, <u>Item 1 of Article 26</u>, <u>Item 6 of Article 43 of the Securities Exchange Act and Item 1 of Article 56 and Item 2 of Article 60 of the Guidelines for the Issuer's Offering and Issue of Marketable Securities</u> shall be set out and the essential contents explained in the notice of the reasons for convening the shareholder meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholder meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>Shareholders holding 1% or more of the total number of outstanding shares may propose to the Company</p>	<p>The Company (Omitted)</p> <p>:</p> <p>Matters pertaining to the election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval for directors to compete, surplus profit distribution in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the Company, or any matter under Paragraph 1 of Article 185 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholder meeting. None of the above matters may be raised by an extraordinary motion; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</u></p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholder meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>Shareholders holding 1% or more of the total number of outstanding</p>	<p>Amendments are made based on the Company's actual operation.</p>

Article	Article after amendment	Article before amendment	Explanation
	<p>a proposal in writing for discussion at a general shareholder meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, when any proposal put forward by a shareholder violates the provisions of Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a general shareholder meeting is held, the Company shall publicly announce the receipt of shareholder proposals, acceptance method in writing, location and the time period for accepting submissions; the period for accepting submissions of shareholder proposals shall not be less than ten days. (Omitted hereinafter)</p>	<p>shares may propose to the Company a proposal in writing for discussion at a general shareholder meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. <u>Nevertheless, since shareholder proposals are recommendations made for the purpose of promoting the Company to improve the public interest or to fulfill the corporate social responsibility, the Board of Directors may still list such proposals for meeting discussion.</u> In addition, when any proposal put forward by a shareholder violates the provisions of Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a general shareholder meeting is held, the Company shall publicly announce the receipt of shareholder proposals, acceptance method in writing <u>or in electronic method</u>, location and the time period for accepting submissions; the period for accepting submissions of shareholder proposals shall not be less than ten days. (Omitted hereinafter)</p>	
Article 5	<p>The venue for a shareholder meeting shall be at the operation location of the Company, or a place easily accessible to shareholders and suitable for a shareholder meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>The venue and time for a shareholder meeting shall take the opinions of the independent director into full account.</u></p>	<p>The venue for a shareholder meeting shall be at the operation location of the Company, or a place easily accessible to shareholders and suitable for a shareholder meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	Amendments are made in line with the on a regular basis by law.
Article 7	<p>Shareholder meetings that are convened by the Board of Directors shall be chaired by the Chairperson. If the Chairperson is unable to</p>	<p>Shareholder meetings that are convened by the Board of Directors shall be chaired by the Chairperson. If the Chairperson is unable to</p>	Amendments are made in line with the on a regular basis by law.

Article	Article after amendment	Article before amendment	Explanation
	<p>perform duty due to leave of absence or any reasons, the Chairperson will appoint one of the directors to act on their behalf. If no one is appointed, the directors shall elect one person from among themselves to act as the proxy for the Chairperson.</p> <p><u>If the chairperson referred to in the preceding Item is acted by a director, the director shall be in office for more than six months and fully understands the financial status of the Company. If the chairperson is acted by the representative of the corporate entity, the situation shall be the same as above.</u></p> <p>It is advisable that shareholder meetings convened by the Board of Directors be chaired by the Chairperson in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. (Omitted hereinafter)</p>	<p>perform duty due to leave of absence or any reasons, the Chairperson will appoint one of the directors to act on their behalf. If no one is appointed, the directors shall elect one person from among themselves to act as the proxy for the Chairperson.</p> <p>It is advisable that shareholder meetings convened by the Board of Directors be chaired by the Chairperson in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. (Omitted hereinafter)</p>	
Article 8	<p>The Company <u>shall make an uninterrupted audio and video recording</u> of the shareholders' proceedings, whole process of the meeting and the vote counting procedures.</p> <p><u>The audio and video recording referred to in the preceding paragraph</u> shall be kept in proper custody for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>The Company shall record on audio or video tape <u>the entire proceedings of a shareholder meeting</u> and preserve the recordings for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	Amendments are made in line with the on a regular basis by law.
Article 9	<p>Attendance at shareholder 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 sign-in cards handed in plus the number of shares whose</p>	<p>Attendance at shareholder 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 sign-in cards handed in plus the number of shares whose</p>	Amendments are made in line with the on a regular basis by law.

Article	Article after amendment	Article before amendment	Explanation
	<p>voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the scheduled meeting time. <u>Also, the information of the shares with voting rights and without rights should be announced at the same time.</u></p> <p>However, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. 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. (Omitted hereinafter)</p>	<p>voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one 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. (Omitted hereinafter)</p>	
<p>Article 13</p>	<p>Shareholder...(Omitted). :</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. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a</p>	<p>Shareholder...(Omitted). :</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. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p><u>When the chair inquires about any objections to a proposal from all the attending shareholders but no objection is raised, then the proposal is deemed to be approved by all attending shareholders, and its effect shall be identical to voting. In case of any objections, the voting method shall be adopted according to the preceding paragraph.</u></p> <p>When there is an amendment or</p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article	Article after amendment	Article before amendment	Explanation
	<p>vote. When any of 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 have the identity of shareholders of the Company.</p> <p><u>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting site. The results of the voting, including the statistical votes, shall be announced on-site at the meeting, with a record made immediately upon the completion of the vote counting.</u></p>	<p>alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any of 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 have the identity of shareholders of the Company.</p> <p>Vote counting operation shall be conducted in public at the place of the shareholder meeting. Immediately after vote counting <u>has been completed, the results of the voting and a record of the vote shall also be made.</u></p>	
Article 14	<p>The election of directors at a shareholder meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the number of votes <u>as well as the names of those lose the election and the number of votes.</u></p> <p>(Omitted hereinafter)</p>	<p>The election of directors at a shareholder meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they are elected.</p> <p>(Omitted hereinafter)</p>	Amendments are made in line with the on a regular basis by law.
Article 17	<p>Staff handling administrative affairs of a shareholder meeting shall wear identification cards.</p> <p>The chair may direct proctors or security personnel to help maintain order at the meeting place.</p> <p>At the place of a shareholder meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may</p>	<p>Staff handling administrative affairs of a shareholder meeting shall wear identification cards <u>or armbands.</u></p> <p>The chair may direct proctors or security personnel to help maintain order at the meeting place. <u>When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".</u></p> <p>At the place of a shareholder meeting, if a shareholder attempts to speak through any device other</p>	Amendments are made based on the Company's actual operation.

Article	Article after amendment	Article before amendment	Explanation
	prevent the shareholder from doing so. (Omitted hereinafter)	than the public address equipment set up by the Company, the chair may prevent the shareholder from doing so. (Omitted hereinafter)	



G-TECH Optoelectronics Corporation

Regulations Governing the Acquisition and Disposal of Assets Article Amendment Comparison Table

Article after amendment	Article before amendment	Explanations
<p>III. Scope of application for assets</p> <p>(I) Share certificates (Omitted).</p> <p style="text-align: center;">:</p> <p>(V) Right-of-use assets.</p> <p><u>(IV) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</u></p> <p><u>(VII) Derivatives.</u></p> <p><u>(VIII) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</u></p> <p><u>(IX) Other major assets.</u></p>	<p>III. Scope of application for assets</p> <p>(I) Share certificates (Omitted).</p> <p style="text-align: center;">:</p> <p>(V) Right-of-use assets.</p> <p><u>(IX) Derivatives.</u></p> <p><u>(VII) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</u></p> <p><u>(VIII) Other major assets.</u></p>	<p>Amendments are made in line with the on a regular basis by law.</p>
<p>IV. Procedures of evaluation</p> <p>(I) Negotiable securities</p> <p>1. The Company (Omitted)</p> <p style="text-align: center;">:</p> <p>4. Where the Company acquires or disposes of negotiable securities or private placement securities traded in a centralized stock exchange or an over-the-counter trading center with trading amount up to 20% of the Company's paid-in capital or in excess of NT\$300 million, the Company shall request a certified public accountant to express an opinion regarding rationality of the trading price before date of occurrence of the fact except an event where the securities so traded have a public quotation in an active market or otherwise promulgated by the competent authority(ies).</p>	<p>IV. Procedures of evaluation</p> <p>(I) Negotiable securities</p> <p>1. The Company (Omitted)</p> <p style="text-align: center;">:</p> <p>4. Where the Company acquires or disposes of negotiable securities or private placement securities traded in a centralized stock exchange or an over-the-counter trading center with trading amount up to 20% of the Company's paid-in capital or in excess of NT\$300 million, the Company shall, before the date of occurrence of the fact, request a certified public accountant to express an opinion regarding rationality of the trading price. <u>Where that certified public accountant adopts expert issued by an expert, that certified public accountant shall duly handle in accordance with provisions of</u></p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article after amendment	Article before amendment	Explanations
<p>(II) Property, Plant and Equipment</p> <p>1. In case of acquisition (Omitted)</p> <p>:</p> <p>(IV) Memberships, disposal of a patent, copyright, trademark, franchise and such intangible assets.</p> <p>1. Where the Company acquires or disposes of intangible assets or the or the assets as the right to use the same or membership, the Company shall take into account the benefits to yield therefrom to negotiate and determine the price(s) with reference to the price(s) prevalent in the most recent transaction. Where the Company acquires or disposes of a patent, copyright, trademark, franchise and such intangible assets, the Company shall take reference to the convention prevalent in the international community or markets, the usable service life and the effect upon the Company in technology or business operation.</p> <p>2. Where the transaction amount is up to 20% of the Company's paid-in capital or in excess of NT\$300 million, except a transaction with a domestic government authority, the Company shall request a certified public accountant to express an opinion regarding rationality of the trading price before date of occurrence of the fact.</p> <p>(Omitted hereinafter)</p>	<p><u>Statements of General Auditing Procedures No. 20 published by the Accounting Research and Development Foundation Republic of China (ARDF)</u> except an event where the securities so traded have a public quotation in an active market or otherwise promulgated by the competent authority(ies).</p> <p>(II) Property, Plant and Equipment</p> <p>1. In case of acquisition (Omitted)</p> <p>:</p> <p>(IV) Memberships, disposal of a patent, copyright, trademark, franchise and such intangible assets.</p> <p>1. Where the Company acquires or disposes of intangible assets or the or the assets as the right to use the same or membership, the Company shall take into account the benefits to yield therefrom to negotiate and determine the price(s) with reference to the price(s) prevalent in the most recent transaction. Where the Company acquires or disposes of a patent, copyright, trademark, franchise and such intangible assets, the Company shall take reference to the convention prevalent in the international community or markets, the usable service life and the effect upon the Company in technology or business operation.</p> <p>2. Where the transaction amount is up to 20% of the Company's paid-in capital or in excess of NT\$300 million, except a transaction with a domestic government authority, the Company shall request a certified public accountant to express an opinion regarding rationality of the trading price before date of occurrence of the fact. <u>That certified public</u></p>	

