Stock Code: 3313

Feei Cherng Enterprise Co., Ltd.

2023 Shareholders' Meeting

Agenda Handbook

Time: May 26, 2023, 9:00 a.m. Address: 18F.-7, No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City, Taiwan (R.O.C.) (Conference Room)

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Feei Cherng Enterprise Co., Ltd. Procedure for the 2023 Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairman's Opening Remarks
- III. Report Items
- IV. Ratification matters
- V. Discussion matters
- VI. Election matters
- VII. Other proposals
- VIII. Extraordinary Motions
- IX. Adjournment

Feei Cherng Enterprise Co., Ltd. Agenda of 2023 Shareholders' Meeting

Form of Shareholders' Meeting: Physical

Date: Friday, May 26, 2023, 9:00 a.m.

Address: 18F.-7, No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City, Taiwan (R.O.C.) (Conference Room)

- I. Call the Meeting to Order (Report on Number of Shares Attended)
- II. Chairman's Opening Remarks
- III. Report Items
 - (I) 2022 Business Report.
 - (II) The Audit Committee's Review Report on the 2022 Financial Statements.
 - (III) Report on the Status of Private Placement of Securities.

IV. Ratification matters

- (I) 2022 Business Report and Financial Statements
- (II) 2022 Loss Compensation Plan

V. Discussion matters

- (I) Amendments to the Articles of Incorporation.
- (II) Amendments to the "Procedures for the Acquisition and Disposal of Assets".
- (III) 2023 Cash Capital Increase by Private Placement.

VI. Election matters

(I) By-election of One Director.

VII. Other proposals

(I) Termination of the Non-competition Restriction Imposed on Directors and its Representatives.

VIII. Extraordinary Motions

IX. Adjournment

Report Items

- I. The 2022 business report is hereby submitted for approval. Description: Please refer to pages 11–13 of this handbook (Attachment 1) for the Company's 2022 Business Report.
- II. The Audit Committee's review report on the 2022 financial statements is hereby submitted for approval. Description: Please refer to page 14 (Attachment 2) of this handbook for the Audit Committee's Audit Report.
- III. Report on the status of private placement of securities is hereby submitted for approval.

 Description: Please refer to page 15-16 (Attachment 3) of this handbook for the status of 2021 private placement of common shares.

Ratification matters

Proposal 1

(Proposed by the Board of Directors)

Cause of action: The 2022 business report and financial statements are submitted for ratification.

Description: (I) Tzu-Yu Lin and Tien Chung-Yu, CPAs of PwC Taiwan, completed the audit of 2022 Parent Company Only Financial Statements and Consolidated Financial Statements and issued an auditors' report.

- (II) Please refer to pages 11–13 (Attachment 1) and 17–36 (Attachment 4) of this handbook for the 2022 Business Report, and Independent Auditors' Report and financial statements.
- (III) Submitted for ratification.

Resolution:

Proposal 2

(Proposed by the Board of Directors)

Cause of action: The 2022 loss compensation plan is submitted for ratification.

Description: (I) The Company's 2022 deficit compensation statement is as follows:



Unit: NT\$

Item	Amount
Opening accumulated deficits	(\$680,715,504)
Less: Net profit of the year	(173,386,135)
Closing accumulated deficits	(\$854,101,639)

Chairman: Yu-Ming Chang Manager: Shuo-Wen Chang Accounting Manager: Yuan-Hsiang Han

(II) Submitted for ratification.

Resolution:

Discussion matters

Proposal 1

(Proposed by the Board of Directors)

Cause of action: The amendments to the Articles of Incorporation are submitted for resolution.

Description: (I)

- In accordance with laws and regulations, and the future development needs of the Company, it is proposed to amend certain provisions of the Articles of Incorporation.
- (II) Please refer to pages 37–40 of this handbook (Attachment 5) for the table of comparison before and after the amendments.
- (III) Submitted for discussion.

Resolution:

Proposal 2

(Proposed by the Board of Directors)

Cause of action:The amendments to the "procedures for the acquisition and disposal of assets" are submitted for resolution.

Description: (I)

- In accordance with laws and regulations, and actual operational needs, it is proposed to amend certain provisions of the "procedures for the acquisition and disposal of assets".
- (II) Please refer to pages 41–48 of this handbook (Attachment 6) for the table of comparison before and after the amendments.
- (III) Submitted for discussion.

Resolution:

Proposal 3

(Proposed by the Board of Directors)

Cause of action: The 2023 cash capital increase by private placement is submitted for resolution. Description:

- (I) For the purpose of developing construction projects (including but not limited to the acquisition of land, investment in construction projects), developing new businesses and the capital needs for future development, in order to strengthen the Company's competitiveness and improve operational efficiency, the Company intends to conduct cash capital increase by private placement to issue common shares in accordance with Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities for a maximum amount of 50,000 thousand shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in three installments within one year from the date of the resolution of the shareholders' meeting, depending on the capital market conditions.
- (II) The private placement conducted in accordance with Article 43-6 of the Securities and Exchange Act is as follows:
 - (1) Basis for and reasonableness of the pricing:
 - A. The reference price for the issuance of common shares in the cash capital increase by private placement is determined based on the higher of the simple average closing price of the common shares of the Company for either the 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 the simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - B. Private placement price: Price per share of the private placement shall not be lower than 80 percent of the reference price, and shall not be lower than the net worth per share shown on the latest financial report audited and certified or reviewed by the CPAs
 - C. The actual pricing date and the actual price of the private placement shall be within the range of the pricing basis and percentages resolved by the shareholders' meeting, and the Board of Directors is authorized to determine the price depending on the circumstances of the future negotiations with specific parties.
 - D. The issuance conditions of the private placement of securities were established as the Securities and Exchange Act imposes a three-year transfer restriction on the private placement of securities and strictly regulates the qualifications of the placee. The price

- of the private placement is determined in accordance with the relevant regulations of the competent authorities and after considering the Company's operating performance, most recent net worth and recent stock price. The method of establishment should be reasonable.
- E. In accordance with the above pricing principles, however, if the actual issue price may be lower than the face value in the future as the price does not exceed the face value or is close to the face value in the centralized trading market, the pricing method should be reasonable in accordance with the relevant prevailing laws and regulations. In such case, the effect on shareholders' equity will be the cumulative loss arising from the difference between the actual private placement price and the face value. If the increase in the Company's cumulative loss results in an impact on shareholders' equity, it will be treated as a capital reduction to cover the loss or as a gain from future operations to cover the loss through the earnings or capital surplus, depending on the Company's future operations and market conditions.
- (2) Selection method of specified personnel:
 - A. The target of the private placement of common shares is limited to specific personnel who meet the requirements of Article 43-6 of the Securities and Exchange Act and the FSC's regulation Tai-Tsai-Zheng-Yi-Zi No. 0910003455 dated June 13, 2002 (91).
 - B. If a placee is an insider or a related party, the tentative list is as follows:

a. List of places and their relationships with the Company:

u. Elst of places and their relationships with the Company.				
Name of placee	Relationship with the Company			
U-Best Innovative Technology Co., Ltd.	Chairman of the Company			
Yu-Ming Chang	Chairman representative of the Company			
Sun Yad Construction Co., Ltd.	Major shareholders of the Company's directors			
Chi Fu Investment Co., Ltd.	Director of the Company			
Yang Chih-Ming	Related party of the Company			
Tsai Mei-Chuan	Related party of the Company			
Myson Century, Inc.	The chairman is the same person as the chairman of			
	the Company			
Jing Hong Ltd.	The chairman is the same person as the chairman of			
Jing Hong Ltd.	the Company			
Zhong Qing Technology Co., Ltd.	The chairman is the same person as the chairman of			
Zhong Qing Technology Co., Ltd.	the Company			
Voyage Investment Ltd.	The chairman is the same person as the chairman of			
voyage investment Ltd.	the Company			

b. If the placee is a representative, the following should be disclosed:

(a) U-Best Innovative Technology Co., Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Sun Yad Construction Co., Ltd.	16.14%	Major shareholders of the Company's
Sun Tad Construction Co., Ltd.	10.14/0	directors
Tseng Chun-Jung	2.10%	None
Chen Wen-Kuang	1.45%	None
Chen Su-Ling	0.99%	None
Sung Chuan-Kung	0.94%	None
Chen Fu-Hsing	0.90%	None
Kuo Che-Liang	0.87%	None
Zhong Qing Technology Co., Ltd.	0.61%	The chairman is the same person as the
Zhong Qing Technology Co., Ltd.	0.01%	chairman of the Company
Tseng Chen Tui-Yu	0.57%	None
Yang Yuan-Wen	0.55%	None

(b) Sun Yad Construction Co., Ltd.

Name of shareholder	Shareholding	Relationship with the Company
Zhong Qing Technology Co., Ltd.	8.44%	The chairman is the same person as the
		chairman of the Company
U-Best Innovative Technology Co., Ltd.	7.70%	Chairman of the Company
Voyage Investment Ltd.	5.38%	The chairman is the same person as the
		chairman of the Company
Ho Jui Investment Co., Ltd.	2.69%	None

Hung Ken-Tang	1.88%	None
Jing Hong Ltd.	1.18%	Chairman of the Company's directors
Chen Ya-Chin	0.95%	None
Chen Chin-Lung	0.91%	None
Feei Cherng Enterprise Co., Ltd.	0.81%	The Company
Chou Pi-Chuan	0.69%	None
(c) Chi Fu Investment Co.,	, Ltd.	
Name of shareholder	Shareholding	Relationship with the Company
Yang Chih-Ming	80%	Related party of the Company
Tsai Mei-Chuan	20%	Related party of the Company
(d) Myson Century, Inc.	•	
Name of shareholder	Shareholding	Relationship with the Company
Sun Yad Construction Co., Ltd.	17.00%	Major shareholders of the Company's
,		directors
Yu-Ming Chang	5.13%	Chairman representative of the Company
Ho Jui Investment Co., Ltd.	5.32%	None
Voyage Investment Ltd.	9.85%	None
Fang Shun-Liang	4.17%	None
China Motor Corporation	3.92%	None
Huang Sen-Yuan	1.70%	None
Chang Chun-Ming	1.49%	None
Metropolis Internet Technology	1.45%	The chairman is the same person as the
		president of the Company
Kao Tung-Min	1.34%	None
(e) Jing Hong Ltd.		
Name of shareholder	Shareholding	Relationship with the Company
Yu-Ming Chang	10%	Chairman representative of the Company
Chang Hui-Feng	40%	Spouse of the chairman representative of
		the Company
Chang Pai-Hung	25%	First degree of kinship of the chairman
		representative of the Company
Chang Jen-Wei	25%	First degree of kinship of the chairman
		representative of the Company
(f) Zhong Qing Technolog	y Co., Ltd.	
Name of shareholder	Shareholding	Relationship with the Company
Chang Yue-Hua	2.72%	None
Chang Hui-Feng	12.31%	Spouse of the chairman representative of
		the Company
Yu-Ming Chang	39.17%	Chairman representative of the Company
Chang Pai-Hung	21.58%	First degree of kinship of the chairman
		representative of the Company
Chang Jen-Wei	24.21%	First degree of kinship of the chairman
		representative of the Company
Metropolis Internet Technology	0.01%	The chairman is the same person as the

president of the Company

(g) Voyage Investment Ltd.

(8)		
Name of shareholder	Shareholding	Relationship with the Company
Chang Hui-Feng	0.48%	Spouse of the chairman representative of
		the Company
Chang Yu-Chen	11.00%	None
Lai Hsiu-Chiung	16.00%	None
Chang Yu-Ching	12.00%	None
Chang Chao Su-Chu	6.28%	First degree of kinship of the chairman
		representative of the Company
Chang Yue-Hua	10.28%	None
Chang Pai-Hung	21.48%	First degree of kinship of the chairman
		representative of the Company
Chang Jen-Wei	21.48%	First degree of kinship of the chairman
		representative of the Company
Yu-Ming Chang	1.00%	Chairman representative of the
		Company

- (3) Selection method of a placee and purposes: The chairman is authorized to give primary consideration to those who can directly or indirectly benefit the Company's future operations and is selected from among specific personnel who meet the requirements of the competent authorities. In addition, the Company considers that the insiders or related parties are specific personnel who have a certain degree of understanding of the Company's operations. If they can participate in the private placement, they should be able to provide the necessary capital for the Company's operations in a short period of time and strengthen the Company's operations and competitiveness.
- (III) Reason for conducting private placement:
 - (1) Reasons for not using public offering: Considering the timeliness, feasibility, and cost of issuance of fund-raising, and considering that the private placement of securities is restricted from free transfer within three years, which can ensure the long-term equity relationship between the Company and the placee, the Company intends to adopt private placement instead of public offering.
 - (2) Amount of the private placement: The maximum amount of private placement is 50,000 thousand common shares to be issued in three installments within one year from the date of the resolution of the shareholders' meeting.

(3) The estimated number of private placements, the use of funds for each private placement, and the expected benefits of each private placement:

Estimated number of private placements	Estimated number of shares	Use of funds for each private placement	Expected benefits
1st private placement	20,000 thousand shares	developing construction	
2nd private placement	20,000 thousand shares	projects (including but not limited to the acquisition of land, investment in construction projects),	Strengthen the Company's competitiveness and improve operational efficiency
3rd private placement	10,000 thousand shares	developing new businesses and the capital needs for future development	

With respect to the estimated number of shares for the 1st. 2nd and 3rd private placement mentioned above, all or part of the previously unissued shares and/or the estimated number of shares to be issued subsequently may be issued at the time of each private placement, provided that the total number of shares to be issued does not exceed 50,000 thousand shares.