Article after amendment	Article before amendment	Explanations
	<p><u>accountant shall duly handle in accordance with provisions of Statements of General Auditing Procedures No. 20 published by the Accounting Research and Development Foundation Republic of China (ARDF)</u></p> <p>(Omitted hereinafter)</p>	
<p>IX. Procedures for announcement and declaration to public:</p> <p>(I) Where the Company and its subsidiary (s) acquire or dispose of assets and where any one among those circumstances enumerated below exists, the Company and its subsidiary (s) shall, as the attribute may justify, launch announcement and declaration to public based on the specified formula and contents onto the “Market Observation Post System (MOPS)” designated by the competent authority within two (2) days after date of occurrence of the fact.</p> <p>1. Toward a related party (Omitted) :</p> <p>5. In case of a transaction other than those mentioned under the four preceding Paragraphs, the amount of each transaction case, the amount of creditor’s right disposed of by a financial institution or the amount of transaction for a target of the same attribute acquired or disposed of with a same counterpart in accumulation within one year; or the amount of real property or the assets as the right to use the same in a same development project acquired or disposed of in accumulation within one year (the amounts of acquisition, disposal of shall be accumulated respectively); or the amount of negotiable securities acquired or disposed of in</p>	<p>IX. Procedures for announcement and declaration to public:</p> <p>(I) Where the Company and its subsidiary (s) acquire or dispose of assets and where any one among those circumstances enumerated below exists, the Company and its subsidiary (s) shall, as the attribute may justify, launch announcement and declaration to public based on the specified formula and contents onto the “Market Observation Post System (MOPS)” designated by the competent authority within two (2) days after date of occurrence of the fact.</p> <p>1. Toward a related party (Omitted) :</p> <p>5. In case of a transaction other than those mentioned under the four preceding Paragraphs, the amount of each transaction case, the amount of creditor’s right disposed of by a financial institution or the amount of transaction for a target of the same attribute acquired or disposed of with a same counterpart in accumulation within one year; or the amount of real property or the assets as the right to use the same in a same development project acquired or disposed of in accumulation within one year (the amounts of acquisition, disposal of shall be accumulated respectively); or the amount of negotiable securities acquired or disposed of in</p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article after amendment	Article before amendment	Explanations
<p>accumulation within one year (the amounts of acquisition, disposal of shall be accumulated respectively) is up to 20% of the Company's paid-in capital or in excess of NT\$300 million. Except, nevertheless, a circumstance among those enumerated below: (1) Buy, sales of domestic public bonds <u>or public bonds of a foreign country in credit rating not lower than the sovereignty rating of the Republic of China.</u> (Omitted hereinafter)</p>	<p>accumulation within one year (the amounts of acquisition, disposal of shall be accumulated respectively) is up to 20% of the Company's paid-in capital or in excess of NT\$300 million. Except, nevertheless, a circumstance among those enumerated below: (1) Trading of domestic government bonds. (Omitted hereinafter)</p>	
<p>VII. Procedures of assets appraisal The Company...(Omitted) : (III) In an event that the appraisal result issued by a professional appraiser indicates any one fact among those circumstances enumerated below, except where the appraised price for an acquired asset is higher than the transaction price in all events or where the appraised price for asset to be disposed of is lower than the transaction price in all events, the Company shall request a certified public accountant(s) to express opinion on the causes leading to the differential gap and the rationality of the transaction price: 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	<p>VII. Procedures of assets appraisal The Company...(Omitted) : (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, <u>a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more</p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article after amendment	Article before amendment	Explanations
<p>(IV) The date on which the professional appraiser issued the appraisal report shall not be more than three (3) from the date in execution of the transaction contract. Except an event where the publicly announced current value falls within a same term and is not more than six months. In such an event, the opinion issued by the original professional appraiser is acceptable.</p>	<p>professional appraisers is 10 percent or more of the transaction amount.</p> <p>(IV) The date on which the professional appraiser issued the appraisal report shall not be more than three (3) from the date in execution of the transaction contract. Except an event where the publicly announced current value falls within a same term and is not more than six months. In such an event, the opinion issued by the original professional appraiser is acceptable.</p> <p><u>(V) Except a case where restricted price, specific price or special price is adopted as the referential grounds for the transaction price where the appraisal report is unavailable in real time as backed up by justifiable reason, the Company shall obtain the appraisal report and the opinion of the certified public accountant under (III) within two (2) weeks starting from date of occurrence of the fact.</u></p>	
<p>X. Penalty Clauses Where the relevant personnel in charge of acquisition or disposal of assets of the Company proves in contravention of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated by the competent authority or these Procedures, the competent department head shall render a decree of penalty as the seriousness level of the offense may justify and shall take the violation record as the handy reference of personnel rewarding and punishment for that year. The superior level head of the offending personnel shall accept penalty as well except an event that head could offer rational defense that he or she has carried out preventive measures beforehand. Whenever the Board of Directors or a director proves in</p>	<p>X. Penalty Clauses Where the relevant personnel in charge of acquisition or disposal of assets of the Company proves in contravention of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated by the competent authority or these Procedures, the competent department head shall render a decree of penalty as the seriousness level of the offense may justify and shall take the violation record as the handy reference of personnel rewarding and punishment for that year. The superior level head of the offending personnel shall accept penalty as well except an event that head could offer rational defense that he or she has carried out preventive measures beforehand. Whenever the Board of Directors or a director proves in</p>	<p>Amendments are made based on the Company's actual operation.</p>

Article after amendment	Article before amendment	Explanations
<p>contravention of relevant requirements or a decision resolved in the shareholders' meeting while performing duty, the Audit Committee shall, in accordance with the \ requirements set forth under Company Act, notify the Board of Directors or that director to discontinue the violating act.</p>	<p>contravention of relevant requirements or a decision resolved in the shareholders' meeting while performing duty, <u>a supervisor (or Audit Committee)</u> shall, in accordance with the requirements set forth under Company Act, notify the Board of Directors or that director to discontinue the violating act.</p>	
<p>XII. Resolution procedure: The Company...(Omitted) :</p> <p>Where the Company with its parent company, subsidiary(ies), or the subsidiaries holding 100% of outstanding shares or total amount of capital either directly or indirectly engage in the following transaction among themselves, the Board of Directors is entitled to authorized the Chairman to carry out the transaction first in accordance with Subparagraph 5, Paragraph 1, Article 5 before submitting a report to the Board of Directors in the most recent meeting for retrospective acknowledgement.</p> <p><u>(1)</u> Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p><u>(2)</u>. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>The Company has set up</u> independent directors. Upon submittal to the Board of Directors in accordance with Paragraph 1 for discussion, the Company shall take the opinions of the independent director (s) into adequate account. Where an independent director objects or holds a qualified opinion, such objection or qualified opinion shall be expressly entered into the minutes of the Board of Directors meeting. <u>The Company has set up the Audit Committee</u>. As required under Paragraph 1, the issue shall be subject to consent by the Audit Committee with one-second majority vote of the total Committee members and the issue shall be submitted to the</p>	<p>XII. Resolution procedure: The Company...(Omitted) :</p> <p><u>The amount set forth under the preceding Paragraph shall be duly calculated in accordance with Subparagraph 5, Paragraph 1, Article 6. The term "within one year" as set forth herein shall be based on the date of occurrence of the fact in the present transaction for the preceding one-year period retrospectively. The part(s) having been submitted to and duly resolved in the shareholders' meeting and Board of Directors in accordance with these Regulations shall no longer be counted inclusively.</u></p> <p>Where the Company with its parent company, subsidiary(ies), or <u>their</u> subsidiaries holding 100% of outstanding shares or total amount of capital either directly or indirectly engage in the following transaction among themselves, the Board of Directors is entitled to authorized the Chairman to carry out the transaction first in accordance with Subparagraph 5, Paragraph 1, Article 5 before submitting a report to the Board of Directors in the most recent meeting for retrospective acknowledgement.</p> <p><u>1.</u> Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p><u>2.</u> Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>Where</u> the independent director(s) has (have) been <u>set up</u>, upon submittal to the Board of Directors in accordance with</p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article after amendment	Article before amendment	Explanations
<p>Board of Directors for final resolution where the provisions set forth under Article 27 of other key issues under Chapter Five shall <i>mutatis mutandis</i> apply.</p> <p><u>Where the Company and a subsidiary that is not a domestic company listed to public engage in a transaction set forth under Paragraph 1 where the amount of transaction exceeds 10% of the Company's paid-in capital, the Company shall submit all papers set forth under Paragraph 1 to the shareholders' meeting for approval before execution of the contract for that transaction and before payment. Except an event where the Company and its parent company, subsidiary, or subsidiaries engage in the transaction among themselves. The amounts set forth under Paragraph 1 and the preceding Paragraph shall be duly calculated in accordance with Subparagraph 5, Paragraph 1, Article 6. The term "within one year" as set forth herein shall be based on the date of occurrence of the fact in the present transaction for the preceding one-year period retrospectively. The part(s) having been submitted to and duly resolved in the shareholders' meeting and Board of Directors in accordance with these Regulations shall no longer be counted inclusively.</u></p>	<p>Paragraph 1 for discussion, the Company shall take the opinions of the independent director (s) into adequate account. Where an independent director objects or holds a qualified opinion, such objection or qualified opinion shall be expressly entered into the minutes of the Board of Directors meeting. <u>Where the Audit Committee has been set up</u>, as required under Paragraph 1, the issue shall be subject to consent by the Audit Committee with one-second majority vote of the total Committee members and the issue shall be submitted to the Board of Directors for final resolution where the provisions set forth under Article 27 of other key issues under Chapter Five shall <i>mutatis mutandis</i> apply.</p>	
<p>XIII. Evaluation into the rationality of the transaction conditions Where the Company acquires real property or right-of-use assets thereof from a related party, except such events under four circumstances below: Where the related party acquires the real property or the right-of-use assets thereof as a result of inheritance or donation, or where the related party acquired the real property or the right-of-use assets thereof at a time more than five (5) years ago; or where the related party acquires the real property or the</p>	<p>XIII. Evaluation into the rationality of the transaction conditions Where the Company acquires real property or right-of-use assets thereof from a related party, except such events under four circumstances below: Where the related party acquires the real property or the right-of-use assets thereof as a result of inheritance or donation, or where the related party acquired the real property or the right-of-use assets thereof at a time more than five (5) years ago; or where the related party acquires the real property or the</p>	<p>Amendments are made based on the Company's actual operation.</p>

Article after amendment	Article before amendment	Explanations
<p>right-of-use assets thereof by means of signing a contract for concerted construction or engaging in construction on own land or on rented land or where the Company acquires the real property right-of-use assets with its parent company, Subsidiary(ies) or Subsidiary(ies) holding 100% of the outstanding shares or total capital either directly or indirectly, the Company shall evaluate the rationality of the transaction costs based on the methods as enumerated below and further request a certified public accountant(s) to recheck and offer concrete opinions: (Omitted hereinafter)</p>	<p>right-of-use assets thereof by means of signing a contract for concerted construction or engaging in construction on own land or on rented land or where the Company acquires the real property right-of-use assets with <u>its</u> parent company, <u>Subsidiary(ies)</u> or Subsidiary(ies) holding 100% of the outstanding shares or total capital either directly or indirectly, the Company shall evaluate the rationality of the transaction costs based on the methods as enumerated below and further request a certified public accountant(s) to recheck and offer concrete opinions: (Omitted hereinafter)</p>	
<p>XV. Trading principles and guidelines: (I) Categories of transactions: The derivatives the Company is entitled to engage in are primarily forward contracts linked up with foreign currencies, interest rate and exchange rate swaps and the compound contracts combined with the aforementioned commodities. The Company shall not engage in transaction of other commodities until approved by <u>the Audit Committee and</u> the Board of Directors with a decision duly resolved beforehand. (II) Business or hedging strategy: The Company engages in transaction in derivatives for the purposes of hedging Such strategies are intended to dodge business management risks. The commodities to be selected into transaction are primarily such ones to evade such risks linked up with the foreign exchange assets or liabilities incurred by the Company in the business management. (III) Transaction amount: The net position of the Company's</p>	<p>XV. Trading principles and guidelines: (I) Categories of transactions: The derivatives the Company is entitled to engage in are primarily forward contracts linked up with foreign currencies, interest rate and exchange rate swaps and the compound contracts combined with the aforementioned commodities. Where the Company is required to engage in transaction of other commodities, the Company shall get a resolution to be passed in the Board of Directors beforehand. (II) Business or hedging strategy: The Company engages in transaction in derivatives for the purposes of hedging Such strategy shall be oriented to evading potential risks as the key purposes. The commodities in the transaction shall be prudentially selected under the prime principles to help the Company evade potential risks against the <u>foreign exchange revenues, expenditures,</u> assets or liabilities incurred by the Company's business operation (III) Transaction amount:</p>	<p>Amendments are made based on the Company's actual operation.</p>