(IV) The rights and obligations of the private placement of new shares: In principle, the rights and obligations are the same as those of the Company's issued common shares, except that the common shares of the private placement shall not be freely transferable within three years from the date of delivery, except as provided in Article 43-8 of the Securities and Exchange Act. After the expiration of three years from the date of delivery of the private placement of common shares, the Company shall apply for additional public offering procedures and over-the-counter trading in accordance with

the relevant laws and regulations.

- (V) The main contents of the private placement plan, including the actual issuance price, the number of shares, the issuance conditions, the planned projects, the amount of proceeds, the estimated progress, the expected benefits, and all other matters related to the issuance plan in addition to the percentage of private placement price, are proposed to be approved by the shareholders' meeting. The Board of Directors is authorized to adjust, formulate and handle the plan in accordance with the market conditions, as well as handle any future amendments due to the instructions of the competent authorities or changes based on operational evaluation or objective circumstances.
- (VI) It is proposed that the shareholders' meeting approve the private placement and authorize the chairman or his designee to execute all deeds or documents on behalf of the Company in connection with this private placement of common shares and to do all things necessary for the issuance of this private placement of common shares.

(VII) Whether the independent directors have any objections or qualified opinions:

(VIII)Submitted for discussion.

Resolution:

Election matters

(Proposed by the Board of Directors)

Cause of action: By-election of one director is submitted for election.

Description: (I) In order to comply with the Articles of Incorporation, the Company intends to elect

- one director at the shareholders' meeting of this year for the period from May 26, 2023 to August 17, 2024. A candidate nomination system is adopted. The shareholders' meeting shall elect the candidate from among the candidates for the director.
- (II) The candidates for the director were reviewed and approved by the Board of Directors on February 24, 2023. Please refer to page 49 (Attachment 7) of this handbook for the list of candidates.
- (III) Submitted for election.

Election results:

Other proposals

(Proposed by the Board of Directors)

Cause of action: The termination of the non-competition restriction imposed on directors and its representatives is submitted for resolution.

Description: (I)

- According to Article 209 of the Company Act, "directors who act for themselves or others within the company's business scope shall explain the important content of their actions to and obtain permission from the shareholders meeting." In view of the needs of the Company's business, plan to explain to the shareholders' meeting the main contents of the actions of the directors as themselves or others that are within the Company's business scope, and propose to the shareholders' meeting for a resolution to lift the non-competition restrictions.
- (II) Please refer to page 50 (Attachment 8) of this handbook for the details of the termination of the non-competition restriction.
- (III) Submitted for discussion.

Resolution:

Extraordinary Motions

Adjournment



The Company's consolidated revenue in 2022 was NT\$8,922 thousand, which decreased by 87.59% compared to the NT\$71,875 thousand in 2021 mainly due to decline in trading of bulk raw materials. In 2022, the gross margin was 0.24%, and the net operating loss was NT\$40,264 thousand. Due to various factors including valuation loss from financial assets, non-operating loss came in at NT\$133,129 thousand. Therefore, the Company's pre-tax loss was NT\$173,393 thousand, with net loss of NT\$173,396 thousand, which decrease by NT\$215,697 thousand compared to the net profit of NT\$42,301 thousand in the same period in 2021. The Company accumulated loss of NT\$854,102 thousand, which exceeded 50% of paid-in capital. The financial results are reported to the shareholders in accordance with relevant laws.

The Company's management team has timely adjusted its operations strategy according to the current status. In the future, the Company will not only focus on the existing bulk raw material trading business, but also dedicate efforts in adding new resources, expanding new businesses, and timely adjusting labor force. In addition, the Company has also continued to reduce various costs to enhance its operational efficiency and effectiveness. We look forward to continual support and confidence from all shareholders. 2022 financial results and the Company's outlook for 2023 are as follows:

I. 2021 Operating Performance (Consolidated Financial Statements)

(I) Comparative Financial Statements

Unit: NT\$ Thousand

Year Item	December 31, 2022	December 31, 2021	Amount of increase (decrease)	Variance (%)
Current Assets	1,592,735	913,201	679,534	74.41
Financial assets at fair value through other comprehensive income - non-current	106,641	189,507	(82,866)	(43.73)
Property, plant and equipment	82,599	86,107	(3,508)	(4.07)
Right-of-use assets	769	1,795	(1,026)	(57.16)
Intangible assets	17,526	-	17,526	-
Other assets	2,549	2,352	197	8.38
Total assets	1,802,819	1,192,962	609,857	51.12
Current Liabilities	790,365	14,165	776,200	5,479.70
Non-Current Liabilities	2,924	1,081	1,843	170.49
Total liabilities	793,289	15,246	778,043	5,103.26
Total equity attributable to owners of the parent	1,004,330	1,177,716	(173,386)	(14.72)
Share Capital	1,187,708	1,187,708	-	1
Capital surplus	605,796	605,796	-	-
Retained Earnings	(787,782)	(614,396)	(173,386)	28.22
Other equity	(1,392)	(1,392)	0	-
Non-controlling equity	5,200	-	5,200	
Total Equity	1,009,530	1,177,716	(168,186)	(14.28)

(II) Comparative Operating Results

2022 net operating revenue came in at NT\$8,922 thousand, which dropped by NT\$62,953 thousand (down 87.59%) compared to the NT\$71,875 thousand in 2021. 2022 operating profits came in at NT\$21 thousand, which dropped by NT\$3,573 thousand (down 99.42%) compared to the NT\$3,594 thousand in 2021. 2022 gross profit margin was 0.24%, which dropped by 95.20% compared with the 5.00% in 2021. The details are as follows:

Unit: NT\$ Thousand

Year	2022	2021	Amount of increase (decrease)	Variance (%)
Operating revenue, net	8,922	71,875	(62,953)	(87.59)
Operating Costs	8,901	68,281	(59,380)	(86.96)
Operating profits	21	3,594	(3,573)	(99.42)
Operating expenses	40,285	31,424	8,861	28.20
Operating loss, net	(40,264)	(27,830)	(12,434)	44.68
Non-operating income and expenses	(133,129)	74,569	(207,698)	(278.53)
Profit (loss) before income tax	(173,393)	46,739	(220,132)	(470.98)
Income tax revenue (expense)	(3)	(4,438)	4,435	(99.93)
Profit (loss) for the current period	(173,396)	42,301	(215,697)	(509.91)

(III) Financial and profitability analysis

1. Financial analysis

Financial structure	Liability to asset ratio (%)	44.00	1.28	3,337.50
Tilialiciai structure	Long-term funds to PPE ratio (%)	1,225.75	1,368.99	(10.46)
	Current ratio (%)	201.52	6,446.88	(96.87)
Solvency	Quick ratio (%)	121.21	5,356.53	(97.74)
	Interest coverage ratio	(31.04)	3,339.50	(100.93)

2. Profitability analysis

	ROA (%)	(11.29)	3.94	(386.55)
Duofitability	ROE (%)	(15.86)	3.97	(499.50)
Profitability	Income (loss) before tax to paid-in capital (%)	(14.60)	3.94	(470.56)
-	Profit margin (%)	(1,943.47)	58.85	(3,402.41)
	Basic earnings (loss) per share (after tax) (NT\$)	(1.46)	0.42	(447.62)

3. Research and development (R&D):

Given that the Company does not currently have a R&D department, and is mainly engaged in the purchase and sale of commodities, R&D investment is not applicable.

II. 2023 Business Plan

(I) Business policy

In 2023, apart from the Company's existing bulk raw material trading business, it will also timely adjust its business strategies and plans as well as actively invest in land and property development with the hope to expand to other markets, in order to improve the flexibility and efficiency of business operations, and with effective control on various expenditures, with the aim to maximize resource utilization.

(II) Important production and marketing policies

- 1. Continue to develop new businesses.
- 2. Improvement of quality control to protect customer rights and interests.
- 3. Integration of commonly used internal resources to strengthen operational efficiency.

(III) Future development strategies

In addition to actively strengthening overall competitiveness, the Company has also been expanding new businesses, and dedicated efforts in reducing operating costs, with the hope to share its business achievements with shareholders.

(IV) Effects of external competition, legal environment, and overall business environment

The Company's daily operations are based on relevant domestic and foreign laws and regulations, keeping in line with domestic and foreign policy trends and changes in laws and regulations. Relevant information is collected to provide reference for the management's decision-making and adjustment of operational strategies.

The Company has always been flexible to changes in the overall economy by timely reviewing strategic policies, and pursues effective implementation. Although it continues to face environmental challenges, it has sustained robust performance in response to various challenges and changes, with the hope to become profitable again, achieve employee care, fulfill social responsibilities, and provide shareholder returns.

We hope that all shareholders and VIPs will continue to express opinions to the Company, and provide support to the Company to achieve growth and improve business performance.

Chairman:



Manager:



Chief Accounting Officer:



Feei Cherng Enterprise Co., Ltd.

Audit Committee's Review Report

The Company's 2022 business report, financial statements (including consolidated financial statements) and loss compensation proposals, of which the financial statements (including consolidated financial statements) have been audited by accountants Tien Chung-Yu and Tzu-Yu Lin of PwC Taiwan entrusted by the board of directors. After review, the audit committee found that there were no discrepancies in the above-mentioned accounting books and statements, and prepared a report in accordance with Article 14-4 of the Securities and Exchange Act, and Article 29 of the Company Act.

To:

Feei Cherng Enterprise Co., Ltd. 2023 Shareholders' Meeting

Convener of the Audit Committee: Hu Ch 高細

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February 24, 2023

Status of Private Placement of Common Shares

Item	1st and 2nd private p Issue Date: December									
Type of securities by private placement	Common shares									
Date and amount of private placement approved by the shareholders meeting	Limit on the private shares for the 2nd pr	ivate placement	shares for the 1st J	private placement and 10,						
Basis for and reasonableness of the pricing	the private placement (1) Simple arited days prior to back the cap (2) Simple arited prior to the state that capital reprices shall be common shall be conditions a conditions a Company's according to Securities.	esolution of the shareholders' meeting held on August 18, 2021, the reference price of NT\$11.45 for the private placement was calculated at the higher of the following two prices: (1) Simple arithmetic average of the common shares closing prices on either 1, 3 or 5 business days prior to the pricing date, minus the free allotment ex-rights and dividend, and adding back the capital reduction reverse ex-rights. (2) Simple arithmetic average of the common shares closing prices on the 30 business days prior to the pricing date, minus the free allotment ex-rights and dividend, and adding back the capital reduction reverse ex-rights. The private placement common shares subscription price shall be no lower than 80% of the reference price. Therefore, the private placement common shares subscription price is set at NT\$9.17 per share, and shall be no lower than the face value and net value per share of NT\$9.17 in the most recent financial report audited and attested by a CPA. The actual private placement common shares issue price, and pricing conditions are in compliance with relevant laws and regulations, with reference to the Company's business performance, the most recent net value and share price, and are handled according to the Directions for Public Companies Conducting Private Placements of Securities. Therefore, the pricing should be reasonable.								
Selection of a placee for private placement	The Company shall select specific personnel as placees for this private placement by resolution of the shareholders meeting in accordance with Article 43-6 of the Securities and Exchange Act. The Board of Directors is fully authorized to handle this matter.									
Reason for conducting private placement	Based on the status of needs to attract strate traded within three y Company and strates	of the capital market, ti egic investors and the rears, private placement	meliness and feasib egulation that priva can ensure the lor ore, authorizing the	polity of fundraising, and to ately placed securities can ag-term cooperation betwee Board of Directors to co- sary.	not be freely een the					
Completion date	December 17, 2021									
	Targets of the private placement	Qualifications	Subscription (shares)	Relationship with the Company	Participation in the operations of the Company					
Information on places	Yu-Ming Chang	Compliance with Article 43-6 of the Securities and Exchange Act	7,000,000	Chairman of the Company	None					
Information on placee	Metropolis Internet Technology	Compliance with Article 43-6 of the Securities and Exchange Act	3,000,000	Specific personnel	None					
	Sun Yad Construction Co., Ltd.	Compliance with Article 43-6 of the Securities and Exchange Act	10,000,000	The chairman is the same person as the chairman of the Company	None					
Actual subscription price	NT\$9.17 per share									
The difference between the actual subscription	The actual subscript	ion price is no lower th	an 80% of the refer	rence price of NT\$11.45 p	oer share.					

price and the reference	
price	
The effect of private	This private placement will help strengthen the Company's financial structure, enhance operational
placement to the	efficiency and overall competitiveness, indicating that private placements should have a positive
shareholders' equity	impact on the Company's equity.
Use of proceeds from	On December 3, 2021, the Company issued 20,000,000 shares by resolution of the board of directors,
the private placement	which will be subscribed to by a specific person or persons. The allotment of shares is fully paid up
and the implementation	on December 17, 2021. The private placement totaled NT\$183,400,000. As of December 31, 2023,
status of the plan	the private placement funds have been utilized according to the plan.
Realization of the	The land for the construction of 8 lots, including lot 1164 in Beihua Section of Tainan City, was
benefits of private	purchased and the transfer was completed in July 2022.
placement	purchased and the transfer was completed in July 2022.

Auditor's Report

(112)-Tsai-Shen-Bao-Zi No. 22004148

To: Feei Cherng Enterprise Co., Ltd.