Article after amendment	Article before amendment	Explanations
<p>foreign currency assets and liabilities after <u>inter-offset</u> (including the net position anticipated to incur in the future) shall be the maximum limit of hedging.</p> <p>(IV) The amounts of the maximum limits in the loss in the total and individual contracts are as enumerated below: The Company engages in hedging transaction in an attempt to evade potential risks for which the Company shall set up the stop-loss point(s) to prevent potential excessive impairment. A stop-loss point shall be duly set up not in excess of 20% of the aggregate total amount involved in the transaction contract <u>which would be applicable to both individual contract (s) and overall contract (s)</u>. Whenever the amount of impairment is found in excess of the specified maximum limit, a report shall be submitted to the Chairman forthwith to study countermeasures as necessary.</p> <p>(V) Classification of powers and responsibilities: (Omitted) :</p> <p><u>(VII) Process of transaction:</u></p> <p><u>1. A significant transaction in derivatives by the Company shall be subject to an approval by the Audit Committee by one-second majority vote by the total Committee members and shall be further subject to resolution by the Board of Directors to which Article 28 of these Procedures is <i>mutatis mutandis</i> applicable. The Board of Directors is entitled to authorize the Chairman to execute contracts concerned regarding transaction of derivatives with all financial institutions.</u></p> <p><u>2. Execution of transactions: The personnel authorized for transactions may place purchase orders with banks</u></p>	<p>The net position after the Company's assets and liabilities in foreign currencies (including the net position anticipated to incur in the future) shall be the maximum limit in hedging.</p> <p>(IV) The amounts of the maximum limits in the loss in the total and individual contracts are as enumerated below: The Company engages in hedging transaction in an attempt to evade potential risks for which the Company shall set up the stop-loss point(s) to prevent potential excessive impairment. The stop-loss point shall be duly set not in excess of 20% of the total amount under a transaction contract. Whenever an impairment is found in excess of such maximum limit, the transaction shall be reported to the Chairman forthwith to study the countermeasures as necessary.</p> <p>(V) Classification of powers and responsibilities: (Omitted hereinafter).</p>	

Article after amendment	Article before amendment	Explanations
<p><u>within the authorized credit limits and shall submit the transaction orders, which shall expressly bear titles of transactions, amounts in buy, sales, duration periods, transaction expenses, transaction counterparts further with remarks about hedging or financial operation, to the head of Department of Finance for verification.</u></p> <p><u>3. Confirmation of transactions: Upon receipt of the transaction vouchers from a bank, the personnel for confirmation shall check and confirm the contents of transactions forthwith and shall check and clarify with the transaction personnel forthwith whenever a defect or an error is found.</u></p> <p><u>4. Implementation of settlement: After the transaction is confirmed by the confirmation personnel, the settlement personnel shall carry out settlement process based on details entered into the transaction details.</u></p> <p><u>5. Accounting process: The accounting personnel shall, based on the relevant transaction vouchers, work out accounting ledgers and enter into the accounting files.</u></p> <p><u>6. Evaluation: The market price evaluation statements shall be worked out at end of every month to function as the grounds for evaluation.</u></p>		
<p>XVI. Risk management measures: The Company...(Omitted) : (X) The personnel in charge of risk measurement, monitoring and control shall come from the department (s) different from those under (VIII) and shall submit a report to <u>the Audit Committee</u>, Board of Directors or the high-ranking department head(s) not in charge of the transaction or policymaking responsibility for the position.</p>	<p>XVI. Risk management measures: The Company...(Omitted) : (X) The personnel in charge of risk measurement, monitoring and control shall come from the department (s) different from those under (VIII) and shall submit a report to the Audit Committee, Board of Directors or the high-ranking department head(s) not in charge of the transaction or policymaking responsibility for the position.</p>	<p>Amendments are made based on the Company's actual operation.</p>

Article after amendment	Article before amendment	Explanations
<p>(XI) The position held for transaction for derivatives shall be evaluated on a weekly basis as the minimum. In case of hedging transaction in response to business operation need shall, nevertheless, be evaluated twice per month as the minimum. An evaluation report shall be submitted to the <u>Audit Committee</u>, the ranking department head (s) authorized by the Board of Directors.</p>	<p>(XI) <u>The position held shall be evaluated on a monthly basis as the minimum. The evaluation report shall be submitted to the senior management personnel authorized by the Board of Directors</u></p> <p>(XII) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.</p>	
<p>XVII. Internal audit system: (I) The Company's internal auditors shall, on a regular basis, look into the appropriateness of the internal control over the derivatives and shall, <u>on a monthly basis, audit the transaction department to look into the compliance with the operating procedures toward the transaction of the derivatives and work out the audit report. Whenever a significant violation is found, it shall be reported to the <u>Audit Committee forthwith</u> the Chairman and the ranking management head designated by the Board of Directors and shall, meanwhile, keep all independent directors informed in writing.</u> (Omitted hereinafter)</p>	<p>XVII. Internal audit system: (I) The Company's internal auditors shall, on a regular basis, look into the appropriateness of the internal control over the derivatives and shall, <u>audit the transaction department to look into the compliance with the operating procedures toward the transaction of the derivatives and work out the <u>audit</u>, report. Whenever a significant violation is found, it shall be reported to the Chairman and the ranking management head designated by the Board of Directors and shall, meanwhile, keep <u>Audit Committee and all independent directors informed in writing.</u></u> (Omitted hereinafter)</p>	<p>Amendments are made in line with the on a regular basis by law.</p>
<p>XVIII. Regular evaluation methods and abnormal situation handling: (I) The Company shall periodically on a monthly basis evaluate the transaction on derivatives and shall assemble the profit and/or loss of the current month and submit the same to the <u>Audit Committee</u>, the ranking department head designated by the Board of</p>	<p>XVIII. Regular evaluation methods and abnormal situation handling: (I) The transaction on derivatives shall be evaluated periodically on a monthly basis and the profit and/or loss of the current month shall be assembled and submitted to the ranking management authorized by the Board of Directors to function as the reference to evaluate the</p>	<p>Amendments are made based on the Company's actual operation.</p>

Article after amendment	Article before amendment	Explanations
<p>Directors and the Chairman to function as handy reference to evaluate the performance in management and measure the potential risks.</p> <p>(II) The Company's <u>Audit Committee</u> ranking department head designated by the Board of Directors shall stay closely vigilant on the supervision and control over the potential risks of transaction in derivatives all the time. <u>The Audit Committee</u> and Board of Directors shall further evaluate to make sure whether the performance in transaction of derivatives is consistent with the established managerial strategies and whether the borne risks are within the scope tolerable to the Company.</p> <p>(III) <u>The Audit Committee</u> ranking department head authorized by the Board of Directors shall manage the transaction on derivatives based on the principles as enumerated below:</p> <ol style="list-style-type: none"> 1. To evaluate on a regular basis to make sure whether the risk management measures currently adopted are appropriate and have been faithfully carried out in accordance with the "Regulations Governing the Acquisition and Disposal of Assets" promulgated by the competent authority and these Procedures. 2. To oversee the transaction and profit and/or loss. Whenever an abnormality is noticed, the Audit Committee shall adopt countermeasures as necessary and report to the <u>Audit Committee</u> Board of Directors forthwith. <p>(IV) While engaging in transaction on derivatives, the Company shall set up memo book to enter details in</p>	<p>management performance and risk measurement.</p> <p>(II) The ranking management designated by the Board of Directors shall stay vigilant on the supervision and control over the potential risks in transaction of derivatives. The Board of Directors shall evaluate and make sure whether the performance in transaction in derivatives is consistent with the established managerial strategies and the borne risks are within the scope tolerable to the Company.</p> <p>(III) The ranking management authorized by the Board of Directors shall manage the transaction on derivatives based on the principles as enumerated below:</p> <ol style="list-style-type: none"> 1. To evaluate on a regular basis to make sure whether the risk management measures currently adopted are appropriate and have been faithfully carried out in accordance with the "Regulations Governing the Acquisition and Disposal of Assets" promulgated by the competent authority and these Procedures. 2. Supervise the transaction and profit and/or loss facts. Whenever an abnormality is noticed, adopt countermeasures as necessary and report to the Board of Directors forthwith. <p>(IV) While engaging in transaction on derivatives, the Company shall set up memo book to enter details in the categories, amounts of the transaction in derivatives, the dates on which as resolved by the Board of Directors, the routine evaluation report on a monthly basis and key</p>	

Article after amendment	Article before amendment	Explanations
<p>the categories, amounts of the transaction in derivatives, the dates on which as resolved by the <u>Audit Committee</u> Board of Directors, the routine evaluation report on a monthly basis, and <u>key issues of the routine evaluation by the Audit Committee</u> <u>Board of Directors and the ranking management authorized by the Audit Committee</u> Board of Directors. Subsequently thereafter, the same shall be submitted to the most recent Board of Directors meeting.</p>	<p>issues of the routine evaluation by the Board of Directors and ranking management authorized by the Board of Directors. Subsequently thereafter, the same shall be submitted to the most recent Board of Directors meeting.</p>	
<p>XXI. Unless governed by other laws...(omitted). :</p> <p>(III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>A company listed to public or trading stocks in a securities trader's business premises participating in merger, demerger, acquisition, and share transfer shall declare to the competent authority in the specified formula through Internet information system within two (2) days after such an act is resolved in the Board of Directors.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the <u>provisions of the preceding two paragraphs</u>.</p>	<p>XXI. Unless governed by other laws...(omitted). :</p> <p>(III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p><u>(IV)</u> A company listed to public or trading stocks in a securities trader's business premises participating in merger, demerger, acquisition, and share transfer shall declare to the competent authority in the specified formula through Internet information system within two (2) days after such an act is resolved in the Board of Directors.</p> <p><u>(V)</u> Where the companies participating in merger, demerger, acquisition, and share transfer contain a company not listed to public or not a company trading stocks in a securities underwriter's business premises, the company listed to public or trading securities in a securities underwriter's business premises shall sign a contract with such company and shall duly handle business in accordance with the provisions set forth under_</p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article after amendment	Article before amendment	Explanations
<p>XXVI. The Company ... (Omitted) The personnel mentioned under the preceding Paragraph shall, while issuing an appraisal report or opinion, duly handle business in accordance with <u>self-discipline specifications of its trade association and</u> the provisions as enumerated below:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) <u>Upon implementation</u> of the case, such personnel shall prudentially map out and implement appropriate operating procedures and come to the conclusion as the grounds to issue report or opinions accordingly; and shall put all details regarding the implementation procedures, the collected information and conclusions into the worksheets of the case.</p> <p>(III) On the data sources, parameters and information so adopted, such personnel shall evaluate on the item by item basis <u>the appropriateness</u> and rationality to function as the grounds to issue a report or opinion.</p> <p>(IV) Issues of declaration: The contents shall include that such relevant personnel possess the required professionalism and independence and that the adopted information has been evaluated as <u>appropriate</u> rational along with the law compliance.</p>	<p><u>Paragraphs 3 and 4.</u></p> <p>XXVI. The Company ... (Omitted) 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 reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>Amendments are made in line with the on a regular basis by law.</p>
<p>XXVII. Where the assets acquired or disposed of by the Company have been duly resolved in the Board of Directors in accordance with these Procedures or other laws and where a director objects as backed up with record or in</p>	<p>XXVII. Where the assets acquired or disposed of by the Company have been duly resolved in the Board of Directors in accordance with these Procedures or other laws and where a director objects as backed up with record or in</p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article after amendment	Article before amendment	Explanations
<p>writing, the data of such director's objection shall be submitted to the Audit Committee. The Company shall take the opinions of all independent directors into adequate account and shall have their objections <u>or qualified opinions expressly entered into the minutes of the Board of Directors meeting.</u> <u>The Company has set up the Audit Committee.</u> All transaction of major assets or derivatives shall be subject to consent by the Audit Committee with one-second majority vote by all Committee members and further subject to resolution by the Board of Directors <u>to which the provisions under Article 28 is mutatis mutandis applicable.</u></p>	<p>writing, the data of such director's objection shall be submitted to the Audit Committee. The Company shall further take the opinions of all independent directors into adequate account and shall have their opinions <u>pros or cons as well as the reasons entered into the minutes of the Board of Directors meeting.</u> <u>Where</u> the Company has set up the <u>Audit Committee</u>, an issue regarding transaction in major assets or derivatives shall be subject to consent by the Audit Committee with one-second majority vote of all Committee members and shall be submitted to the Board of Directors for final decision.</p>	
<p>XXVIII. The Company shall, in accordance with the provision promulgated by the competent authority, duly enact the Procedures for the Acquisition or Disposal of Assets. To be resolved by the Board of Directors and submitted to the shareholders' meeting for consent. <u>The same is required in case of an amendment.</u> Where a director objects as backed up with record or written declaration, such issue along with the objection <u>shall be submitted to the Audit Committee.</u> Where the Company has set up independent directors, in case an independent director objects or voices a qualified opinion, such shall be expressly entered into the minutes of the Board of Directors meeting. Where the Company <u>has</u> set up</p>	<p>XXVIII. The Company shall, in accordance with the provision promulgated by the competent authority, duly enact the Procedures for the Acquisition or Disposal of Assets. <u>It shall be subject to consent by the Audit Committee first before being</u> resolved by the Board of Directors and be submitted to and resolved in the shareholders' meeting. Where a director objects as backed up with record or written declaration, such issue along with the objection shall be <u>submitted to the shareholders' meeting for discussion.</u> If the Company has set up <u>the</u> independent directors and whenever an independent director objects or voices a qualified opinion, such</p>	<p>Amendments are made in line with the on a regular basis by law.</p>