Opinions

We have audited the accompanying standalone balance sheet of Feei Cherng Enterprise Co., Ltd. and its subsidiaries (hereinafter referred to as "the Group") as of December 31, 2022 and 2021, and Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and the notes to the consolidated financial statements in January 1 to December 31, 2022 and 2021 (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, Feei Cherng Group's consolidated financial position as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2022 and 2021, and are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and announced by the FSC.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's 2022 consolidated financial statements are as follows:

Inventory - Construction Land Evaluation

Explanation

For the accounting policies, estimates and assumptions associated to inventory evaluation, please refer to Note IV(X) Inventories and Note V(II) Major Accounting Estimates and Assumptions in the Consolidated Financial Statements for details. For the accounting items, please refer to Note VI(IV) Definition of Inventories. As of December 31, 2022, the Company's inventories totaled NT\$634,398,000.

The Group is mainly engaged in raising livestock and poultry, trading of bulk raw materials, and development, rental and sale of housing and buildings. Among them, the construction industry has a high capital investment and long payback period, while the industry is significantly affected by politics, the economy, local aspects and property tax reforms. Given significant amount of Inventory - Construction Land and uncertainties in the estimation of net realizable value, it is also an audit area that requires judgement. Therefore, the Inventory - Construction Land Evaluation is one of this year's key audit items.

Corresponding audit procedures

The CPA's main response procedures for specific aspects described in the aforementioned key audit matters are summarized as follows:

- 1. Understand the nature of business and industry, and the reasonableness of policies and procedures adopted in estimating the allowance for impairment losses on inventory.
- 2. Obtain data to estimate the net realizable value for construction land evaluation, confirm the data source, and test the data to ensure proper recognition of depreciation loss.

Other matters - standalone financial statements

Feei Cherng Enterprise Co., Ltd. has prepared the parent company only financial statements of the 2022 and 2021 years of the Republic of China, and the audit report issued by our accountant with unqualified opinions is on file for reference.

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 that are properly expressed 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), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and announced by the FSC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 supervisors, are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

the basis of the consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

CPA

Tzu-Yu Lin

Tien Chung-Yu

林姿岭 田中玉

Former Securities Regulatory Commission, Ministry of Finance

Approval No.: (82)-Tai-Tsai-Zheng-(6) No. 44927

Financial Supervisory Commission

Approval No.: Jing-Guan-Cheng-Shen No. 1070323061

February 24, 2023



December 31, 2022 December 31, 2021

	Assets	Note		Amount	%	Amount	%
	Current Assets						
1100	Cash and Cash Equivalents	VI(I)	\$	248,046	14	\$ 162,373	14
1110	Financial assets at fair value through other	VI(II) and VIII	Ψ	,	13		23
1136	comprehensive income - current Financial assets at amortized cost - current	VI(I) and VIII		234,882 472,000	26	271,869 322,000	27
1180	Accounts Receivables (Net) - Related Party	VI(III) and VII		2,727	20	2,087	21
1200	Other Receivables			331	-	423	-
130X	Inventory	V(II), VI(IV) and			-		-
1410	Prepayments	VIII		634,398	35	153,998	13
11XX	Total Current Assets			351		451	
	Total Non-Current Assets			1,592,735	88	913,201	77
1510	Financial assets at fair value through other comprehensive income - non-current	VI(II)		106,641	6	189,507	16
1600	Property, plant and equipment	VI(VI) and VII		82,599	5	86,107	7
1755	Right-of-use assets	VI(VII)		769	-	1,795	-
1780	Intangible assets	VI(IX) and VI(XXV)		17,526	1	-	_
1840	Deferred tax assets	VI(XXIII)		762	_	765	_
1920	Refundable Deposits			1,787	_	1,587	_
15XX	Total non-current assets			210,084	12	279,761	23
1XXX	Total Assets		\$	1,802,819	100	\$ 1,192,962	100

(Continued)



December 31, 2022 December 31, 2021

	Liabilities and Equity	Note	TO SO DE LA CONTRACTION DE LA	Amount	%	Amount	%
-	Current Liabilities	_					
2100	Short-term borrowings	VI(X) and VIII	\$	751 227	42	\$ -	
2110	Short-term notes payable	VI(XI) and VIII	э	751,227 25,000	1	5	-
2150	Notes payables			23,000	1	446	-
2170	Accounts payables			376	-	357	-
2200	Other Payables			12,552	1	7,632	1
2220	Other Payables - Related Party	VII		12,332	1	4,281	1
2280	Lease liabilities - current			781	-	1,020	-
2310	Advance Receipts				-	429	-
21XX	Total Current Liabilities		-	700.265			
	Non-Current Liabilities			790,365	44	14,165	1
2570	Deferred tax liabilities	VI(XXIII) (XXV)		2,600	_	_	
2580	Lease liabilities - non-current	(MAY)		2,000		781	_
2645	Deposits received			324	-	300	-
25XX	Total Non-Current Liabilities			2,924		1,081	
2XXX	Total Liabilities		-	793,289	44	15,246	1
	Equity attributed to owners of the parent			793,289	44	13,240	1
	Share Capital						
3110	Ordinary Share Capital	VI(XIII)		1 197 709	66	1 197 709	99
3200	Capital surplus	VI(XIII),(XIV)		1,187,708 605,796	33	1,187,708 605,796	51
	Retained Earnings	VI(XV)		603,796	33	003,790	31
3310	Legal reserve			66,320	4	66,320	6
3350	Accumulated deficits		,	854,102)			
3400	Other equity		(1,392)	(4/)	(1,392)	(31)
31XX	Total equity attributable to owners of the			· · · · · · · · · · · · · · · · · · ·			
36XX	parent Non-controlling equity			1,004,330	56	1,177,716	99
3XXX	Total Equity			5,200		1 177 716	
3X2X	Total Liabilities and Equity			1,009,530	56	1,177,716	99
			\$	1,802,819	100	\$ 1,192,962	100

Chairman: Yu-Ming Chang Managerial Officer: Shuo-Wen Chang Accounting Manager: Yuan-Hsiang Han



Units: NT\$thousand (Except for earnings (loss) per share)

		2022			22			2021		
	Item	Note		Amount		%	Amount		%	
4000	Operating Revenue	VI(XVI) and VII	\$	8,922		100	\$	71,875	100	
5000	Operating Costs	VI(IV)(XXI)								
5000		(XXII) and VII	(8,901)	(100)	(68,281)	(9:	
5900	Operating profits			21				3,594		
	Operating expenses	VI(IX)(XII) (XXI) (XXII) and VII								
6100	Marketing expenses		(443)	(5)		-		
6200	Administrative expenses		(39,842)	(446)	(31,424)	(4	
6900	Loss from operations		(40,264)	(451)	(27,830)	(39	
	Non-operating income and expenses		\		`					
7100	Interest income	VI(XVII)		4,296		48		780		
7010	Other revenue	VI(II)(VIII) XVIII and VII		22,049		247		5,034	,	
7020	Other gains and losses	VI(II)(V) (XIX), VII and XII	(154,063)	(1727)		68,769	90	
7050	Financial costs	VI(VIII)(XX)	((60)	(14)	90	
7000	Total non-operating income and	Y 2 (Y 222) (1 22 2)	<u> </u>	5,411)	_					
7900	expenses Profit (loss) before income tax		(133,129)	<u>_</u>	1492)	-	74,569	104	
7950	Income tax expense	VI(XXIII)	(173,393)	(1943)	,	46,739	6.	
8200	Profit (loss) for the current period	VI(ZZZIII)	(3)	_	- 10.10	(4,438)	(
8500			(<u>\$</u>	173,396)	(1943)	\$	42,301	59	
8500	Other comprehensive income/loss for the year		(\$	173,396)	(1943)	\$	42,301	59	
	Current period net profit (loss) attributable to:		(#	170,000	`=	17.0)	4	12,001		
8610	Parent company		(\$	173,386)	(1943)	\$	42,301	59	
8620	Non-controlling equity		(10)	,	_		-		
			(\$	173,396)	(1943)	\$	42,301	59	
	Current period other comprehensive income/loss attributable to:		\ <u>.</u>	,,	`			, ,		
8710	Parent company		(\$	173,386)	(1943)	\$	42,301	59	
8720	Non-controlling equity		(10)						
			(\$	173,396)	(1943)	\$	42,301	59	
	Earnings (loss) per share									
9750	Basic	VI(XXIV)	(\$			1.46)	\$		0.42	

Accompanying notes to Consolidated Financial Statements as reference.

Chairman: Yu-Ming Chang



Managerial Officer: Shuc



Accounting Manager: Yuan-I



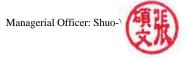
of Changes in Equity ber 31, 2022 and 2021

Equity attributed to owners of the parent

			E C	attributed to ow	ners of the parent				
		-	And the Control of th		d Earnings	Other equity			
	Note	Ordinary Share Capital	Capital surplus	Legal reserve	Accumulated deficits	Remeasurement on defined benefit plan	Total amount	Non-controlling equity	Total Equity
2021									
Balance as of January 1, 2021		\$ 987,708	\$ 622,396	\$ 66,320	(\$ 723,017) (\$ 1,392) \$	952,015	\$ -	\$ 952,015
Net profit in 2021		<u>-</u>		<u>-</u>	42,301	_	42,301		42,301
Total comprehensive income/loss in 2021				_	42,301	<u> </u>	42,301	<u> </u>	42,301
Cash capital increase	VI(XIII),(XIV)	200,000	(16,600_)				183,400		183,400
Balance as of December 31, 2021		\$ 1,187,708	\$ 605,796	\$ 66,320	(\$ 680,716	(\$ 1,392) \$	1,177,716	\$ -	\$ 1,177,716
<u>2022</u>									
Balance as of January 1, 2022		\$ 1,187,708	\$ 605,796	\$ 66,320	(\$ 680,716) (\$ 1,392) \$	1,177,716	\$ -	\$ 1,177,716
Net loss in 2022		-	-		(173,386)	- (_	173,386)	((173,396)
Total comprehensive income/loss in 2022					(173,386_)	· (_	173,386)	((173,396_)
Business combination	VI(XXV)	-	-	_		-	-	5,210	5,210
Balance as of December 31, 2022		\$ 1 187 708	\$ 605.796	\$ 66 320	(\$ 854 102) (\$ 1392) \$	1 004 330	\$ 5.200	\$ 1,009,530

Chairman: Yu-Ming Chang





854,102) (\$

1,392) \$

Accounting Manager: Yuan-l

5,200

1,009,530

Units: NT\$thousand



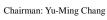
Units: NT\$thousand

	Note		2022		2021
Cash Flows from Operating Activities					
Profit (loss) before income tax for the current period		(\$	173,393)	\$	46.739
Adjustments			, , , , , ,		-,
Profit/loss					
Net (gains) losses on financial assets at fair value through other comprehensive income	VI(II),(XIX)		154,063	(72,196)
Gains from changes in fair value (less costs to sell) of	VI(V),(XIX)				
disposal of biological assets in the current period	MATATI		-	(735)
Depreciation expense	VI(VI)(VII) (XXI)		5.674		5,835
Gains from disposal of property, plant and equipment	VI(XIX) and VII		3,074	(364)
Amortization expenses	VI(IX)(XXI)		25	(-
Interest income	VI(XVII)	(4,296)	(780)
Dividend income	VI(XVIII)	(13,760)	(3,232)
Interest expenses	VI(XX)	`	5,411		14
Changes in assets/ liabilities relative to operating activities			3,111		11
Changes in assets relative to operating activities					
Financial assets at fair value through other comprehensive income - current		(34,513)	(189,768)
Accounts Receivables - Related Party		(640)		2,087)
Other Receivables		(92	(736
Inventory		(480,400)	(153,997)
Biological Assets - Current		((1,220
Prepayments			101		72
Changes in liabilities relative to operating activities			101		12
Notes payables		(446)	(31)
Accounts payables		(19	(91)
Accounts Payables - Related Party			-	(277)
Other Payables			4,758	(5,893
Other Payables - Related Party		(4,281)		4,281
Cash generated from operating activities		(541,586)		358,768)
Interest received		(4,296	(975
Dividends received			13,760		3,232
Income tax returned			13,700		8
Interest paid		(5,411)	(14)
Cash Flows from Operating Activities		(528,941)	(354,567)
Cash Flows from Operating Activities		\	320,741)	\	337,307



	Note		2022		2021
Cash Flows from Investment Activities					
Decrease in other receivables		\$	32,710	\$	-
Increase in financial assets at amortized cost - current		(150,000)	(282,128)
Decrease in other financial assets - current					8,704
Acquisition of financial assets at fair value through other					
comprehensive income - non-current			-	(9,595)
Disposal of financial assets at fair value through other comprehensive income - non-current			303		12,600
Purchase of property, plant and equipment	VI(VI)	(90)		12,000
Proceeds from disposal of property, plant and equipment	7	(-		22,100
Acquisition of intangible assets	VI(IX)	(122)		-
Increase in refundable deposits		(200)	(1,519)
Net cash payments for business combination	VI(XXV)	(43,218)	`	
Cash Flows from Investment Activities		(160,617)	(249,838)
Cash Flows from Financing Activities					
Increase in short-term borrowings	VI(XXVII)		751,227		-
Increase in short-term notes payable	VI(XXVII)		25,000		-
Repayment of the principal portion of lease liabilities	VI(XXVII)	(1,020)	(251)
Increase in deposits received	VI(XXVII)	·	24	-	
Cash capital increase	VI(XIII)		-		183,400
Cash Generated from Financing Activities			775,231		183,149
Increase (decrease) in Cash and Cash Equivalents			85,673	(421,256)
Cash and Cash Equivalents as of January 1	VI(I)		162,373		583,629
Cash and Cash Equivalents as of December 31	VI(I)	\$	248,046	\$	162,373

Accompanying notes to Consolidated Financial Statements as reference.





Managerial Officer: Shuo-W

Accounting Manager: Yuan-H



Units: NT\$thousand

To: Feei Cherng Enterprise Co., Ltd.

Opinions

We have audited the accompanying standalone balance sheet of Feei Cherng Enterprise Co., Ltd. as of December 31, 2022 and 2021, and Standalone Statement of Comprehensive Income, Standalone Statement of Changes in Equity, Standalone Cash Flow Statement, and the notes to the parent company only financial statements in January 1 to December 31, 2022 and 2021 (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers present fairly, in all material respects, the standalone financial position of Feei Cherng Enterprise Co., Ltd. as of December 31, 2022 and 2021, and its standalone financial performance and its standalone cash flows for January 1 to December 31, 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Feei Cherng Enterprise Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Feei Cherng Enterprise Co., Ltd. for the year ended December 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements of Feei Cherng Enterprise Co., Ltd. for the year ended December 31, 2022 are as follows:

Inventory - Construction Land Evaluation

Explanation

For the accounting policies, estimates and assumptions associated to inventory evaluation, please refer to Note IV(IX) Inventories and Note V(II) Explanation of major accounting estimates and assumptions. For the accounting items, please refer to Note VI(IV) Definition of Inventories. As of December 31, 2022, the Company's inventories totaled NT\$634,398,000.

Feei Cherng Enterprise Co., Ltd. is mainly engaged in raising livestock and poultry, trading of bulk raw materials, and development, rental and sale of housing and buildings. Among them, the construction industry has a high capital investment and long payback period, while the industry is significantly affected by politics, the economy, local aspects and property tax reforms. Given significant amount of Inventory - Construction Land and uncertainties in the estimation of net realizable value, it is also an audit area that requires judgement. Therefore, the Inventory - Construction Land Evaluation is one of this year's key audit items.

Corresponding audit procedures

The CPA's main response procedures for specific aspects described in the aforementioned key audit matters are summarized as follows:

- 1. Understand the nature of business and industry, and the reasonableness of policies and procedures adopted in estimating the allowance for impairment losses on inventory.
- 2. Obtain data to estimate the net realizable value for construction land evaluation, confirm the data source, and test the data to ensure proper recognition of depreciation loss.

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

Only Financial Statements

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

In preparing the parent company only financial statements, management is responsible for assessing the ability of Feei Cherng Enterprise Co., Ltd. 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 Feei Cherng Enterprise Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the financial reporting process of Feei Cherng Enterprise Co., Ltd.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of Feei Cherng Enterprise Co., Ltd. for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Tzu-Yu Lin

CPA

Tien Chung-Yu Former Securities Regulatory Commission, Ministry of Finance Approval No.: (82)-Tai-Tsai-Zheng-(6) No. 44927

Financial Supervisory Commission

Approval No.: Jing-Guan-Cheng-Shen No. 1070323061

February 24, 2023



cember 31, 2022

Units: NT\$thousand December 31, 2021

	Assets	Note	<u></u>	Amount			Amount	%
	Current Assets					-	_	
1100	Cash and Cash Equivalents	VI(I)	\$	215,335	12	\$	162,373	14
1110 1136	Financial assets at fair value through other comprehensive income - current Financial assets at amortized cost - current	VI(II) and VIII VI(I) and VIII	Ψ	234,882 472,000	13 26	Ψ	271,869 322,000	23
1180	Accounts Receivables (Net) - Related Party	VI(III) and VII		2,727	_		2,087	_
1200	Other Receivables			331			423	_
130X 1410	Inventory Prepayments	V(II), VI(IV) and VIII		634,398	36		153,998	13
11XX	Total Current Assets			350			451	
ПАХ	Total Non-Current Assets			1,560,023	87		913,201	<u>77</u>
1510 1550	Financial assets at fair value through other comprehensive income - non-current Investments using the equity method	VI(II) VI(VI)		106,641 43,168	6		189,507	16
1600	Property, plant and equipment	VI(VII) and VII		43,108 81,549	5		86,107	7
1755	Right-of-use assets	VI(VIII)		769	-		1,795	-
1780	Intangible assets			97	_		, -	_
1840	Deferred tax assets	VI(XXIII)		762	_		765	_
1920	Refundable Deposits			1,787	_		1,587	_
15XX	Total non-current assets		_	234,773	13		279,761	23
1XXX	Total Assets		\$	1,794,796	100	\$	1,192,962	100

(Continued)



mber 31, 2022

Units: NT\$thousand December 31, 2021

	Liabilities and Equity	Note		Amount		Amount		%	6
-	Current Liabilities								_
2100	Short-term borrowings	VI(X) and VIII	\$	751,227	42	\$			_
2110	Short-term notes payable	VI(XI) and VIII	Ψ	25,000	1	Ψ	_		
2150	Notes payables			23,000			446		_
2170	Accounts payables			376	_		357		
2200	Other Payables			12,329	1		7,632		1
2220	Other Payables - Related Party	VII		12,329	1		4,281		1
2280	Lease liabilities - current			781	-		1,020		-
2310	Advance Receipts				-		,		-
21XX	Total Current Liabilities			429			429		
	Non-Current Liabilities			790,142	44	-	14,165		1
2580	Lease liabilities - non-current						781		
2645	Deposits received			324	-		300		-
25XX	Total Non-Current Liabilities		-			-		_	
2XXX	Total Liabilities			324		-	1,081		
	Equity			790,466	44	·!	15,246		1
	Share Capital								
3110	Ordinary Share Capital	VI(XIII)		1,187,708	66	1 16	37,708		99
3200	Capital surplus	VI(XIII),(XIV)		, ,		ŕ	,		
	Retained Earnings	VI(XV)		605,796	34	60)5,796		51
3310	Legal reserve			66,320	4	,	56,320		6
3350	Accumulated deficits		(854,102) (30,716)	(57)
3400	Other equity		(1,392)	40)	(1,392)	(31)
3XXX	Total Equity								
3X2X	Total Liabilities and Equity			1,004,330	56		77,716		99
			\$	1,794,796	100	\$ 1,19	92,962		100

Chairman: Yu-Ming Chang Managerial Officer: Shuo-Wen Chang Accounting Manager: Yuan-Hsiang Han



Units: NT\$thousand (Except for loss per share in NT\$) 2021

Item	Note		Amount		%		Amount		%
Operating Revenue	VI(XVI) and VII	<u>\$</u>	8,922		100	\$	71,875		100
Operating Costs	VI(IV)(XXI) (XXII) and VII	((99)	(68.281)	(95)
Operating profits	(71711) una VII			_	1	_		`_	5
Operating expenses	VI(XII) (XXI) (XXII) and VII						3,374	_	
Marketing expenses		(443) ((5)		-		-
Administrative expenses		(39,781) ((446)	(31,424)	(44)
Loss from operations		(40,203)	$\overline{}$	450)	(27,830)	(39)
Non-operating income and expenses									
Interest income	VI(XVII)		4,296		48		780		1
Other gains and losses	VI(II)(IX) XVIII and VII VI(II)(V)		22,048		247		5,034		7
	XII	(154.063) ((1727)		68.769		96
Financial costs	VI(VIII)(XX)	(, ,		,	(*		_
Share of loss of subsidiaries, affiliated	VI(VI)	,	-, ,	`	- /	`	,		
companies and joint ventures Total non-operating income and		(50)	_				_	
expenses		(133,180)	(1493)		74,569	_	104
Profit (loss) before income tax		(173,383) ((1943)		46,739		65
Income tax expense	VI(XXIII)	(3)			(4,438)	(_	6)
Profit (loss) for the current period		(\$	173,386)	(1943)	\$	42,301		59
Other comprehensive income/loss for the year Earnings (loss) per share		(\$	173,386) ((1943)	\$	42,301	_	59
Basic	VI(XXIV)	(\$			1.46)	\$			0.42
	Operating Revenue Operating Costs Operating profits Operating expenses Marketing expenses Administrative expenses Loss from operations Non-operating income and expenses Interest income Other revenue Other gains and losses Financial costs Share of loss of subsidiaries, affiliated companies and joint ventures Total non-operating income and expenses Profit (loss) before income tax Income tax expense Profit (loss) for the current period Other comprehensive income/loss for the year Earnings (loss) per share	Operating Revenue Operating Costs VI(IV)(XXI) (XXII) and VII Operating profits Operating expenses Operating expenses VI(XII) (XXI) (XXII) and VII Marketing expenses Administrative expenses Loss from operations Non-operating income and expenses Interest income VI(XVII) Other revenue VI(II)(IX) XVIII and VII Other gains and losses VI(II)(V) (XIX), VII and XII Financial costs Share of loss of subsidiaries, affiliated companies and joint ventures Total non-operating income and expenses Profit (loss) before income tax Income tax expense Profit (loss) for the current period Other comprehensive income/loss for the year Earnings (loss) per share	Operating Revenue Operating Costs VI(IV)(XXI) (XXII) and VII Operating profits Operating expenses Operating expenses VI(XII) (XXI) (XXII) and VII Marketing expenses Administrative expenses Loss from operations Non-operating income and expenses Interest income VI(XVII) Other revenue VI(II)(IX) XVIII and VII Other gains and losses VI(XVII) Other gains and losses VI(II)(V) (XIX), VII and XII Financial costs Share of loss of subsidiaries, affiliated companies and joint ventures Total non-operating income and expenses Profit (loss) before income tax Income tax expense VI(XXIII) Profit (loss) for the current period Other comprehensive income/loss for the year Earnings (loss) per share VI(XXII) (\$ VI(XXIII) (\$ VI(XIII) (\$ VI(XXIII)	Operating Revenue VI(XVI) and VII \$ 8,922 Operating Costs VI(IV)(XXI) (XXII) and VII 8,901) Operating profits 21 Operating expenses VI(XII) (XXI) (XXII) and VII Marketing expenses (443) Administrative expenses (39,781) Loss from operations (44,203) Non-operating income and expenses (40,203) Interest income VI(XVII) 4,296 Other revenue VI(II)(IX) XVIII and VII 22,048 Other gains and losses VI(III)(V) (XIX), VII and XII (154,063) Financial costs VI(VIII)(XX) 5,411) Share of loss of subsidiaries, affiliated companies and joint ventures (50) Total non-operating income and expenses (133,180) Profit (loss) before income tax (173,383) Income tax expense VI(XXIII) 3 Profit (loss) for the current period (\$ 173,386) Other comprehensive income/loss for the year (\$ 173,386)	Operating Revenue VI(XVI) and VII \$ 8,922 Operating Costs VI(IV)(XXI) (XXII) and VII 8,901) (Operating profits 21 Operating expenses VI(XII) (XXI) (XXII) and VII Marketing expenses (443) (Administrative expenses (39,781) (Loss from operations (40,203) (Non-operating income and expenses (40,203) (Interest income VI(XVII) 4,296 Other revenue VI(II)(IX) XVIII and VII 22,048 Other gains and losses VI(XIX), VII and XII (154,063) (Financial costs VI(VIII)(XX) 5,411) (Share of loss of subsidiaries, affiliated companies and joint ventures VI(VI) 50) Total non-operating income and expenses (133,180) (173,383) (Profit (loss) before income tax (173,383) ((Income tax expense VI(XXIII) 3 (173,386) (Other comprehensive income/loss for the year (\$ 173,386) ((\$ 173,386) (Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue

Accompanying notes to Parent Company Only Financial Statements as reference.