Article after amendment	Article before amendment	Explanations
<p>the Audit Committee, enactment or amendment to these Procedures shall be subject to consent by the Audit Committee with one-second majority vote by all Committee members and shall be submitted to the Board of Directors for final resolution. Where an issue is not consented by the Audit Committee with one-second majority vote by all Committee members, it shall be subject to consent by the two-thirds majority vote by all directors. The decision resolved in the Audit Committee shall be expressly entered into the minutes of the Board of Directors meeting. <u>The number of all Audit Committee members or all independent directors in full shall be counted based on those incumbent to the posts.</u></p>	<p>objection or qualified opinions shall be expressly entered into the minutes of the Board of Directors meeting. If the Company has set up <u>Audit Committee</u>, an act to enact or amend these Procedures shall be subject to consent by the Audit Committee with one-second majority vote by all Committee members and shall be submitted to the Board of Directors for final resolution. Where an issue is not consented by the Audit Committee with one-second majority vote by all Committee members, it shall be subject to consent by the two-thirds majority vote by all directors. The decision resolved in the Audit Committee shall be expressly entered into the minutes of the Board of Directors meeting.</p>	

Appendix 1

G-TECH Optoelectronics Corporation

Articles of Incorporation

Chapter 1 General Rules

- Article 1: The Company shall be incorporated under the Company Act, and its name shall be G-TECH Optoelectronics Corporation.
- Article 2: The scope of business of the Company shall be as follows:
- I. C901020 Glass and Glass Products Manufacturing.
 - II. CC01080 Electronic Parts and Components Manufacturing.
 - III. F401010 International Trade.
 - IV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The re-investment total amount of the Company is not limited by the 40% of the paid-in capital of the Company.
- Article 2-2: In the event of business needs, the Company may provide external endorsements and guarantees in accordance with the Company's "Procedures for Making Endorsements and Guarantees".
- Article 3: The Company shall have its head office in Miaoli County, and when it is determined to be necessary, upon the resolution of the Board of Directors, branch offices may be established domestically or overseas.
- Article 4: The public announcement method of the Company shall be handled in accordance with relevant laws and regulations.

Chapter 2 Shares

- Article 5: The total capital of the Company shall be NTD 5,000,000,000, divided into 500,000,000 shares at a par value of NTD 10 per share, and for the unissued shares the Board of Directors is authorized to perform share issuance at discrete times. For the total capital amount described in the preceding paragraph, an amount of NTD 150,000,000 shall be reserved for the issuance of employee share subscription warrants, for a total of 15,000,000 shares at a par value of NTD 10 per share, which may be issued at discrete times in accordance with the resolution of the Board of Directors.
- Article 5-1: The subjects for the transfer of the treasury shares purchased by the Company may include employees of holding or subordinate companies satisfying certain criteria, and the Board of Directors is authorized to determine the criteria and transfer method through resolution. The subjects for receiving the employee share subscription warrants issued by the Company may include employees of holding or subordinate companies satisfying certain criteria, and the Board of Directors is authorized to determine the criteria and issuance method through resolution. During the issuance of new shares of the Company, the employees for the share subscription may include employees of holding or subordinate companies satisfying certain criteria, and the Board of Directors is

authorized to determine the criteria and subscription method through resolution.

The subjects for the employee restricted shares issued by the Company may include employees of holding or subordinate companies satisfying certain criteria, and the Board of Directors is authorized to determine the criteria and distribution method through resolution.

Article 6: The share certificates of the Company shall be in registered form and signed or sealed by the director representing the Company and shall be certified by the certification bank for issuance of the share certificates according to the law. The printing of share certificates of the Company may be exempted; however, the shares shall be registered with the Centralized Securities Depository Enterprises.

Article 6-1: Where the Company plans to cancel the public offering of shares, it shall be proposed to the shareholder meeting for resolution.

Article 7: Any change and transfer registration of shares shall be prohibited within sixty days prior to the general shareholder meeting, thirty days prior to the extracommon shareholder meeting, or five days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.

Chapter 3 Shareholder Meeting

Article 8: The shareholder meeting is classified into two types, the general shareholder meeting and the extracommon shareholder meeting. The general shareholder meeting shall be convened at least once per year within six months after the closing of each fiscal year. The extracommon shareholder meeting shall be convened whenever necessary according to law.

The adoption of electronic voting is listed as one of the methods for exercising the voting rights at a shareholder meeting of the Company, and relevant operations shall be handled in accordance with the regulations of the competent authority.

Article 9: Where a shareholder for any reason cannot attend a shareholder meeting in person, they may appoint a proxy to attend the shareholder meeting on their behalf by signing or sealing and executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

Article 10: Unless otherwise specified in the law, each shareholder of the Company shall have one voting right for each share held.

Article 11: Unless otherwise specified in relevant laws, any resolution of a shareholder meeting shall be adopted by a majority of the shareholders present representing more than half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights of attending shareholders.

Chapter 4 Board of Directors and Audit Committee

Article 12: The Company shall have five to nine directors, and the Board of Directors shall determine the quota of directors to be elected.

The election of directors shall adopt a candidate nomination system, and shall be selected by the shareholder meeting from the candidate list. The term of office shall be three years, and re-election shall be permissible.

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of the out-going directors shall be extended until the time new directors have been elected and assumed

their office.

The Board of Directors of the Company may establish functional committees, and the committee members, exercise of authorities and other relevant matters shall be handled in accordance with relevant laws and regulations, and shall be further established by the Board of Directors.

Article 12-1:

In the roster of directors described in the preceding article, the number of independent directors shall not be less than three and shall not be less than one fifth of the total number of directors. A candidate nomination system shall be adopted, and independent directors shall be elected by the shareholder meeting from the independent director candidate roster. Relevant matters of the professional qualification, concurrent job position limitation, nomination and election methods of the independent directors as well as other necessary requirements shall comply with relevant regulations specified by the securities competent authority.

The Company establishes an Audit Committee to replace the supervisors in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee consists of all of the independent directors, and the number of its members shall not be less than three, of which one member shall be the convener. The exercise of the authorities of the Audit Committee and other relevant matters shall be handled in accordance with relevant laws and regulations, which shall be further established by the Board of Directors.

Article 13:

For the convening of a Board of Directors meeting, the reasons for convening shall be indicated clearly, and all directors shall be informed of the meeting seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notices for convening the Board of Directors meeting may be made in writing, facsimile or electronic methods such e-mail, etc.

Article 14:

The Board of Directors shall be formed by directors. A Chairperson of the Board shall be elected from among the directors during a Board of Directors' meeting attended by more than two thirds of the directors and with the consent of more than half of all attending directors. In case the Chairperson is on leave or cannot exercise their power and authority for any cause, the Chairperson may appoint a director to act as their proxy. When the Chairperson fails to appoint a proxy, the directors shall elect one person from among themselves to act as the proxy for the Chairperson.

In case a director cannot attend a Board of Directors meeting due to reasons, they may issue a power of attorney to appoint another director to act as their proxy for attending the meeting on their behalf in accordance with the provisions of the Company Act; provided that the proxy shall only accept the appointment of one director only. In case a meeting of the Board of Directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 14-1:

In addition to compliance with the provisions of the Company Act, in case of encountering the following matters, the Company shall only execute such matters after the approval of the Board of Directors through resolution is obtained:

- I. Establishment and amendments of the Articles of Incorporation.
- II. Approval for the annual budget and review of the annual settlement,

including the review and supervision of the annual business plan.

- III. Approval for the Company's re-investment in other enterprises or transfer of shares, and such amount reaches more than 20% (inclusive) of the paid-in capital of the Company.
- IV. Appointment and discharge of an attesting CPA for the Company.
- V. Proposal for the transfer, sale, lease, pledge, mortgage or other methods of disposition of all or important parts of the Company's assets or business.
- VI. Approval for the application of financing, guarantee, acceptance and other loaning of the Company from a financial institution or a third party at an amount above NTD 10,000,000 (inclusive). However, for an amount less than NTD 10,000,000, such case shall be reported in the latest session of Board of Directors meeting for recordation after the execution of such case.
- VII. Capital expense exceeding an amount above NTD 300,000,000 (inclusive).
- VIII. Approval for material transactions between the Company and interested parties (including affiliates).
- IX. Approval, revision and termination of the acquisition, transfer, licensing or leasing/renting of exclusive technologies and patent rights as well as technical cooperation agreements.
- X. Approval for major contractors or other material events.
- XI. Approval for the Company's execution of providing external endorsements and guarantees and loaning of funds to others in accordance with the "Procedures for Making Endorsement and Guarantees" and the "Operational Procedures for Loaning Funds to Others".

Article 15: The Company shall be obligated to apply for the enrollment of "Directors Liability Insurance" for all directors of the company, and the insurance period shall start from the first day of the term of office to the last day of the term of office of the directorship.

Article 16: For the remuneration of directors (including the Company's endorsements and guarantees), the Board of Directors is authorized to determine the payment based on the common standard adopted in the same industry.

Chapter 5 Managerial Officers

Article 17: The Company may have a number of managerial officers, and the appointment, discharge and the remuneration of the managerial officers shall be handled in accordance with the Company Act.

Chapter 6 Account Closure

Article 18: The Company shall perform account closure at the end of each fiscal year. In addition, the following statements shall be prepared according to the law for submission to the shareholder meeting for ratification.

- I. Business Report.
- II. Financial Statements.
- III. Proposal for earnings distribution or covering of losses.

Article 19: When the Company has a profit after the account closure of a fiscal year ("profit" referring to the income before deducting the distribution of remunerations of employees and directors from the income before tax), 8%

thereof shall be appropriated as the remuneration of employees and no more than 0.1% thereof shall be appropriated as the remuneration of directors. However, if the Company still has accumulated losses, profits shall be reserved for making up the accumulated losses first.

The employee remuneration may be made in the form of shares or cash, and the subjects for receiving the shares or cash may include employees of the affiliated companies meeting certain specific criteria, and the board of directors shall be authorized to establish said specific criteria.

The preceding two paragraphs shall be executed in accordance with the resolution of the Board of Directors meeting, and shall be reported to the shareholder meeting.