Chairman: Yu-Ming Chang



Managerial Officer: Shuo-Wen



Accounting Manager: Yuan-Hsi





Units: NT\$thousand Other equity

			Retained E		l Earnings	Other equity	τττφιπουσαπα
						Remeasurement on defined benefit plan	
	Note	Ordinary Share Capital	Capital surplus	Legal reserve	Accumulated deficits	Volume	Total Equity
<u>2021</u>							
Balance as of January 1, 2021		\$ 987,708	\$ 622,396	\$ 66,320	(\$ 723,017)	(\$ 1,392)	\$ 952,015
Net profit in 2021					42,301		42,301
Total comprehensive income/loss in 2021					42,301		42,301
Cash capital increase	VI(XIII),(XIV)	200,000	(16,600_)		<u> </u>	<u>-</u>	183,400
Balance as of December 31, 2021		\$ 1,187,708	\$ 605,796	\$ 66,320	(\$ 680,716)	(\$ 1,392)	\$ 1,177,716
<u>2022</u>							
Balance as of January 1, 2022		\$ 1,187,708	\$ 605,796	\$ 66,320	(\$ 680,716)	(\$ 1,392)	\$ 1,177,716
Net loss in 2022		_	_		(173,386_)		(173,386)
Total comprehensive income/loss in 2022		-			(173,386_)		(173,386)
Balance as of December 31, 2022		\$ 1,187,708	\$ 605,796	\$ 66,320	(\$ 854,102)	(\$ 1,392)	\$ 1,004,330
Chairman: Yu-Ming Chang 能能		Manager: Shuo-Wen Cha	an		Accounting Manager: Yua	n-Hsiang Han	



Units: NT\$thousand

	Note		2022		2021
Cash Flows from Operating Activities					
Profit (loss) before income tax for the current period		(\$	173,383)	\$	46,739
Adjustments					
Profit/loss					
Net (gains) losses on financial assets at fair value through other comprehensive income	VI(II),(XIX)		154,063	(72,196)
Gains from changes in fair value (less costs to sell) of disposal of biological assets in the current period Share of loss of subsidiaries, affiliated companies and	VI(VI)		-	(735)
joint ventures	VI(VI)		50		_
Depreciation expense	VI(VII)(VIII)				
•	(XXI)		5,674		5,835
Gains from disposal of property, plant and equipment	VI(XIX) and VII		-	(364)
Amortization expenses	VI(XXI)		25		-
Interest income	VI(XVII)	(4,296)	(780)
Dividend income	VI(XVIII)	(13,760)	(3,232)
Interest expenses	VI(XX)		5,411		14
Changes in assets/ liabilities relative to operating activities					
Changes in assets relative to operating activities					
Financial assets at fair value through other		,	24.512.)	,	100 7 (0.)
comprehensive income - current Accounts Receivables - Related Party		(34,513)	(189,768)
Other Receivables		(640)	(2,087)
Inventory		,	92	,	736
Biological Assets - Current		(480,400)	(153,997)
Prepayments			- 101		1,220
Changes in liabilities relative to operating activities			101		72
Notes payables		,	116)	,	21.
Accounts payables		(446)	(31)
Accounts Payables - Related Party			19	(91)
Other Payables			-	(277)
Other Payables - Related Party		,	4,697		5,893
Cash generated from operating activities			4,281		4,281
Interest received		(541,587)	(358,768)
Dividends received			4,296		975
Income tax returned			13,760		3,232
Interest paid			-	,	8
Cash Flows from Operating Activities		(5,411	(14)
Cash Flows from Operating Activities		(528,942)	(354,567)

(Continued)



2022 2021 Cash Flows from Investment Activities Increase in financial assets at amortized cost - current (\$ 150,000 (\$ 282,128 Decrease in other financial assets - current 8,704 Acquisition of financial assets at fair value through other comprehensive income - non-current 9,595 Disposal of financial assets at fair value through other <u>303</u> 12,600 comprehensive income - non-current VI(VI)(XXV) Acquisition and investments using the equity method -43,218 subsidiaries VI(VII) Purchase of property, plant and equipment <u>90</u> Proceeds from disposal of property, plant and equipment 22,100 Acquisition of intangible assets 122 Increase in refundable deposits 200 1,519 Cash Flows from Investment Activities 193,327 Cash Flows from Financing Activities VI(XXVI) Increase in short-term borrowings 751,227 VI(XXVI) Increase in short-term notes payable 25,000 VI(XXVI) Repayment of the principal portion of lease liabilities 1,020 251 Increase in deposits received VI(XXVI) <u>24</u> VI(XIII) Cash capital increase 183,400 Cash Generated from Financing Activities 775,231 183,149 Increase (decrease) in Cash and Cash Equivalents 52,962 Cash and Cash Equivalents as of January 1 VI(I) 162,373 <u>583,629</u> VI(I) Cash and Cash Equivalents as of December 31 <u>\$ 215,335</u> \$ 162,373

Accompanying notes to Parent Company Only Financial Statements as reference.

Chairman: Yu-Ming Chang



Managerial Officer: Shuo



Accounting Manager: Yuan-Hs



Units: NT\$thousand

Feei Cherng Enterprise Co., Ltd. Articles of Incorporation Table of Comparison Before and After the Amendments

Provision	Amended provision	son Before and After the Amendme Current provision	Explanation
Article 1	The Company is incorporated in	The Company is incorporated in	Amendments are made in line
	accordance with the Company Act	accordance with the Company Act	with the Company's future
	and named 斐成開發科技股份	and named 斐成企業股份有限	development.
	有限公司.	公司. The English name is FEEI	1
	731100	CHERNG ENTERPRISE CO.,	
		LTD.	
Article 6	The Company's total capital is	The Company's total capital is	Amendments are made in line
	NT\$3.5 billion, which is divided	NT\$1.6 billion, which is divided	with the Company's future
	into 350 million shares with a par	into 160 million shares with a par	development.
	value of NT\$10 per share, and the	value of NT\$10 per share, and the	1
	Board of Directors is authorized	Board of Directors is authorized	
	to issue shares in tranches. Of	to issue shares in tranches.	
	these shares, 35 million shares are	The Company may issue	
	reserved for the exercise of stock	employee stock warrants and	
	options by employees for the	reserve 10 million shares of the	
	employee stock warrants.	former as shares for issuance of	
	When the Company intends to	employee stock warrants.	
	cancel the public offering, a	When the Company intends to	
	special resolution shall be	cancel the public offering, a	
	submitted to the shareholders'	special resolution shall be	
	meeting. This provision shall	submitted to the shareholders'	
	remain unchanged during the	meeting. This provision shall	
	listing period.	remain unchanged during the	
		listing period.	
Article 10	There are annual general and	There are annual general and	Amendments are made in
	extraordinary shareholders'	extraordinary shareholders'	accordance with Article 177-1 of
	meetings. The Board of Directors	meetings. The Board of Directors	the Company Act
	shall convene the annual general	shall convene the annual general	
	meeting once a year within six	meeting once a year within six months after the end of each fiscal	
	months after the end of each fiscal		
	year. Extraordinary meetings may be convened at any time as	year. Extraordinary meetings may be convened at any time as	
	needed. When a shareholders'	needed.	
	meeting is convened, electronic	necded.	
	means shall be included as one of		
	the channels for shareholders to		
	exercise their voting rights. The		
	related operations shall be		
	handled in accordance with the		
	regulations of the competent		
	authorities.		
Article 10	The Company may hold a	New provision	Amendments are made in
-3	shareholders' meeting by video		accordance with Article 172-2 of
	conference or other means		the Company Act
	announced by the central		
	competent authority. The		
	conditions, operating procedures		
	and other matters to be complied		
	with for the convening of a video		
	shareholders' meeting shall be in		
	accordance with the regulations of		
	the competent securities authorities.		
	aumonues.		

Article 16	The Company has seven to nine	The Company has seven to eleven	Amendments are made in line
	directors with a three-year term of	directors, at least two of whom	with the Company's future
	office. The election of directors is	shall be independent directors and	development.
	based on a candidate nomination	not less than one-fifth of the total	de veropinent.
	system. The candidates shall be	number of directors. The election	
	elected by the shareholders'	of directors is based on a	
	meeting from a list of candidates	candidate nomination system for a	
	and shall be eligible for	term of three years. The	
	re-election. (The total number of	candidates shall be elected by the	
	registered shares held by all	shareholders' meeting from a list	
	directors shall not be less than a	of candidates and shall be eligible	
	certain percentage of the total	for re-election. After election, the	
	number of shares received by the	Board of Directors may, by	
	Company. The percentage shall be	resolution of the Board of	
	in accordance with the regulations	Directors, obtain directors	
	of the competent authorities).	liability insurance with respect to	
	The number of independent	liabilities resulting from	
	directors shall not be less than	exercising their duties during their	
	three and not less than one-fifth	terms of directorship. When the number of vacancies in	
	of the number of directorships in		
	the previous quota of directors.	the board of directors equals	
	Independent directors and	one-third of the total number of	
	non-independent directors shall be	directors, or when all independent	
	elected together and the number of	directors are dismissed, the board	
	elected seats should be counted	of directors shall call, within 60	
	separately.	days, a special shareholders	
	Independent directors'	meeting to elect succeeding	
	professional qualifications,	directors to fill the vacancies for	
	shareholdings, restrictions on	the remaining service time of the	
	part-time jobs, determination of	dismissed directors.	
	independence, methods of		
	nomination and selection, the		
	exercise of powers, and other		
	procedures for compliance shall		
	be handled in accordance with		
	the Company Act and		
	regulations of the competent		
	securities authorities.		
	The Company may purchase		
	liability insurance for each term		
	of the directors in respect of the		
	scope of their duties.		
	When the number of vacancies in		
	the board of directors equals		
	one-third of the total number of		
	directors, or when all independent		
	directors are dismissed, the board		
	of directors shall call, within 60		
	days, a special shareholders		
	meeting to elect succeeding		
	directors to fill the vacancies for		
	the remaining service time of the		
	dismissed directors.		
Article 24	1. If the Company's earned profits	If the Company's earned profits in	Amendments are made in line
	in the current fiscal year, a reserve	the current fiscal year, a reserve is	with the Company's future
	is allotted to be used to make up	allotted to be used to make up for	development. The wordings of
	for the Company's accumulated	the Company's accumulated	Article 1.1 are adjusted in
	losses, and then 1%-15% shall be	losses, and then 1%-15% shall be	accordance with Article 228-1,
	100000, and then 1/0 10/0 shall be	100000, and then 1/0 10/0 shall be	accordance with rither 220 1,

	11 1		I 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
	allocated as employee	allocated as employee	Paragraph 3 of the Company Act.
	compensation, while the	compensation, while the	
	Company shall set aside no more	Company shall set aside no more	
	than 5% for the remuneration of	than 3% for the remuneration of	
	directors. The form and amount of	directors. The form and amount of	
	distribution of the compensation	distribution of the compensation	
	for employees and directors shall be reported to the shareholders'	for employees and directors shall be reported to the shareholders'	
	meeting after resolution by the	meeting after resolution by the	
	board of directors. The receivers	board of directors. The receivers	
	of employee compensation shall	of employee compensation shall	
	include employees of affiliated	include employees of affiliated	
	companies that meet certain	companies that meet certain	
	conditions. The relevant	conditions. The relevant	
	regulations shall be established by	regulations shall be established by	
	the Board of Directors.	the Board of Directors.	
	Where the Company made a	Where the Company made a	
	profit in a fiscal year, the profit	profit in a fiscal year, the profit	
	shall be first utilized for paying	shall be first utilized for paying	
	taxes, offsetting losses of previous	taxes, offsetting losses of previous	
	years, setting aside as a legal	years, setting aside as a legal	
	reserve 10% of the remaining	reserve 10% of the remaining	
	profit, where such legal reserve	profit, setting aside a special	
	amounts to the total paid-in	reserve according to relevant laws	
	capital, this provision shall not	and regulations or the competent	
	apply. In addition a special reserve shall be set aside	authority. Any remaining profit shall be used by the Company's	
	according to relevant laws and	board of directors as the basis for	
	regulations or the competent	proposing a distribution plan,	
	authority. Any remaining profit	which should be resolved in the	
	shall be used by the Company's	shareholders' meeting for the	
	board of directors as the basis for	distribution of dividends.	
	proposing a distribution plan,		
	which should be resolved in the		
	shareholders' meeting for the		
	distribution of dividends.		
Article 24	The Company is currently at	The Company is currently at	Amendments are made in line
-1	growth stage. It takes into	growth stage. It takes into	with the Company's future
	account the environment and	account the environment and	development.
	industry growth, and	industry growth, and	
	corresponding to future capital	corresponding to future capital	
	needs and long-term financial	needs and long-term financial	
	planning, the Company adopts	planning, the Company adopts	
	the residual dividend policy	the residual dividend policy	
	for dividend distribution. After	for dividend distribution. After	
	the Company provides for the	the Company provides for the	
	projected capital needs by	projected capital needs by	
	using retained earnings, the	using retained earnings, the	
	remaining shall be distributed	remaining shall be distributed	
	in the form of cash dividends	in the form of cash dividends	
	or stock dividends, but cash	and stock dividends, but cash	
	dividends shall be no less than	dividends shall be no less than	
	10% of the total dividends.	20% of the total dividends.	
Article 28	The Articles of Incorporation	The Articles of Incorporation	Number of amendments are
7 H HCIC 20	were established on November	were established on November	added.
	29, 1993.	29, 1993.	
	The 1st amendment was made on	The 1st amendment was made on	
	June 20, 1995.	June 20, 1995.	
			l .

The 29th amendment was made on August 18, 2021. The 30th amendment was made	The 29th amendment was made on August 18, 2021.	
on May 26, 2023.		

Feei Cherng Enterprise Co., Ltd.