The distribution of earnings or covering of losses of the Company may be executed at the end of each semi-annual fiscal year. Where there are surplus earnings after account closure at the end of each semi-annual fiscal year, an amount shall first be appropriated to pay taxes, make up accumulated losses and to estimate and reserve the remuneration of employees, followed by setting aside 10% thereof as the legal reserve; however, when the legal reserve has reached the total amount of the capital of the Company, such restriction shall not apply. The special surplus reserve shall be allocated or converted according to the laws, decrees, or regulations of the competent authority. If there is any surplus, the balance plus the accumulated undistributed surplus in the first half of the fiscal year shall be used as shareholder dividend. The board of directors shall draft a distribution proposal; if it is executed in the form of new share issuance, it shall submit the proposal to the shareholders meeting for resolution after which it shall be distributed; if dividend is issued in cash, the case shall be resolved by the board of directors.

If there is a surplus in the Company's annual final accounts, the Company shall first pay off the taxes, make up for the accumulated losses, and allocate 10% as statutory surplus reserve. However, this provision shall not apply if the statutory surplus reserve has reached the total capital of the Company. The special surplus reserve shall be allocated or converted according to the laws, decrees, or regulations of the competent authority. If there is any surplus, the balance plus the accumulated undistributed surplus in the first half of the fiscal year shall be used as shareholder dividend. The board of directors shall draft a distribution proposal; if it is executed in the form of new share issuance, it shall submit the proposal to the shareholders meeting for resolution after which it shall be distributed.

If the Company intends to distribute all or part of the dividends, bonuses, statutory surplus reserve, or capital reserve in cash, the proposal shall be authorized by a board of directors meeting with over 2/3 of the entire board members attending and approval of over half of those present at the meeting, and then submit the proposal to the shareholders meeting for resolution.

The Company is currently in a growing phase, and will strive for business development and expansion in the future. The Company's surplus distribution shall be made based on its future capital expenditure budget and capital needs. However, the distribution of shareholders' dividends shall not be less than 20% of the lower value of the earnings after tax or

distributable earnings of the current period. Among the dividends distributed in the current year, the cash dividends shall not be less than 50%.

Chapter 7 Supplemental Provisions

- Article 20: With the consent of more than two thirds of voting rights in a shareholder meeting where more than half of the outstanding shares are represented by the attending shareholders, the Company may transfer shares to employees at a price lower than the average buyback price, or may issue employee share subscription warrants at a price lower than the closing price of common shares of the Company on the day of issuance.
- Article 21: Any matter not specified in these Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.
- Article 21-1: The organizational charters and operational rules of the Company shall be further established by the Board of Directors.
- Article 22: These Articles of Incorporation were duly enacted on June 25, 1996.
The first amendment was made on November 8, 1999.
The second amendment was made on April 17, 2000.
The third amendment was made on July 14, 2000.
The fourth amendment was made on September 23, 2000.
The fifth amendment was made on December 29, 2000.
The sixth amendment was made on December 29, 2000.
The seventh amendment was made on March 30, 2001.
The eighth amendment was made on June 25, 2002.
The ninth amendment was made on November 12, 2003.
The tenth amendment was made on June 27, 2006.
The eleventh amendment was made on October 11, 2006.
The twelfth amendment was made on June 29, 2007.
The thirteenth amendment was made on September 26, 2007.
The fourteenth amendment was made on December 19, 2007.
The fifteenth amendment was made on May 30, 2008.
The sixteenth amendment was made on February 23, 2010.
The seventeenth amendment was made on June 12, 2012.
The eighteenth amendment was made on June 14, 2013.
The nineteenth amendment was made on November 7, 2013.
The twentieth amendment was made on June 17, 2014.
The twenty first amendment was made on June 28, 2016.
The twenty second amendment was made on June 14, 2017.
The twenty third amendment was made on June 24, 2019.
The twenty fourth amendment was made on June 18, 2020.

Appendix 2

G-TECH Optoelectronics Corporation Code of Practice for Corporate Social Responsibility (before amendment)

Chapter I General Principles

Article 1 In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Principles to be followed by the Company is promulgated in accordance with “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.”

Article 2 The Principles apply to the Company, including the entire operations of each such company and its business group.

The company shall actively fulfill its corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3 In fulfilling corporate social responsibility, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

Article 4 To implement corporate social responsibility, the Company is advised to follow the principles below:

- (1) Exercise corporate governance.
- (2) Foster a sustainable environment.
- (3) Preserve public welfare.
- (4) Enhance disclosure of corporate social responsibility information.

Article 5 The Company shall comply with the provisions of laws and regulations, and the contract signed with the Taiwan Stock Exchange and the relevant norms and may take into consideration the correlation between the development of domestic and international corporate social responsibility and corporate core business operations, and the effect of the operation of the Company and of its respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving Corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter II Exercising Corporate Governance

Article 6 The Company's board of directors shall exercise the due care of good administrators to urge the Company to perform its social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the Company is advised to contain the following matters in the company's performance of its corporate social responsibility initiatives:

- (1) Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines.

(2) Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives.

(3) Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint the president with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors.

Article 7 For the purpose of managing corporate social responsibility initiatives, the finance department shall be in charge of the formulation of the corporate social responsibility best practice principles, and the human resource development department shall be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

Article 8 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Article 9 The Company shall follow the code of practice for corporate governance of listed companies, code of ethical practice of listed companies, and reference models of code of ethics of listed companies to establish an effective corporate governance structure and relevant ethical standards and matters to improve corporate governance.

Article 10 The Company are advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the article 6.

Chapter III Fostering a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

(1) Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.

(2) Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.

(3) Regularly reviewing the progress toward environmental sustainability goals.

Article 14 The Company shall set up a department of occupational safety, health and environment and related personnel to draw up, promote and maintain relevant environmental management system and detailed action plans, and regularly organize environmental education courses for management and employees.

Article 15 The Company shall consider the impact of the operations on ecological and to publicize concept of sustainable consumption, and follow the following principles such as

research and development, procurement, production, operation and service provision activities to reduce the impact of company operations on the natural environment and humans:

- (1) Reduce resource and energy consumption of their products and services.
- (2) Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- (3) Improve recyclability and reusability of raw materials or products.
- (4) Maximize the sustainability of renewable resources.
- (5) Maximize the sustainability of renewable resources.
- (6) Improve efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company is advised to adopt standards or guidelines generally used in home and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

- (1) Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
- (2) Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased electricity, heating, or steam.

The Company is advised to monitor the impact of climate change on their operations and shall establish the Company's strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies shall include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.

Chapter IV Preserving Public Welfare

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

- (1) Presenting a corporate policy or statement on human rights.
- (2) Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
- (3) Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- (4) In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with

respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20 The Company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company is advised to organize training on safety and health for their employees on a regular basis.

Article 21 The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. The Company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 23 The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of their industries. The Company shall follow relevant laws, regulations and international guidelines in regard to marketing and labeling of their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company is advised to assess the impact their procurement has on society as well

as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, The Company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

Article 27 The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter V Enhancing Disclosure of Corporate Social Responsibility Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for the Company and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

- (1) The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
- (2) The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- (3) Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation.
- (4) Major stakeholders and their concerns.
- (5) Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- (6) Other information relating to corporate social responsibility initiatives.

Chapter VI Supplementary Provisions

Article 29 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 30 The principles of shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

Appendix 3

G-TECH Optoelectronics Corporation Procedures for Election of Directors (before amendment)

- Article 1 To ensure a just, fair, and open election of directors and supervisors these regulations are adopted pursuant to the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.”
- Article 2 The election and appointment of directors of the Company shall be conducted in accordance with the procedures, unless otherwise stipulated by laws or regulations.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:
1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management ability.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership ability.
 8. Decision-making ability.
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.
- Article 4 The qualification, selection and appointment of independent directors of the Company shall comply with the “Measures on Establishment of Independent Directors by Public Entities and Matters to be Followed”, and shall be conducted in accordance with the “Code of Practice for Corporate Governance of Listed or Over-the-Counter Companies”.
- Article 5 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. For verification of qualification, education background and matters listed in Article 30 of the Company Act, no other evidence documents for qualification shall be added arbitrarily. The verification results shall be provided to shareholders for reference for decisions on directors election.
- When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a

special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.

- When the number of independent directors is lower than the requirements in the regulations, an independent director by-election shall be held at the next shareholders meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders meeting to hold a by-election within 60 days of the fact
- Article 6 Election of directors of the Company adopts the single-record cumulative election method. Each share has the same voting rights as the number of directors to be elected. One person may be elected centrally, or the number of electors shall be allocated. Independent directors and non-independent directors shall be elected together and the number of elected seats should be counted separately.
- Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9 Before election, several watchers for voting and voting counters with shareholder's identity shall be appointed by the chairperson to carry out related duties. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10 If the candidate is a shareholder, the voter must fill in the name in the "Candidate" column of the ballot with the candidate's shareholder account name and number noted. If the candidate is not a shareholder, the name and the identification document number or passport number of the candidate should be filled in the said column of the ballot. However, when the government or corporate shareholder is a candidate, the title of the government or corporate should be filled in the "Candidate" column of the ballot with the name of its representative stated. If there is more than one representative appointed, the representatives' name shall be added separately.
- Article 11 An election ballot is invalid under any of the circumstances listed on the left:
1. The ballot was not prepared by the board of directors.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot is a shareholder and his/her account name and shareholder account number does not conform to the shareholder registry, or the candidate whose name is entered in the ballot is not a shareholder and does not conform to the name and identification document number provided.
 5. Other words or marks are entered in addition to the name (personal name) of the candidate, the shareholder number (or identification document number) and the weight of the vote.
 6. Where a candidate's name is the same as that of other shareholders, the shareholder's account number or identity document number is not written.

7. The ballot bears the names of more than one candidate.

Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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 one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 13 Any unregulated items herewith shall be subject to the Company Act, the Securities Exchange Act and the Company's Articles of Incorporation.

Article 14 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 4

G-TECH Optoelectronics Corporation Rules of Procedure for Shareholders Meeting (before amendment)

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholder meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" jointly established by the Taiwan Stock Exchange Corporation and the Taipei Exchange.
- Article 2 The rules of procedures for shareholder meetings of the Company, except as otherwise provided by law, regulation or the Articles of Incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, the shareholder meetings of the Company shall be convened by the Board of Directors.
- The Company shall prepare electronic versions of the shareholder meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) thirty days before the date of a general shareholder meeting or fifteen days before the date of an extracommon shareholder meeting. The Company shall prepare electronic versions of the shareholder meeting handbook and supplemental meeting materials and upload them to the MOPS twenty one days before the date of the general shareholder meeting or fifteen days before the date of the extracommon shareholder meeting. In addition, fifteen days prior to the date of the shareholder meeting, the Company shall also have prepared the shareholder meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
- The reasons for convening a shareholder meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Matters pertaining to the election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval for directors to compete, surplus profit distribution in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the Company, or any matter under Paragraph 1 of Article 185 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholder meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.
- Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholder meeting, after the completion

of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholders holding 1% or more of the total number of outstanding shares may propose to the Company a proposal in writing for discussion at a general shareholder meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Nevertheless, since shareholder proposals are recommendations made for the purpose of promoting the Company to improve the public interest or to fulfill the corporate social responsibility, the Board of Directors may still list such proposals for meeting discussion. In addition, when any proposal put forward by a shareholder violates the provisions of Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a general shareholder meeting is held, the Company shall publicly announce the receipt of shareholder proposals, acceptance method in writing or in electronic method, location and the time period for accepting submissions; the period for accepting submissions of shareholder proposals shall not be less than ten days.

The shareholder making the proposal shall be present in person or by proxy at the general shareholder meeting and take part in the discussion of the proposal.

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

Article 4 For each shareholder meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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

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

Article 5 The venue for a shareholder meeting shall be at the operation location of the Company, or a place easily accessible to shareholders and suitable for a shareholder meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 6 The Company shall specify in its shareholder meeting notice the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

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

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

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholder 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 Shareholder meetings that are convened by the Board of Directors shall be chaired by the Chairperson. If the Chairperson is unable to perform duty due to leave of absence or any reasons, the Chairperson will appoint one of the directors to act on their behalf. If no one is appointed, the directors shall elect one person from among themselves to act as the proxy for the Chairperson.

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

If a shareholder meeting is convened by a party with power to convene 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 retained by it to attend a shareholder meeting in a non-voting capacity.

Article 8 The Company shall record on audio or video tape the entire proceedings of a shareholder meeting and preserve the recordings for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Attendance at shareholder 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 sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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

Article 10 Where a shareholder meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholder meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholder meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions).

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

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

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

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

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

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

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

Article 12 Voting at a shareholder meeting shall be calculated based on the number of shares. With respect to resolutions of shareholder 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 has a personal interest in relation to an agenda item, and there is the likelihood that such a relationship would harm 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.

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

Article 13

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

When the Company holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholder meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two days before the date of the shareholder meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholder meeting, 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 Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When the chair inquires about any objections to a proposal from all the attending shareholders but no objection is raised, then the proposal is deemed to be approved by all attending shareholders, and its effect shall be identical to voting. In case of any objections, the voting method shall be adopted according to the preceding paragraph.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide

the order in which they will be put to a vote. When any of 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 have the identity of shareholders of the Company.

Vote counting operation shall be conducted in public at the place of the shareholder meeting. Immediately after vote counting has been completed, the results of the voting and a record of the vote shall also be made.

Article 14 The election of directors at a shareholder meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they are 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 one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholder 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 shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations, the voting and election results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. Such record shall be permanently preserved for the duration of the existence of the Company.

Article 16 On the day of a shareholder 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 shareholder meeting. If matters put to a resolution at a shareholder meeting constitute material information under applicable laws or regulations or under the regulations of the Taiwan Stock Exchange Corporation, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholder meeting shall wear identification cards or armbands.

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

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

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair

may direct the proctors or security personnel to escort the shareholder from the meeting.

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

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

Article 19 These Rules shall take effect after having been submitted to and approved by a shareholder meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 5

G-TECH Optoelectronics Corporation Procedures Governing the Acquisition or Disposal of Assets (before amendment)

Chapter 1 General Rules

I. Objective and Legal Basis:

In order to strengthen asset management and implement information disclosure, it is hereby regulated the following rules in accordance with the Securities and Exchange Act (hereinafter referred to as the "Act") and administrative department Financial Supervisory Commission's "Guidelines for the Handling of Assets Acquired or Disposed by Public Entities".

II. Definitions in this project are as follows:

- (I) Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- (II) Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under regulations of the Company Act.
- (III) Related parties, subsidiaries: Shall be identified by related announcement made in accordance with International Financial Reporting Standards (IFRSs) or International Accounting Standard.
- (IV) Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- (V) Date of Occurrence: Refers to the date of contract signing, date of payment, date of commissioning trade, date of transfer, date of boards of directors resolutions, or other date that can confirm the counterparty and amount of the transaction, whichever date is earlier. For investors subject to the approval by the regulator, the earlier date of the abovementioned or the date of approval by the regulator shall prevail.
- (VI) Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

III. Scope of application for assets

- (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- (2) Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- (3) Memberships.
- (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- (5) Right-of-use assets.

(6) Derivatives.

(7) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

(8) Other major assets.

IV. Procedures of evaluation

(I) Negotiable securities:

1. The most recent financial statements audited or reviewed by a certified public accountant prior to the date of acquisition or disposal of marketable securities by the Company shall be acted as a reference to evaluate the transaction price.
2. The acquisition or disposal of marketable securities traded on the transaction market or over-the-counter is determined by the shares or bonds price.
3. The acquisition or disposal of marketable securities that are not traded on the transaction market or over-the-counter shall be determined by considering the net value per share, technology and profitability, future development potentials, market rates of interest, coupon rates of bonds and borrowers' credit standings, and by reference to the most recent transaction prices at the time.
4. Where the Company acquires or disposes of negotiable securities or private placement securities traded in a centralized stock exchange or an over-the-counter trading center with trading amount up to 20% of the Company's paid-in capital or in excess of NT\$300 million, the Company shall, before the date of occurrence of the fact, request a certified public accountant to express an opinion regarding rationality of the trading price. Where that certified public accountant adopts expert issued by an expert, that certified public accountant shall duly handle in accordance with provisions of Statements of General Auditing Procedures No. 20 published by the Accounting Research and Development Foundation Republic of China (ARDF) except an event where the securities so traded have a public quotation in an active market or otherwise promulgated by the competent authority(ies).

(II) Property, Plant and Equipment

1. If the amount of property, plant and equipment acquired or disposed reaches 20% of the Company's paid-up capital or above NTD300 million, an objective and impartial professional appraiser shall first be consulted to issue an appraisal report and procedures shall be carried out following articles in the asset appraisal.
2. Acquisition or disposal of property, plant and equipment shall be determined by reference to the announced present value, assessed present value, actual transaction prices or book values of adjacent real estate properties, offer prices from the suppliers, etc.

(III) Merger, Demerger, Acquisition, or Transfer of Shares

1. Mergers, demergers, acquisitions or transfers of shares shall take into account the nature of the business, net worth per share, asset value, technology and profitability, production capacity and future growth potentials.
2. For a merger, demerger, acquisition or transfer of shares, the Company shall appoint an accountant, attorney or consortium of underwriter to give opinions on the reasonableness of the share exchange ratio, the acquisition price or the allotment of cash or other property to the shareholders and submit it to the board of directors for discussion and approval before convening a resolution, except that the Company shall be exempted from obtaining an opinion on rationality from the experts in the event of a merger between subsidiaries holding 100% of the issued shares or the subsidiaries respectively holding 100% of the issued shares or the total capital.

(IV) Memberships, disposal of a patent, copyright, trademark, franchise and such intangible

assets.

1. Where the Company acquires or disposes of intangible assets or the or the assets as the right to use the same or membership, the Company shall take into account the benefits to yield therefrom to negotiate and determine the price(s) with reference to the price(s) prevalent in the most recent transaction. Where the Company acquires or disposes of a patent, copyright, trademark, franchise and such intangible assets, the Company shall take reference to the convention prevalent in the international community or markets, the usable service life and the effect upon the Company in technology or business operation.
2. Where the transaction amount is up to 20% of the Company's paid-in capital or in excess of NT\$300 million, except a transaction with a domestic government authority, the Company shall request a certified public accountant to express an opinion regarding rationality of the trading price before date of occurrence of the fact. That certified public accountant shall duly handle in accordance with provisions of Statements of General Auditing Procedures No. 20 published by the Accounting Research and Development Foundation Republic of China (ARDF).

- (V) Derivatives transactions shall take into account futures market conditions, exchange rate and interest rate movements, etc.
- (VI) Acquisitions or disposals of long-term and short-term investments by the Company in securities or derivative transactions shall be analyzed by the financial department on the related benefits and the possible risks. For acquisitions or disposals of real estate properties and other assets, each unit shall prepare a capital expenditure plan and conduct a feasibility evaluation on the purpose of acquisition or disposal and the expected benefits.
- (VII) Acquisitions or disposals of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or opinion of the Certified Public Accountant.
- (VIII) Transactions with government agencies are exempted from the aforementioned regulations subject to the advice of professional appraisers, certified public accountant and other relevant experts.
- (IX) Apart from the above assessments on acquisitions or disposals of assets by the Company, if the Company acquires assets from a related party, the Company shall first make calculations in accordance with the methods specified in Chapter 2 to assess whether the transaction price is reasonable.

V. Operating procedures:

(I) Authorization amount and level

1. Marketable securities: Short-term investments (restricted deposits, bills, bonds and bond funds) shall be authorized to be executed in accordance with the "Regulations Governing the Approval of Authorities" after the approval is submitted to competent authority, and the relevant investment quota is traded within the quota specified in Article 8 of the Procedures. For acquisition or disposal of stocks, corporate bonds, or private placement securities not traded on the centralized transaction market or over-the-counter, and the transaction amount reaches the announced reporting standards, the acquisition or disposal should be approved by the board of directors beforehand. Long-term equity investments should be approved by the board of directors, except for those cases where the board of directors has delegated full authority to the chairman, which may be subsequently reported to the board of directors for ratification. On the other hand, investment in Mainland China shall be approved by the board of directors and applied to the Investment Review Committee of the Ministry of Economic Affairs for approval before proceeding.

2. Derivatives Transactions

- (1) Hedging transactions: Based on the Company's turnover and changes in risk areas, the total amount of transactions shall not exceed the Company's actual import and export foreign currency requirements based on forward foreign exchange, interest rate and exchange rate and compound contracts formed by the above commodities portfolio. The Board of Directors authorizes the Chairman of the Board of Directors to approve the transactions and the Chairman of the Board of Directors instructs the Financial Department or relevant personnel to handle the transactions. ◦
 - (2) Non-Hedging Transactions: The Company shall not engage in non-hedging related transactions.
 - (3) For the Company's authorization to be complied with the Bank's relative supervision and management, the Company shall designate a trader to handle and inform the Bank of the authorization status to facilitate the transaction and the management.
3. Related party transactions: Related data shall be handled in accordance with the provisions of Chapter 2 of the Procedures and the data shall be submitted to the board of directors and supervisors for ratifications before enforcement.
4. Merger, demerger, acquisition or transfer of shares: A merger, demerger or acquisition shall be enforced by a resolution of the shareholders' meeting, unless a resolution of the shareholders' meeting is exempted under other legislative requirements. Transfer of shares shall be subject to the approval of the board of directors.
5. Others (including property, plant and equipment): Shall be conducted in accordance with the internal control system and the operation procedures approved by the authority. For transactions amounts that reach the announced standards in Article 6, except for the acquisition or disposal of machinery and equipment for business use, shall be approved by a resolution of the board of directors in advance. If regulated under the Company Act, a transfer of whole or any essential part of its business or assets shall be conducted. If the transfer of the whole business or property of another person has a significant impact on the operation of the Company, the transfer shall be approved by the shareholders' meeting beforehand.

(II) Execution Unit and Transaction Flow

The execution unit for long-term and short-term investments in securities and derivatives transactions is the financial department and the personnel designated by the chairman; for real estate properties and other assets, the execution unit is the user segment and the related authority; for mergers, demergers, acquisitions or transfer of shares, the execution unit shall be designated by the chairman. After the acquisition or disposal of assets is evaluated and approved in accordance with the regulations, the execution unit will proceed with the transaction process of contracting, payment collection, delivery and acceptance by following the relevant internal control system operations depending on the nature of the assets. Acquisition of real estate properties from related parties, derivatives transactions, mergers, demergers, acquisitions or transfer of shares shall be conducted in accordance with the provisions of Chapter 2 to 4 of the Procedures.

IX. Procedures for announcement and declaration to public:

- (I) Where the Company and its subsidiary (s) acquire or dispose of assets and where any one among those circumstances enumerated below exists, the Company and its subsidiary (s) shall, as the attribute may justify, launch announcement and declaration to public based on the specified formula and contents onto the "Market Observation Post System (MOPS)" designated by the competent authority within two (2) days after date of occurrence of the fact.
 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related

party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more;

2. Investment in the Mainland China amounting to 20% of the paid-up capital or above NTD300.
 3. Merger, demerger, acquisition, or transfer of shares.
 4. Losses from derivatives transactions reaching the limits on aggregate losses or losses on individual contracts set out in Item 4 of Article 15 in Chapter 3 in the procedures adopted by the Company.
 5. In case of a transaction other than those mentioned under the four preceding Paragraphs, the amount of each transaction case, the amount of creditor's right disposed of by a financial institution or the amount of transaction for a target of the same attribute acquired or disposed of with a same counterpart in accumulation within one year; or the amount of real property or the assets as the right to use the same in a same development project acquired or disposed of in accumulation within one year (the amounts of acquisition, disposal of shall be accumulated respectively); or the amount of negotiable securities acquired or disposed of in accumulation within one year (the amounts of acquisition, disposal of shall be accumulated respectively) is up to 20% of the Company's paid-in capital or in excess of NT\$300 million. Except, nevertheless, a circumstance among those enumerated below:
 - (1) Trading of domestic government bonds.
 - (2) Trading of bonds under repurchase and resale conditions, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (3) The type of assets acquired or disposed belongs to equipment for business use or its right-to-use assets and the counterparty is not a related party, and the transaction amount does not reach NTD500 million or above.
 - (4) Where the real estate property is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction does not reach NTD500 million.
 6. Except for the one-year period referred to in the preceding Article, which is based on the date of transaction fact and extrapolated one year in advance, the portion of the announcement that has been made in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Entities" shall be exempted from further calculation.
- (II) The Company shall enter monthly, in the prescribed format, the information on derivative transactions engaged in by the Company and its subsidiaries that are not domestic public entities as of the end of the preceding month on the information declaration website designated by the competent authority by the tenth day of each month. The Company's paid-up capital shall prevail over the requirement of 20% of the paid-up capital for the subsidiary's announcement reporting standards.
 - (III) If there are errors or omissions in the items to be announced and should be corrected, all items shall be re-announced within two days from the date of acknowledgement.
 - (IV) Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with regulation (I), a

public report of relevant information shall be made on the information declaration website designated by the regulator within 2 days from the date of fact.