Table of comparison Before and After the Amendments to the Procedures for the Acquisition or Disposal of Assets

Provision	Amended provision	Current provision	Explanation
Article 6	Professional appraisers and their	Professional appraisers and their	Amendments are made in
	officers, certified public accounts,	officers, certified public accounts,	accordance with the FSC's
	attorneys, and securities	attorneys, and securities	Jin-Guan-Zheng-Fa-Zi No.
	underwriters that provide the	underwriters that provide the	1110380465 dated January 28,
	Company with appraisal reports,	Company with appraisal reports,	2022 to amend certain provision
	certified public accountant's	certified public accountant's	of the Regulations Governing the
	opinions, attorney's opinions, or	opinions, attorney's opinions, or	Acquisition and Disposal of Assets
	underwriter's opinions shall meet	underwriter's opinions shall meet	by Public Companies
	the following requirements:	the following requirements:	
	I. May not have previously received	May not have previously received a	
	a final and unappealable sentence to	final and unappealable sentence to	
	imprisonment for 1 year or longer	imprisonment for 1 year or longer	
	for a violation of the Act, the	for a violation of the Act, the	
	Company Act, the Banking Act of	Company Act, the Banking Act of	
	The Republic of China, the	The Republic of China, the	
	Insurance Act, the Financial	Insurance Act, the Financial	
	Holding Company Act, or the	Holding Company Act, or the	
	Business Entity Accounting Act, or	Business Entity Accounting Act, or	
	for fraud, breach of trust,	for fraud, breach of trust,	
	embezzlement, forgery of	embezzlement, forgery of	
	documents, or occupational crime.	documents, or occupational crime.	
	However, this provision does not	However, this provision does not	
	apply if 3 years have already passed since completion of service of the	apply if 3 years have already passed since completion of service	
	sentence, since expiration of the	of the sentence, since expiration of	
	period of a suspended sentence, or	the period of a suspended sentence,	
	since a pardon was received.	or since a pardon was received.	
	II. May not be a related party or de	May not be a related party or de	
	facto related party of any party to	facto related party of any party to	
	the transaction.	the transaction.	
	III. If the company is required to	If the company is required to obtain	
	obtain appraisal reports from two or	appraisal reports from two or more	
	more professional appraisers, the	professional appraisers, the	
	different professional appraisers or	different professional appraisers or	
	appraisal officers may not be related	appraisal officers may not be	
	parties or de facto related parties of	related parties or de facto related	
	each other.	parties of each other.	
	When issuing an appraisal report or	When issuing an appraisal report or	
	opinion, the personnel referred to in	opinion, the personnel referred to	
	the preceding paragraph shall	in the preceding paragraph shall	
	comply with the self-regulatory	comply with the following:	
	rules of the respective trade	I. Prior to accepting a case, they	
	association to which they belong	shall prudently assess their own	
	and the following:	professional capabilities, practical	
	I. Prior to accepting a case, they	experience, and independence.	
	shall prudently assess their own	II. When examining a case, they	
	professional capabilities, practical	shall appropriately plan and	
	experience, and independence. II. When executing a case, they shall	execute adequate working procedures, in order to produce a	
	appropriately plan and execute	conclusion and use the conclusion	
	adequate working procedures, in	as the basis for issuing the report or	
	order to produce a conclusion and	opinion. The related working	
	use the conclusion as the basis for	procedures, data collected, and	
	issuing the report or opinion. The	conclusion shall be fully and	
	related working procedures, data	accurately specified in the case	
	5 r-0000000, and	The state of the s	

collected, and conclusion shall be working papers. fully and accurately specified in the III. They shall undertake an case working papers. item-by-item evaluation of the III. They shall undertake an comprehensiveness, accuracy, and item-by-item evaluation of the reasonableness of the sources of appropriateness and reasonableness data used, the parameters, and the of the sources of data used, the information, as the basis for issuance of the appraisal report or parameters, and the information, as the basis for issuance of the the opinion. appraisal report or the opinion. IV. They shall issue a statement IV. They shall issue a statement attesting to the professional attesting to the professional competence and independence of competence and independence of the personnel who prepared the the personnel who prepared the report or opinion, and that they report or opinion, and that they have have evaluated and found that the evaluated and found that the information used is reasonable and accurate, and that they have information used is appropriate and reasonable, and that they have complied with applicable laws and complied with applicable laws and regulations. regulations. Article 7 IV. Valuation report of property, IV. Valuation report of property, Amendments are made in equipment or its right-of-use equipment or its right-of-use accordance with the FSC's Jin-Guan-Zheng-Fa-Zi No. assets assets 1110380465 dated January 28, 2022 to amend certain provision of the Regulations Governing the Acquisition and Disposal of Assets (III) Where any one of the (III) Where any one of the by Public Companies and in line following circumstances applies following circumstances applies with respect to the professional with respect to the professional with the Company's future appraiser's appraisal results, appraiser's appraisal results, development. unless all the appraisal results for unless all the appraisal results for the assets to be acquired are the assets to be acquired are higher than the transaction higher than the transaction amount, or all the appraisal results amount, or all the appraisal results for the assets to be disposed of are for the assets to be disposed of are lower than the transaction lower than the transaction amount, a certified public amount, a certified public accountant shall be engaged to accountant shall be engaged to perform the appraisal in perform the appraisal in accordance with the provisions of accordance with the provisions of Statement of Auditing Standards Statement of Auditing Standards No. 20 published by the ROC No. 20 published by the ROC Accounting Research and Accounting Research and Development Foundation (ARDF) **Development Foundation (ARDF)** and render a specific opinion and render a specific opinion regarding the reason for the regarding the reason for the discrepancy and the discrepancy and the appropriateness of the transaction appropriateness of the transaction price: price: 1. The discrepancy between the 1. The discrepancy between the appraisal result and the appraisal result and the transaction amount is 20 percent transaction amount is 20 percent or more of the transaction amount. or more of the transaction amount. 2. The discrepancy between the 2. The discrepancy between the appraisal results of two or more appraisal results of two or more professional appraisers is 10 professional appraisers is 10 percent or more of the transaction percent or more of the transaction amount. amount.

(IV) The date of the professional

appraiser's report shall not be

(IV) The date of the professional

appraiser's report shall not be

	more than three months from the date of the contract. However, if the current value is applicable to the same period of the publication and is less than six months, an opinion may be issued by the original professional appraiser. (V) Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the paragraph shall be obtained within 2 weeks counting inclusively from the date of obtaining the report. (VI) Where the Company acquires or disposes of assets through auction or government authorities tendering procedures, the evidentiary documentation issued therefrom may be substituted for the appraisal report or CPA opinion.	more than three months from the date of the contract. However, if the current value is applicable to the same period of the publication and is less than six months, an opinion may be issued by the original professional appraiser.	
Article 8	Handling Procedures for the acquisition or disposal of securities investment . IV. Obtaining expert opinions The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence,	Handling Procedures for the acquisition or disposal of securities investment . IV. Obtaining expert opinions The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence,	Amendments are made in accordance with the FSC's Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 to amend certain provision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

			T
	the CPA shall do so in accordance	the CPA shall do so in accordance	
	with the provisions of Statement	with the provisions of Statement	
	of Auditing Standards No. 20	of Auditing Standards No. 20	
	published by the ARDF . This	published by the ARDF. This	
	requirement does not apply,	requirement does not apply,	
	however, to publicly quoted prices	however, to publicly quoted prices	
	of securities that have an active	of securities that have an active	
	market, or where otherwise	market, or where otherwise	
	provided by regulations of the	provided by regulations of the	
	Financial Supervisory	Financial Supervisory	
	Commission (FSC).	Commission (FSC).	
Article 9	Handling procedures for relater	Handling procedures for relater	Same as above
	party transactions	party transactions	
		•	
	(VII) The restrictions and other	(VII) The restrictions and other	
	important agreed matters of this	important agreed matters of this	
	transaction;	transaction;	
	The board of directors may	The board of directors may	
	authorize the chairman to decide	authorize the chairman to decide	
	on the acquisition or disposal of	on the acquisition or disposal of	
	real estate right-of-use asset,	real estate right-of-use asset,	
	equipment or its right-of-use asset	equipment or its right-of-use asset	
	for business purposes between the	for business purposes between the	
	Company and its subsidiaries or	Company and its subsidiaries or	
	among subsidiaries indirectly	among subsidiaries indirectly	
	holding 100% of shares in issue or	holding 100% of shares in issue or	
	the total capital within NT\$30	the total capital within NT\$30	
	million, and then submit it to the	million, and then submit it to the	
	most recent board of directors for	most recent board of directors for	
	ratification.	ratification.	
	When the matter in the	When the matter in the	
	preceding paragraph is reported to the board of directors for	preceding paragraph is reported to	
		the board of directors for	
	discussion, the opinions of each	discussion, the opinions of each	
	independent director shall be fully	independent director shall be fully	
	considered. If the independent	considered. If the independent	
	director has had any objection or	director has had any objection or	
	reservation, it shall be stated in	reservation, it shall be stated in	
	the board meeting minutes.	the board meeting minutes.	
	If an audit committee is	_	
	established in accordance with the		
	regulations, according to the		
	Paragraph 1, it shall be approved		
	by at least one-half of all		
	members of the audit committee		
	and submitted to the board of		
	directors for resolution.		
	If the Company or its		
	subsidiaries that are not domestic		
	public companies conduct a		
	transaction as stated in the		
	Paragraph 1, the Company shall		
	submit the information listed in		
	the Paragraph 1 to the		
	shareholders' meeting for approval		
	if the transaction amount reaches		
	10% or more of the Company's		
	total assets before entering into		

	the transaction contract and		
	making the payment. However, it		
	is not applicable to the		
	transactions between the		
	Company and its parent company		
	or subsidiaries, or among its		
	subsidiaries.		
	The calculation of the		
	transaction amount stated in the		
	Paragraph 1 and preceding		
	paragraph should be handled in		
	accordance with Paragraph 2, and		
	the so-called "within one year"		
	should be retroactively calculated		
	for one year based on the date of		
	occurrence. The transactions		
	submitted to the shareholders'		
	meeting or board of director		
	according to these Regulations are		
	exempted from being incorporated		
	into the calculation.		
Article 10	Handling procedures for acquiring	Handling procedures for acquiring	Same as above
and to	or disposing of intangible assets or	or disposing of intangible assets or	Same as above
	their right-of-use assets or	their right-of-use assets or	
	memberships	memberships	
	memberships	memberships	
	•	•	
	. IV Expert evaluation eninion	. IV Expert evaluation eninion	
	IV. Expert evaluation opinion	IV. Expert evaluation opinion	
	report on intangible assets or their	report on intangible assets or their	
	right-of-use assets or memberships	right-of-use assets or memberships	
	Where the Company acquires	Where the Company acquires	
	or disposes of intangible assets or	or disposes of intangible assets or	
	right-of-use assets thereof or	right-of-use assets thereof or	
	memberships and the transaction	memberships and the transaction	
	amount reaches 20 percent or	amount reaches 20 percent or	
	more of paid-in capital or NT\$300	more of paid-in capital or NT\$300	
	million or more, except in	million or more, except in	
	transactions with a domestic	transactions with a domestic	
	government agency, the Company	government agency, the Company	
	shall engage a certified public	shall engage a certified public	
	accountant prior to the date of	accountant prior to the date of	
	occurrence of the event to render	occurrence of the event to render	
	an opinion on the reasonableness	an opinion on the reasonableness	
	of the transaction price; the CPA	of the transaction price; the CPA	
	shall comply with the provisions	shall comply with the provisions	
	of Statement of Auditing	of Statement of Auditing	
	Standards No. 20 published by the	Standards No. 20 published by the	
	ARDF.	ARDF.	
Article 14	Information disclosure procedures	Information disclosure procedures	Same as above
	I. Reporting items to be	I. Reporting items to be	
	announced and reporting	announced and reporting	
	standards	standards	
	(I) Acquisition or disposal of	(I) Acquisition or disposal of	
	real property or right-of-use	real property or right-of-use	
	assets thereof from or to a	assets thereof from or to a	
	related party, or acquisition	related party, or acquisition	
	or disposal of assets other	or disposal of assets other	
	than real property or	than real property or	
	right-of-use assets thereof	right-of-use assets thereof	
	from or to a related party	from or to a related party	

where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (II) Merger, demerger, acquisition, or transfer of shares.

- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
- whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches

NT\$1 billion or more.

1. For a public company

(V) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed

construction project that it

where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (II) Merger, demerger, acquisition, or transfer of shares.

- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
- (V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.
- (VI)Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300

constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.

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

(VII)Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

- 1. Trading of domestic bonds or foreign bonds with credit ratings not lower than the sovereign rating of the country.
- 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign bonds ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or sell back of index investment securities, or subscription by a securities firm of securities as

- million; provided, this shall not apply to the following circumstances:
- 1. <u>Trading of domestic government bonds.</u>
- 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (VII) The calculation of the transaction amounts mentioned in the preceding six subparagraphs is as follows. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the regulations need not be counted toward the transaction amount.

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	necessitated by its undertaking		
	business or as an advisory		
	recommending securities firm		
	for an emerging stock		
	company, in accordance with		
	the rules of the Taipei		
	Exchange.		
	3. Trading of bonds under		
	repurchase and resale		
	agreements, or subscription or		
	redemption of money market		
	funds issued by domestic		
	securities investment trust		
	enterprises.		
	(VIII) The calculation of the		
	transaction amounts		
	mentioned in the preceding		
	seven subparagraphs is as		
	follows. "Within the preceding		
	year" as used in the preceding		
	paragraph refers to the year		
	preceding the date of		
	occurrence of the current		
	transaction. Items duly		
	announced in accordance with		
	the regulations need not be		
	counted toward the transaction		
	amount.		
Article 19	History	History	
	The procedures were established	The procedures were established	
	on April 27, 2003.	on April 27, 2003.	
	The 1st amendment was made on	The 1st amendment was made on	
	June 15, 2007.	June 15, 2007.	
	•		
	•	•	
	The 9th amendment was made on	The 9th amendment was made on	
	June 21, 2019.	June 21, 2019.	
	The 10th amendment was made on	The 10th amendment was made on	
	June 30, 2020.	June 30, 2020.	
	The 11th amendment was made on	Valle 50, 2020.	
	May 26, 2023.		
L	111aj 20, 2023.		

Directors and Independent Directors Candidates List

Nomination category	Name	Education	Work experience	Current employment	Quantity of shares
Director	Representative of Meisen Holdings Co., Ltd.: Chang Shuo-Wen	Computer Science and Information Engineering, Shu-Te University Senior Software Engineer of Advanced View Inc.	President of the Company Juristic person representative of the director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Chairman of Boromi Optronics Corp. Juristic person representative of the director of Myson Century, Inc.	Same as left	100,000

Director Representatives Holding Positions in Other Companies

Concurrently holding

Job Title	Name	Concurrently holding positions in other companies	Main business activities of other companies	Remark
Director Representative	Tseng Peng-Kuang	Juristic person representative of the director of Sun Yad Construction Co., Ltd.	Plastic Sheets, Pipes and Tubes Manufacturing/Wholesale of Chemistry Raw Material/Electronic Parts and Components Manufacturing/International Trade/Retail Sale of Computer Software/Wholesale of Computer Software/Software Design Services/General Advertising Services/Wholesale of Computing and Business Machinery Equipment/Hotels and Motels/Restaurants/Residence and Buildings Lease Construction and Development/Public Works Construction and Investment/New County and Community Construction and Investment/Real Estate Commerce/Real Estate Rental and Leasing/Wholesale of Building Materials/Glass and glass made products Manufacturing	Representative of U-Best Innovative Technology Co., Ltd.
		Juristic person representative of the director of Myson Century, Inc.	Electronic Parts and Components Manufacturing/Software Design Services/Product Designing/Other Industrial and Commercial Services (integrated circuit testing)/International Trade	
Director Representative	Yu-Ming Chang	Chairman of Sun Yad Construction Co., Ltd.	Plastic Sheets, Pipes and Tubes Manufacturing/Wholesale of Chemistry Raw Material/Electronic Parts and Components Manufacturing/International Trade/Retail Sale of Computer Software/Wholesale of Computer Software/Software Design Services/General Advertising Services/Wholesale of Computing and Business Machinery Equipment/Hotels and Motels/Restaurants/Residence and Buildings Lease Construction and Development/Public Works Construction and Investment/New County and Community Construction and Investment/Real Estate Commerce/Real Estate Rental and Leasing/Wholesale of Building Materials/Glass and glass made products Manufacturing	
		Chairman of U-Best Innovative Technology Co., Ltd. Chairman of Hsin-Li	Synthetic Resin & Plastic Manufacturing/Industrial Catalyst Manufacturing/Wholesale of Chemistry Raw Material/International Trade/Processed Paper Manufacturing/Plastic Sheets & Bags Manufacturing/Parking Garage Business/Residence and Buildings Lease Construction and Development/Industrial Factory Buildings Lease Construction and Development/Specialized Field Construction and Development/Public Works Construction and Investment/New County and Community Construction and Investment/Land Levy and Delimit/Real Estate Commerce/Real Estate Rental and Leasing/Wholesale of Building Materials/Hotels and Motels 1 Processing, manufacturing and trading of	Representative of U-Best Innovative Technology Co., Ltd.
		Chemical Industrial Corp.	various fiber plastic skins and plastic sheets. / 2.	

Job Title	Name	The state of the s		Remark
		Chairman-cum-President of Myson Century, Inc.	Manufacturing and trading of various plastic materials and auxiliary materials. / 3 . Processing, trading, and exporting of plastics and plastic products. / 4 . Manufacturing, processing, and trading of synthetic resins, plasticizers, adhesives, fixatives, inks, plastic dyes, plastic pigments, textile auxiliaries, papermaking auxiliaries, and plastic additives. / 5 . Manufacture and trading of raw materials and auxiliary materials for the plastics industry. / 6 . Processing, manufacturing and trading of non-woven fabrics. / 7 . Import/export of the aforementioned products and raw materials. Electronic Parts and Components Manufacturing/Software Design Services/Product Designing/Other Industrial and Commercial Services	
		Chairman of Ho Jui Investment Co., Ltd.	(integrated circuit testing)/International Trade Investment	
		Chairman of Zhong Qing Technology Co., Ltd.	Wholesale of Tobacco Products and Alcoholic Beverages/Wholesale of Articles for Daily Use/Wholesale of Cleaning Preparations/Wholesale of Computing and Business Machinery Equipment/Wholesale of Telecom Instruments/Wholesale of Computer Software/Wholesale of Electronic Materials/International Trade/Building Maintenance and Upholstery/Management Consulting Services/General Advertising Services/Landscape and Interior Designing/Rental and Leasing Business	
Director Representative	Chang Shuo-Wen	Chairman of Jing Hong Ltd. Juristic person representative of the director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	Investment/General Advertising Services Synthetic Resin & Plastic Manufacturing/Industrial Catalyst Manufacturing/Wholesale of Chemistry Raw Material/International Trade/Processed Paper Manufacturing/Plastic Sheets & Bags Manufacturing/Parking Garage Business/Residence and Buildings Lease Construction and Development/Industrial Factory Buildings Lease Construction and Development/Specialized Field Construction and Development/Public Works Construction and Investment/New County and	Representative of Meisen Holdings Co., Ltd.
			Community Construction and Investment/Land Levy and Delimit/Real Estate Commerce/Real Estate Rental and Leasing/Wholesale of Building Materials/Hotels and Motels	

		Concurrently holding		Remark
Job Title	Name	positions in other companies	Main business activities of other companies	Remark
		Chairman of Boromi Optronics Corp. Juristic person representative of the director of Myson Century, Inc.	Glass and glass made products Manufacturing/Electronic Parts and Components Manufacturing/Photographic and Optical Equipment Manufacturing/Apparatus Installation Construction/Wholesale of Paints, Varnishes and Lacquers/Wholesale of Precision Instruments/Wholesale of Computing and Business Machinery Equipment/Wholesale of Electronic Materials/Wholesale of Building Materials/Retail Sale of Building Materials/International Trade/Residence and Buildings Lease Construction and Development/New County and Community Construction and Investment/Public Works Construction and Investment/Real Estate Commerce/Real Estate Rental and Leasing/Hotels and Motels/Electric Appliance Installation/Cybernation Equipments Construction/Illumination Equipments Construction/Building Maintenance and Upholstery/Doors and Windows Construction/Interior Light Rigid Frame Construction/Glass Construction/Interior Decoration Construction and Repairing/Kitchen and Bath Facilities Construction/Painting Construction/Eroding and Rusting Construction/Other Construction/Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures/Wholesale of Household Appliance/Wholesale of Household Appliance/Wholesale of Refractory Materials/Landscape and Interior Designing/Buildings Cleaning Service Electronic Parts and Components Manufacturing/Software Design Services/Product Designing/Other Industrial and Commercial Services (integrated circuit testing)/International Trade	

Articles of Incorporation (Before Amendments) August 18, 2021

CHAPTER I General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and named 斐成企業股份有限公司.

The English name is FEEI CHERNG ENTERPRISE CO., LTD.

- Article 2: The Company's businesses are as follows:
 - 1 A401010 Livestock Farm Management.
 - 2 A401020 Raising of livestock and Poultry.
 - 3 A401040 Livestock Service.
 - 4 CC01080 Electronics Components Manufacturing.
 - 5 C101010 Slaughter.
 - 6 C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.
 - 7 C199030 Instant Meal Box Food Manufacturing.
 - 8 C199990 Manufacture of Other Food Products Not Elsewhere Classified.
 - 9 C201010 Feed Manufacturing.
 - F101040 Wholesale of Livestock and Poultry.
 - 11 F101050 Wholesale of Fishery Products.
 - 12 F102170 Wholesale of Foods and Groceries.
 - 13 F103010 Wholesale of Animal Feeds.
 - 14 F119010 Wholesale of Electronic Materials.
 - 15 F201020 Retail Sale of Livestock Products.
 - 16 F201030 Retail Sale of Fishery Products.
 - 17 F202010 Retail Sale of Feeds.
 - F203010 Retail Sale of Food, Grocery and Beverage.
 - 19 F603050 Automatic Control Equipment Engineering.
 - F401010 International Trade.
 - 21 I101070 Agriculture, Forestry, Fishing and Livestock Consulting.
 - 22 I101090 Food Consulting.
 - 23 I103060 Management Consulting.
 - 24 I301030 Electronic Information Supply Services.
 - 25 IG01010 Biotechnology Services.
 - F501060 Restaurants.
 - F501990 Other Catering.
 - 28 H701010 Housing and Building Development and Rental.
 - 29 H701050 Investment, Development and Construction in Public Construction.
 - 30 H701060 New Towns, New Community Development.
 - 31 H703090 Real Estate Business.
 - 32 H703100 Real Estate Leasing.
 - 33 F111090 Wholesale of Building Materials.
 - ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company's headquarters is located in Tainan City. The Company may establish branches or offices in various regions at home and abroad upon the resolution of the Board of Directors based on the actual needs.
- Article 4: In accordance with the securities management regulations, the Company may enter into external guarantees or provide guarantees on property.
- Article 5: Depending on the business needs, the reinvestment in other businesses of the Company is subject to the resolution of the board of directors. The total amount of reinvestment may exceed 40% of the Company's paid-in capital, and not subject to the restrictions set forth in Article 13 of the Company Act.

CHAPTER II Shares

Article 6:

The Company's total capital is NT\$1.6 billion, which is divided into 160 million shares with a par value of NT\$10 per share, and the Board of Directors is authorized to issue shares in tranches.

The Company may issue employee stock warrants and reserve 10 million shares of the former as shares for issuance of employee stock warrants.

When the Company intends to cancel the public offering, a special resolution shall be submitted to the shareholders' meeting. This provision shall remain unchanged during the listing period.

Article 7:

The Company shares registered shares, which are to be affixed with the signatures or seals of the Directors representing the Company and are certified by a bank competent to certify the issuance of the shares according to the laws. The Company may be exempted from printing share certificates and adopt a disembodied issuance method; however, it shall register the share certificates with the TDCC.

Article 8:

The transfer, transmission, inheritance, gift, creation of pledge, loss and extinction of the Company's shares are governed by the Company Act and related laws and regulations.

Chapter III Shareholders' Meetings

Article 9:

The change of name and transfer of shares shall be suspended 60 days before a shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or within five days before the Company decides to pay out dividends, bonuses, or other benefits.

Article 10:

There are annual general and extraordinary shareholders' meetings. The Board of Directors shall convene the annual general meeting once a year within six months after the end of each fiscal year. Extraordinary meetings may be convened at any time as needed.

Article 10-1:

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the directors shall elect from among themselves one person to serve as the chair. If a shareholders' 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 elect a chair from among themselves.

Article 10-2:

The shareholders shall be notified of the date and place of the shareholders' meeting and the reason for the meeting at least 30 days in advance, and the extraordinary meeting at least 15 days in advance. An announcement shall also be made. Notice of a shareholders' meeting may be given by electronic means with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, the notice as mentioned in the preceding paragraph may be made by way of an announcement.

Article 11:

Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting by presenting a proxy form printed by the Company, indicating the scope of the authorization. In addition to the provisions of Article 177 of the Company Act, a shareholder may appoint a proxy to attend the meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" that is announced by the competent authority.

Article 12:

The Company's shareholders have one vote per share, but have no voting rights under Article 179 of the Company Act and related laws and regulations.

Article 13:

Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 14:

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

The distribution of the minutes of shareholders' meeting as required in the preceding Paragraph

may be effected by announcements.

Article 15:

Unless otherwise provided in the Company Act, the chairman of the shareholders' meeting shall

be the chairman of the board of directors. If for any reason the chairman of the shareholders' meeting needs to be represented by another person, it shall be handled in accordance with the provisions of the Company Act.

CHAPTER IV Directors

Article 16:

The Company has seven to eleven directors, at least two of whom shall be independent directors and not less than one-fifth of the total number of directors. The election of directors is based on a candidate nomination system for a term of three years. The candidates shall be elected by the shareholders' meeting from a list of candidates and shall be eligible for re-election. After election, the Board of Directors may, by resolution of the Board of Directors, obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship. When the number of vacancies in the board of directors equals one-third of the total number of directors, or when all independent directors are dismissed, the board of directors shall call, within 60 days, a special shareholders meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors.

Article 17:

The Board of Directors shall be organized by the directors. The Chairman shall be elected by more than half of the directors present at a board meeting attended by at least two-thirds of all directors from among themselves. The Chairman shall represent the Company externally. If a director is unable to attend a board meeting in person, he or she may appoint another director to attend on his or her behalf in accordance with Article 205 of the Company Act. 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.

The Board of Directors' meeting shall be convened on a quarterly basis and shall notify the directors seven days prior to the meeting. However, in case of emergency, the meeting may be convened at any time.

The notice as mentioned in the preceding paragraph shall be given in writing, electronically or by facsimile, stating the reason for the convening.

Article 18:

If the chairman of the board of directors is absent from work or unable to exercise his or her duties for any reason, his or her proxy shall be in accordance with Article 208 of the Company Act.

Article 19:

The Company's directors may be compensated for the performance of their duties, regardless of the Company's operating profit or loss, as determined by the Board of Directors in accordance with their participation in and contribution to the Company's operations and with reference to the usual industry standards. Not exceeding the remuneration for the highest paid executives as stipulated in the Company's regulations for salary assessment. If there is profit, the Company shall allocated remunerations in accordance with Article 24.

Article 20:

The procedures for nomination of director candidates are in accordance with the provisions of the Company Act, the Securities and Exchange Act and related laws and regulations.

Article 21:

The Company may establish various functional committees, the rules of organization of which shall be determined by the Board of Directors in accordance with the relevant laws and regulations.

Chapter V Managers

Article 22:

The Company may have several chief executive officers, presidents, vice presidents and managers in place. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

The authority and scope of the manager's management and signature for the Company shall be separately determined by the Board of Directors.

CHAPTER VI Accounting

Article 23

The Board of Directors at the end of each fiscal year shall prepare the following reports for the ratification of the shareholders' meeting in accordance with the legal procedure.

(1) Business report.