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. Changes are made to the originally publicly announced and reported information.

VII. Procedures of assets appraisal

In acquiring or disposing of real estate properties, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-up capital or NTD300 million or above, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of fact from a professional appraiser and shall further comply with the following provisions. If the Company acquires or disposes assets through a court auction process, a court-issued certificate may be used in replacement of an appraisal report or a certified public accountant's opinion.

- (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.
- (II) Where the transaction amount reaches NTD1 billion or above, appraisals from two or more professional appraisers shall be obtained.
- (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 in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (IV) The date on which the professional appraiser issued the appraisal report shall not be more than three months from the date in execution of the transaction contract. Except an event where the publicly announced current value falls within a same term and is not more than six months. In such an event, the opinion issued by the original professional appraiser is acceptable.
- (V) Except a case where restricted price, specific price or special price is adopted as the referential grounds for the transaction price where the appraisal report is unavailable in real time as backed up by justifiable reason, the Company shall obtain the appraisal report and the opinion of the certified public accountant under (III) within two (2) weeks starting from date of occurrence of the fact.

VIII. Investment Scope and Amount:

In addition to the acquired assets for business use, the Company and its subsidiaries may also invest in real estate properties and marketable securities not for business use, subject to the following limits. When calculating Article (IV), a person who participates in the establishment of

an investment or serves as a director or supervisor (or audit committee member) and intends to hold it for a long period of time may be excluded from the calculation.

- (I) The total amount of real estate properties and the right-to-use assets not used for business purposes shall not exceed 50% of the Company's most recent net financial statements; and the total amount of subsidiaries shall not exceed 30% of their most recent net financial statements.
- (II) The total amount of marketable securities shall not exceed 100% of the Company's most recent net financial statements and the subsidiaries shall not exceed 50% of their most recent net financial statements.
- (III) Limits on investment in individual securities shall not exceed 50% of the Company's most recent net financial statements; and the subsidiaries shall not exceed 50% of their most recent net financial statements.
- (IV) The net investment of the Company and its subsidiaries in a single listed or over-the-counter company shall not exceed 10% of the net value of the most recent financial statements of each company. The Company and its subsidiaries' combined long-term and short-term investment holdings in a single listed or over-the-counter company shall not exceed 10% of the total issued shares of that single listed or over-the-counter company.

IX. Control and management of the subsidiary's acquisition or disposal of assets:

- (I) The Company's subsidiaries shall also follow the Procedures and establish relevant "Procedures for Acquisition or Disposal of Assets" as approved by the board of directors and as amended.
- (II) The Company's subsidiaries shall acquire or dispose assets in accordance with their respective "Internal Control System" and "Procedures for the Acquisition or Disposal of Assets". The auditing unit of the company shall list the subsidiary's acquisition or disposal of assets as one of the audit items; also, the audit performed should be included as a necessary item to be reported to the board of directors and the Audit Committee.
- (III) If a subsidiary of the company is not a public offering company, and its acquisition or disposal of assets meets the standards for announcement and reporting, it shall notify the company on the date of occurrence, and the company shall handle the announcement and reporting on the designated website in accordance with the regulations.

X. Penalty Clauses

Where the relevant personnel in charge of acquisition or disposal of assets of the Company proves in contravention of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the competent authority or these Procedures, the competent department head shall render a decree of penalty as the seriousness level of the offense may justify and shall take the violation record as the handy reference of personnel rewarding and punishment for that year. The superior level head of the offending personnel shall accept penalty as well except an event that head could offer rational defense that he or she has carried out preventive measures beforehand. Whenever the Board of Directors or a director proves in contravention of relevant requirements or a decision resolved in the shareholders' meeting while performing duty, a supervisor (or Audit Committee) shall, in accordance with the requirements set forth under Company Act, notify the Board of Directors or that director to discontinue the violating act.

Chapter 2 Related Party Transactions

XI. Identification Basis:

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the rationality of the transaction terms is appraised in accordance with regulations in the preceding Chapter and this Chapter, if the transaction amount reaches 10 percent or above of the company's total assets, the

Company shall also obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in compliance with the provisions of the preceding Chapter and this Chapter. The calculation of the transaction amount referred to in the preceding Item shall be made in accordance with the fifth provision of Item one in Article 6 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

XII. Resolution procedure:

For the acquisition and disposal of real estate property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the real estate property or right-of-right assets for an amount exceeding 20% of the Company's and the subsidiaries' paid-up capital, 10% of the total assets, or NTD300 million, the following documents should be submitted to the board of directors and audit committee for approval before having the trade contract signed and payment made:

- (I) The purpose, necessity, and expected benefits for the acquisition and disposal of assets;
- (II) The reason for having the related party selected as the counterparty;
- (III) For acquisition and disposal of real estate property and use-of-right assets with the related party, relevant information on the rationality of the trade conditions shall be assessed according to the provisions of this Article and Article 13.
- (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.
- (V) The monthly cash receipts and payments forecast in the coming year starting from the contracting month, and assessing the necessity of the transaction and the rationality of the use of funds;
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (VII) The restrictions and other important agreed matters of this transaction;

The amount set forth under the preceding Paragraph shall be duly calculated in accordance with Subparagraph 5, Paragraph 1, Article 6. The term "within one year" as set forth herein shall be based on the date of occurrence of the fact in the present transaction for the preceding one-year period retrospectively. The part(s) having been submitted to and duly resolved in the shareholders' meeting and Board of Directors in accordance with these Regulations shall no longer be counted inclusively.

Where the Company with its parent company, subsidiary(ies), or their subsidiaries holding 100% of outstanding shares or total amount of capital either directly or indirectly engage in the following transaction among themselves, the Board of Directors is entitled to authorized the Chairman to carry out the transaction first in accordance with Subparagraph 5, Paragraph 1, Article 5 before submitting a report to the Board of Directors in the most recent meeting for retrospective acknowledgement.

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

Where the independent director(s) has (have) been set up, upon submittal to the Board of Directors in accordance with Paragraph 1 for discussion, the Company shall take the opinions of the independent director (s) into adequate account. Where an independent director objects or holds a qualified opinion, such objection or qualified opinion shall be expressly entered into the minutes of the Board of Directors meeting. Where the Audit Committee has been set up, as required under Paragraph 1, the issue shall be subject to consent by the Audit Committee with one-second majority vote of the total Committee members and the issue shall be submitted to the Board of Directors for final resolution

where the provisions set forth under Article 27 of other key issues under Chapter Five shall *mutatis mutandis* apply.

XIII. Evaluation into the rationality of the transaction conditions

Where the Company acquires real property or right-of-use assets thereof from a related party, except such events under four circumstances below: Where the related party acquires the real property or the right-of-use assets thereof as a result of inheritance or donation, or where the related party acquired the real property or the right-of-use assets thereof at a time more than five (5) years ago; or where the related party acquires the real property or the right-of-use assets thereof by means of signing a contract for concerted construction or engaging in construction on own land or on rented land or where the Company acquires the real property right-of-use assets with its parent company, Subsidiary(ies) or Subsidiary(ies) holding 100% of the outstanding shares or total capital either directly or indirectly, the Company shall evaluate the rationality of the transaction costs based on the methods as enumerated below and further request a certified public accountant(s) to recheck and offer concrete opinions:

- (I) 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.
- (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (III) 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 Article (I) and Article (II).

(XIV) Things to do when the computed transaction cost is lower than the transaction price:

If the transaction costs of the appraisal results in accordance with the preceding Article are all lower than the transaction price, the provisions of the second Item shall be followed, except in the following cases where objective evidence can be presented and a specific opinion of rationality can be obtained from a professional appraiser of real estate property and a certified public accountant.

- (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 3. Lease cases by unrelated parties on other floors of the same property within one year,

where the transaction terms are similar after calculation of reasonable price discrepancies in floor in accordance with standard property leasing practices.

(II) Where the Company acquiring real estate property, or obtaining real estate property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

If the company's acquisition of property or its right-of-use assets from the related parties is with a transaction cost lower than the transaction price according to the provisions stated in the preceding paragraph, the following matters shall be handled:

- (I) For the difference between the transaction price and assessed cost of the real estate property and its use-of-right assets, a special reserve shall be appropriated in accordance with regulations of the Securities and Exchange Act, and it shall not be distributed or capitalized with stock shares distributed. The appropriated special reserve cannot be used until the assets purchased or leased at a high price is with the loss in valuation recognized, disposed, or properly compensated or resumed to its original form, or concluded as reasonable with proof.
- (II) Actions taken pursuant to the preceding Article shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Chapter 3 Control and Management of Derivatives Transactions

XV. Trading principles and guidelines:

- (I) Categories of transactions: The derivatives the Company is entitled to engage in are primarily forward contracts linked up with foreign currencies, interest rate and exchange rate swaps and the compound contracts combined with the aforementioned commodities. Where the Company is required to engage in transaction of other commodities, the Company shall get a resolution to be passed in the Board of Directors beforehand.
- (II) Business or hedging strategy: The Company engages in transaction in derivatives for the purposes of hedging. Such strategy shall be oriented to evading potential risks as the key purposes. The commodities in the transaction shall be prudentially selected under the prime principles to help the Company evade potential risks against the foreign exchange revenues, expenditures, assets or liabilities incurred by the Company's business operation
- (III) Transaction amount:
The net position after the Company's assets and liabilities in foreign currencies (including the net position anticipated to incur in the future) shall be the maximum limit in hedging.
- (IV) The amounts of the maximum limits in the loss in the total and individual contracts are as enumerated below:
The Company engages in hedging transaction in an attempt to evade potential risks for which the Company shall set up the stop-loss point(s) to prevent potential excessive impairment. The stop-loss point shall be duly set not in excess of 20% of the total amount under a transaction contract. Whenever an impairment is found in excess of such maximum limit, the transaction shall be reported to the Chairman forthwith to study the

countermeasures as necessary.

(V) Classification of powers and responsibilities:

1. Transaction personnel: The executive personnel of the Company for derivatives transactions, who are designated by the chairman. Transaction personnel are responsible for the drafting of trading strategies, execution of trading orders, disclosure of future trading risks, and providing of real-time information to relevant segments for reference within the authorized scope.
2. Financial unit: to be responsible for confirming and settling transactions, recording and maintaining transaction data in accordance with relevant regulations, conducting regular fair market valuations of its holdings, and providing them to the transaction specialists, as well as disclosing derivatives-related matters in the financial statements.

(VI) Performance Evaluation Essentials

Hedging transactions: The performance is evaluated based on the exchange (interest) rate cost in the Company's books and the profit or loss from engaging in derivative financial transactions, and the performance is evaluated at least once a month and presented to the management for reference.

XVI. Risk management measures:

The scope of risk management and the risk management measures to be adopted by the Company when engaging in derivatives transactions are as follows:

- (I) Consideration of credit risks: Selection of trading counterparties shall focus on financial institutions and futures brokers that have a good reputation with the Company and can provide professional information.
- (II) Consideration of market risks: Losses arising from future market price volatility of derivatives are uncertain, so the stop-loss point should be strictly observed after the site is established.
- (III) Consideration of liquidity risks: To ensure the liquidity of transaction merchandise, the trading institutions must have adequate equipment, information and trading capabilities and be able to trade in any market.
- (IV) Consideration of operational risks: The authorized amount and the operational procedures must be followed to avoid operational risks.
- (V) Consideration of legal risks: Any contracts signed with financial institutions should use international standardized documents as far as possible in order to avoid legal risks.
- (VI) Consideration of commodity risks: The internal traders should have complete and correct professional knowledge of the derivatives traded to avoid losses caused by misuse of derivatives.
- (VII) Consideration of cash settlement risks: In addition to strictly complying with regulations within the authorization limit, the authorized traders shall pay attention to the Company's cash flow to ensure that there is sufficient cash payment at the time of settlement.
- (VIII) Personnel engaged in transactions may not serve concurrently in other operations such as confirmation and settlement.
- (IX) Personnel engaged in confirmation shall carry out account checking or write to the correspondent bank regularly and verify at any time whether the total amount of transactions exceeds the limit specified in this procedure.
- (X) The personnel in charge of risk measurement, monitoring and control shall come from the department (s) different from those under (VIII) and shall submit a report to the Audit Committee, Board of Directors or the high-ranking department head(s) not in charge of the transaction or policymaking responsibility for the position.
- (XI) The position held shall be evaluated on a monthly basis as the minimum. The evaluation report shall be submitted to the senior management personnel authorized by the Board of Directors.

(XII) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

XVII. Internal audit system:

(I) The Company's internal auditors shall, on a regular basis, look into the appropriateness of the internal control over the derivatives and shall, audit the transaction department to look into the compliance with the operating procedures toward the transaction of the derivatives and work out the audit, report. Whenever a significant violation is found, it shall be reported to the Chairman and the ranking management head designated by the Board of Directors and shall, meanwhile, keep Audit Committee and all independent directors informed in writing.

(II) The Company's auditing personnel shall include derivatives transactions in the audit plan and report the implementation status of the previous year's annual audit plan to the regulator by the end of February of the following year, and report the improvement of irregularities to the regulator for inspection by the end of May of the following year at the latest.

XVIII. Regular evaluation methods and abnormal situation handling:

(I) The transaction on derivatives shall be evaluated periodically on a monthly basis and the profit and/or loss of the current month shall be assembled and submitted to the ranking management authorized by the Board of Directors to function as the reference to evaluate the management performance and risk measurement.

(II) The ranking management designated by the Board of Directors shall stay vigilant on the supervision and control over the potential risks in transaction of derivatives. The Board of Directors shall evaluate and make sure whether the performance in transaction in derivatives is consistent with the established managerial strategies and the borne risks are within the scope tolerable to the Company.

(III) The ranking management authorized by the Board of Directors shall manage the transaction on derivatives based on the principles as enumerated below:

1. To evaluate on a regular basis to make sure whether the risk management measures currently adopted are appropriate and have been faithfully carried out in accordance with the "Regulations Governing the Acquisition and Disposal of Assets" promulgated by the competent authority and these Procedures.
2. Supervise the transaction and profit and/or loss facts. Whenever an abnormality is noticed, adopt countermeasures as necessary and report to the Board of Directors forthwith.

(IV) While engaging in transaction on derivatives, the Company shall set up memo book to enter details in the categories, amounts of the transaction in derivatives, the dates on which as resolved by the Board of Directors, the routine evaluation report on a monthly basis and key issues of the routine evaluation by the Board of Directors and ranking management authorized by the Board of Directors. Subsequently thereafter, the same shall be submitted to the most recent Board of Directors meeting.

Chapter 4 Merger, Demerger, Acquisition or Transfer of Shares

XIX. The Company shall carry out mergers, demergers, acquisitions or transfer of shares in accordance with Item 3 of Article 4 in this procedure.

XX. For the Company participating in a merger, demerger, acquisition, or transfer of shares, a public report shall be prepared to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the

merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

XXI. Unless otherwise required by other laws or with the prior consent of the regulator, when the Company engages in a merger, demerger or acquisition, the Company shall hold a meeting of board of directors and a meeting of shareholders on the same day as the other participating companies to resolve matters related to the merger, demerger or acquisition; and when the Company engages in a transfer of shares, it shall hold a meeting of board of directors on the same day as the other participating companies.

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

- (I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- (III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
- (IV) A company listed to public or trading stocks in a securities trader's business premises participating in merger, demerger, acquisition, and share transfer shall declare to the competent authority in the specified formula through Internet information system within two (2) days after such an act is resolved in the Board of Directors.
- (V) Where the companies participating in merger, demerger, acquisition, and share transfer contain a company not listed to public or not a company trading stocks in a securities underwriter's business premises, the company listed to public or trading securities in a securities underwriter's business premises shall sign a contract with such company and shall duly handle business in accordance with the provisions set forth under Paragraphs 3 and 4.

XXII. Share Exchange Ratio and Acquisition Price:

The share exchange ratio or acquisition price of a merger, demerger, acquisition or transfer of shares shall not be changed arbitrarily except for the following circumstances.

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

publicly disclosed.

XXIII. Recorded Matters in the Contract:

When the Company engages in a merger, demerger, acquisition or transfer of shares, the contract shall specify the rights and obligations of the participating companies, the circumstances under which the share exchange ratio or acquisition price may be changed as described in the preceding Article, and the following matters.

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

XXIV. Other matters needing attention when the Company is involved in a merger, demerger, acquisition or transfer of shares:

- (I) Every person participating in or privy to the merger, demerger, acquisition, or transfer of shares is required to issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company.
- (II) After public disclosure of the information of the merger, demerger, acquisition, or transfer of shares, if there will be further a merger, demerger, acquisition, or share transfer with another company, except for the exemption from convening a meeting of shareholders for a new resolution, the procedures or legal actions that had originally been completed shall be carried out again when only the number of participating companies is decreased and a shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority.
- (III) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement and proceed in accordance with Article 21 and regulations in the preceding two Articles.

Chapter 5 Other Important Matters

XXV. 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.

XXVI. 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:

- (I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended

sentence, or since a pardon was received.

- (II) May not be a related party or de facto related party of any party to the transaction.
- (III) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

- (I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (II) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (III) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (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 reasonable and accurate, and that they have complied with applicable laws and regulations.

XXVII. Where the assets acquired or disposed of by the Company have been duly resolved in the Board of Directors in accordance with these Procedures or other laws and where a director objects as backed up with record or in writing, the data of such director's objection shall be submitted to the Audit Committee. The Company shall further take the opinions of all independent directors into adequate account and shall have their opinions pros or cons as well as the reasons entered into the minutes of the Board of Directors meeting. Where the Company has set up the Audit Committee, an issue regarding transaction in major assets or derivatives shall be subject to consent by the Audit Committee with one-second majority vote of all Committee members and shall be submitted to the Board of Directors for final decision.

XXVIII. The Company shall, in accordance with the provision promulgated by the competent authority, duly enact the Procedures for the Acquisition or Disposal of Assets. It shall be subject to consent by the Audit Committee first before being resolved by the Board of Directors and be submitted to and resolved in the shareholders' meeting. Where a director objects as backed up with record or written declaration, such issue along with the objection shall be submitted to the shareholders' meeting for discussion. If the Company has set up the independent directors and whenever an independent director objects or voices a qualified opinion, such objection or qualified opinions shall be expressly entered into the minutes of the Board of Directors meeting. If the Company has set up Audit Committee, an act to enact or amend these Procedures shall be subject to consent by the Audit Committee with one-second majority vote by all Committee members and shall be submitted to the Board of Directors for final resolution. Where an issue is not consented by the Audit Committee with one-second majority vote by all Committee members, it shall be subject to consent by the two-thirds majority vote by all directors. The decision resolved in the Audit Committee shall be expressly entered into the minutes of the Board of Directors meeting.

Appendix 6

G-TECH Optoelectronics Corporation Shareholding of Directors

- I. Up to the book closure date of the present annual general meeting, the total number of outstanding shares of the Company is 206,393,604.
- II. Pursuant to Article 26 of the Securities Exchange Act and Subparagraph 4 of Paragraph 1 and Paragraph 2 of Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies: The minimum shareholding of all directors of the Company shall be 12,000,000 shares, and the total shareholding of all directors of the Company is: 21,408,413 shares (excluding the independent directors).
- III. The number of shares held by the Company's directors is detailed in the following table:

Book Closure Date: April 26, 2022

Title	Name	Shareholding
Chairperson	Chung, Chih-Ming	4,428,464
Director	Hong Yuan International Investment Co., Ltd. Representative: Lin, Shih-Chang	15,728,165
Director	Hsiao, Jen-Liang	1,011,784
Director	Wang, Kuo-Hung	240,000
Independent Director	Huang, Kuo-Shih	-
Independent Director	Wu, Chun-Feng	-
Independent Director	Yang, Ming-Sih	--

Appendix 7

In response to the Securities and Futures Investors Protection Center's "Zheng-Bao-Fa-Zi No. 1110001665" Letter, explanation for the private placement of common shares is provided in the following:

Examination: The Company is scheduled to propose a private placement of common stock at this ordinary meeting of shareholders. Please provide explanations on the following issues and make corrections as required by law:

- I. Overview: In the balance sheet of the consolidated financial statements for the first quarter of 2022, "cash and cash equivalents" accounted for 25.04% of "operating income" in the consolidated financial statements for 2021, and the cash flow statement of the consolidated financial statements for the first quarter of 2022 showed a net cash inflow, please explain the necessity and rationality of the private placement for financing capital.

Explanation: The primary objectives of the present private placement are to increase the operating capital and repay the bank borrowings. The secondary consideration factors include the timeliness, feasibility and issue cost for the raising of capital. In addition, since securities of private placement are restricted from arbitrary transfer within three years according to the regulations, the private placement is able to ensure the long-term equity relationship between the Company and the subscribers. Furthermore, the capital raised is expected to complete the capital utilization within one year after the completion of the private placement, such that it is able to strengthen the financial structure immediately and to save interest expense and to achieve the effect of satisfying the operating capital demand from the expected expansion of production. Consequently, such private placement will have positive benefit on the shareholders' equity.

- II. For the present private placement, the number of common shares is planned to not exceed the quota of 50,000,000 shares for the execution of the private placement. However, the aforementioned private placement amount exceeds above 24.22% of the paid-in capital of your company. Please carefully evaluate the purpose of the private placement, and its impact on the management rights (factors of the equity ratio of the total shares for the present private placement, characteristics of subscribers and purpose of execution of private placement, etc. shall be comprehensively considered) and the impacts on the shareholders' equity. In case where the evaluation indicates that the management right may have material change after the private placement, it is necessary to request the securities underwriter to issue a detailed and specific evaluation opinion (including the impacts on the

company's business, finance and shareholders' equity after the transfer of management right, selection of subscribers and its feasibility and necessity, and expected benefit from execution of the private placement, etc.) on the transfer of management right due to the private placement, and shall also make supplemental public announcement related matters. In addition, the evaluation opinion shall also be described in the Notice for Shareholders' Meeting.

Explanation: The subjects for the private placement to be executed in the future will be limited to the specific persons specified in Article 43-6 of the Securities and Exchange Act and prescribed in Financial Supervisory Commission's (2002) Tai-Cai-Zheng-Yi-Zi No. 0910003455 Decree dated June 13, 2002, and it is also planned to include insiders and related parties. When the Company evaluates the selection of subscribers, it is determined based on the principle of investment-oriented purpose and prevention of occurrence of material change in the management right. Presently, there are no predefined subscribers, and in the future, relevant operations will be handled in accordance with the laws and regulations.