- (2) Financial statements.
- (3) Proposal for the distribution of earnings and appropriation for making up losses.
- Article 24:

If the Company's earned profits in the current fiscal year, a reserve is allotted to be used to make up for the Company's accumulated losses, and then 1%-15% shall be allocated as employee compensation, while the Company shall set aside no more than 3% for the remuneration of directors. The form and amount of distribution of the compensation for employees and directors shall be reported to the shareholders' meeting after resolution by the board of directors. The receivers of employee compensation shall include employees of affiliated companies that meet certain conditions. The relevant regulations shall be established by the Board of Directors. Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside a special reserve according to relevant laws and regulations or the competent authority. Any remaining profit shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends.

Article 24-1:

Since the Company is currently at growth stage, it takes into account the environment and industry growth, and corresponding to future capital needs and long-term financial planning, the Company adopts the residual dividend policy for dividend distribution. After the Company provides for the projected capital needs by using retained earnings, the remaining shall be distributed in the form of cash dividends or stock dividends, but cash dividends shall be no less than 20% of the total dividends.

CHAPTER VII Supplementary provisions

- Article 25: The Board of Directors shall establish important internal organizational rules, regulations, by-laws and measures of the Company.
- Article 26: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 27: These Articles of Incorporation shall become effective upon the resolution of the shareholders' meeting.
- Article 28: The Articles of Incorporation were established on November 29, 1993.

The 1st amendment was made on June 20, 1995.

The 2nd amendment was made on August 9, 1995.

The 3rd amendment was made on October 27, 1997.

The 4th amendment was made on November 27, 1997.

The 5th amendment was made on October 25, 1997.

The 6th amendment was made on November 22, 1998.

The 7th amendment was made on September 10, 1999.

The 8th amendment was made on March 18, 2000.

The 9th amendment was made on February 12, 2001.

The 10th amendment was made on December 8, 2001.

The 11th amendment was made on May 4, 2002.

The 12th amendment was made on December 21, 2002.

The 13th amendment was made on May 31, 2003.

The 14th amendment was made on June 30, 2004.

The 15th amendment was made on June 10, 2005.

The 16th amendment was made on May 12, 2006.

The 17th amendment was made on June 15, 2007.

The 18th amendment was made on June 10, 2009.

The 19th amendment was made on February 9, 2010.

The 20th amendment was made on June 15, 2010.

The 21st amendment was made on May 30, 2011.

The 22nd amendment was made on June 18, 2012.

The 23rd amendment was made on June 11, 2013.

The 24th amendment was made on June 7, 2016.

The 25th amendment was made on June 14, 2017.

The 26th amendment was made on June 21, 2018.

The 27th amendment was made on June 21, 2019.

The 28th amendment was made on June 30, 2020.

The 29th amendment was made on August 18, 2021.

Procedures for the Acquisition or Disposal of Assets (Before Amendments) June 30, 2020

Article1: Purposes

The handling procedures have been established to protect the assets and implement information disclosures.

Article2: Legal basis

The handling procedure are based on Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "Securities and Exchange Act") and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

Article3: The scope of assets

- I. Securities: include 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.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Intangible assets: include patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

Article4: Definition

- 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, The Financial Institutions Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 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, board meeting resolution date, or other date that can confirm the counterparty and monetary amount of the loans, whichever date is earlier. However, if the investment subject to the approval of the competent authorities, the above date or the date of receiving the approval of the competent authorities, whichever is earlier, 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.
- VII. The term "most recent financial statements" refers to the financial statements of the Company that have been audited or reviewed by a certified public accountant prior to the acquisition or disposal of assets as required by law.

- VIII. For the calculation of 10 percent of total assets, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.
- IX. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- X. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- XI. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article5: Amount of investment in real estate and securities not for business use

The amount of the above assets separately acquired by the Company and each subsidiary is determined as follows:

- (I) The total amount of real estate not for business use shall not exceed 50% of the net worth of the Company's latest financial statements.
- (II) The total amount of investment in securities shall not exceed 150% of the net worth of the Company's latest financial statements.
- (III) The total amount of separate investment in securities shall not exceed 100% of the net worth of the Company's latest financial statements.

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.
- Article 6-1: The handling procedures stipulate that the Company is required to obtain an appraisal report or an opinion from an accountant, attorney or securities underwriter. If the assets are acquired or disposed of through a court auction process, the appraisal report or accountant's opinion may be replaced by the certificate issued by the court.

Article6:

Article 6-2: With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the handling procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to Audit Committee. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the above regulations, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The Company's major assets or derivative product transactions shall be approved by a majority of the Audit Committee members, and resolved by the board of directors. If the approval of one-half or more of all audit committee members is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

Article7: Handling procedures for acquiring or disposing of property, equipment or their right-of-use assets

I. Evaluation and operating procedures

Where the Company acquires or disposes of property, equipment or its right-of-use asset, it shall be handled in accordance with the Company's internal control system on fixed asset cycle procedures.

- II. Procedures for determining transaction conditions and authorization limits
 - (I) Acquisition or disposal of real estate property
 - When acquiring real estate property, the Company shall make reference to the announced
 present value, assessed value, and actual transaction price of the neighboring real estate
 property to determine the transaction conditions and transaction price. Such information
 shall be prepared as an analysis report to the chairman. The authorization limits and
 approval authority shall be determined in accordance with the table of authorization of
 duties and approval authority of the Company.
 - 2. When disposing of real estate property, the Company shall make reference to the announced present value, assessed value, and actual transaction price of the neighboring real estate property to determine the transaction conditions and transaction price. Such information shall be prepared as an analysis report to the chairman. The authorization limits and approval authority shall be determined in accordance with the table of authorization of duties and approval authority of the Company.
 - (II) Acquisition or disposal of equipment and right-of-use assets
 - The acquisition of equipment and right-to-use assets shall be made by one of the methods
 of inquiry, comparison, bargaining or tender. The authorization limits and approval
 authority shall be determined in accordance with the table of authorization of duties and
 approval authority of the Company.
 - 2. The disposal of equipment and right-to-use assets shall be made by one of the methods of inquiry, comparison, bargaining or tender. The authorization limits and approval authority shall be determined in accordance with the table of authorization of duties and approval authority of the Company.
- III. Implementation unit

When the Company acquires or disposes of property, equipment or its right-of-use asset, the user department and the management department shall be responsible for the execution in accordance with the approval authority as mentioned in the preceding paragraph after submitting for approval.

IV. Valuation report of property, equipment or its right-of-use assets

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

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a 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 future transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are

higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
- 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (IV) The date of the professional appraiser's report shall not be more than three months from the date of the contract. However, if the current value is applicable to the same period of the publication and is less than six months, an opinion may be issued by the original professional appraiser.

Article8: Handling Procedures for the acquisition or disposal of securities investment

- I. Evaluation and operating procedures
 - The purchase and sale of the Company's securities are conducted in accordance with the Company's internal control system on investment cycle procedures.
- II. Procedures for determining transaction conditions and authorization limits
 - (I) The authorization limits and approval authority of the bonds, corporate bonds, financial debentures, securities of recognition funds, and asset-based securities in Article 3, Paragraph 1 of the handling procedures shall be handled in accordance with the table of authorization of duties and approval authority of the Company.
 - (II) The authorization limits and approval authority of the stocks, depositary receipts, subscription (sale) of warrants, beneficiary securities in Article 3, Paragraph 1 of the handling procedures shall be handled in accordance with the table of authorization of duties and approval authority of the Company.
- III. Implementation unit

When the Company invests in securities, the financial unit shall be responsible for the execution in accordance with the approval authority as mentioned in the preceding paragraph after submitting for approval.

IV. Obtaining expert opinions

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

Article9: Handling procedures for relater party transactions

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 7, Article 8 and Article 10. In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- II. Evaluation and operating procedures

For the acquisition and disposal of property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the Company's paid-in capital, 10% of the total assets, or NT\$300 million, except for the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, the following information should be submitted to the Audit Committee for review and to the Board of Directors for approval before having the trade contract signed and payment made. The calculation of the transaction amount stated should be handled in accordance with Article 14, Paragraph 1, Subparagraph 5, and the so-called "within one year" should be retroactively calculated for one year based on the date of occurrence. The transactions submitted to

the board of director according to the handling procedures are exempted from being incorporated into the calculation.

- (I) The purpose, necessity, and expected benefits for the acquisition or disposal of assets;
- (II) The reason for having the related party selected as the counterparty;
- (III) The relevant information used to assess the reasonableness of the trade conditions related to the acquisition and disposal of property and use-of-right assets with the related party according to the provisions of the Paragraph 3;
- (IV) The original acquisition date and price of the related party, the counterparty, and its relationship with 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) The appraisal report issued by the professional appraiser or accountant's opinion obtained in accordance with the provisions stated in the preceding paragraph;
- (VII) The restrictions and other important agreed matters of this transaction;

The board of directors may authorize the chairman to decide on the acquisition or disposal of real estate right-of-use asset, equipment or its right-of-use asset for business purposes between the Company and its subsidiaries or among subsidiaries indirectly holding 100% of shares in issue or the total capital within NT\$30 million, and then submit it to the most recent board of directors for ratification.

When the matter in the preceding paragraph is reported to the board of directors for discussion, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.

III. Evaluation of the reasonableness of transaction costs

- (I) The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with Paragraph 3, Subparagraphs (1) and (2) of the Article shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) If the Company's appraisal results in accordance with Paragraph 3, Subparagraphs (1) and (2) of the Article are lower than the transaction price, the Company shall comply with the provisions of Paragraph 3, Subparagraph (5) of the Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- 2. Where the Company acquiring real property or its right-of-use assets, 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.
- (V) 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 Paragraph 3, Subparagraphs (1), (2), (3), (4), (5) and (6) of the Article, the following matters shall be handled. The Company and a public company whose investment is accounted for using the equity method that has set aside a special reserve under the above provisions may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
 - 1. For the difference between the transaction price and assessed cost of the property and its use-of-right assets, a special reserve shall be appropriated in accordance with Paragraph 1 of Article 41 of the Act, and it shall not be distributed or capitalized with stock shares distributed. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - 2. Independent directors shall handle the matter in accordance with Article 218 of the Company Act.
 - 3. The Company shall report to the shareholders' meeting on the handling status of points 1 and 2 of this paragraph, and disclose the details of transactions in the annual report and prospectus.
- (VI) If the Company acquires real estate property or its right-to-use assets from a related party under any of the following circumstances, the Company shall comply with the provisions of the Paragraph 2 of the Article regarding evaluation and operating procedures, and the provisions of the Paragraph 3, Subparagraphs (1), (2) and (3) of the Article regarding the evaluation of the reasonableness of the transaction costs shall not apply:
 - 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - 4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (VII) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the Article, Paragraph 3, Subparagraph (5) if there is other evidence indicating that the acquisition was not an arm's length transaction.
- Article10: Handling procedures for acquiring or disposing of intangible assets or their right-of-use assets or memberships
 - I. Evaluation and operating procedures

Where the Company acquires or disposes of intangible assets or their right-of-use assets or memberships, it shall be handled in accordance with the Company's internal control system on fixed asset cycle procedures.

- II. Procedures for determining transaction conditions and authorization limits
 - (I) When acquiring or disposing of memberships, the Company shall make reference to the fair market price to determine the transaction conditions and transaction price. Such information shall be prepared as an analysis report to the president. The authorization limits and approval authority shall be determined in accordance with the table of authorization of duties and approval authority of the Company.
 - (II) When acquiring or disposing of intangible assets or their right-of-use assets, the Company shall make reference to the expert evaluation report or fair market price to determine the transaction conditions and transaction price. Such information shall be prepared as an analysis report to the president. The authorization limits and approval authority shall be determined in accordance with the table of authorization of duties and approval authority of the Company.
- III. Implementation unit

When the Company acquires or disposes of intangible assets or their right-of-use assets or memberships, the user department and the finance department or the administration department shall be responsible for the execution in accordance with the approval authority as mentioned in the preceding paragraph after submitting for approval.

- IV. Expert evaluation opinion report on intangible assets or their right-of-use assets or memberships Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
- Article 10-1: The calculation of the transaction amounts referred to in the preceding four articles shall be done in accordance with Article 14, paragraph 1, subparagraph 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
- Article11: Handling procedures for acquiring or disposing of debentures of financial institutions

In principle, the Company does not engage in transactions to acquire or dispose of the debentures of financial institutions. If the Company wishes to engage in transactions to acquire or dispose of the debentures of financial institutions in the future, it will submit them to the Board of Directors for approval and then establish the evaluation and operating procedures.

Article12: Handling procedures for acquiring or disposing of derivatives

- I. Trading principles and guidelines
 - (I) Types of transactions

Derivatives are defined in Article 3, Paragraph 1 of the handling procedures.

(II) Operating (hedging) strategies

The Company engages in derivative transactions for hedging purposes and uses the net position of receivables and payables or assets and liabilities arising from the Company's business for maturity, amount and currency offsetting purposes. Other transactions for specific purposes are subject to careful evaluation and approval by the board of directors.

- (III) Division of authority and responsibility
 - 1. Finance and accounting department
 - (1) Traders
 - ①Responsible for the strategy formulation of the Company's financial product trading.
 - ②Traders shall regularly calculate the position every two weeks, collect market information, make judgment based on trends and risk assessment, and formulate operating strategies, which shall be approved by the approval authority and used as the basis for trading.
 - ③Execute transactions in accordance with the authorized authority and the established strategies.

4 When there are significant changes in the financial market and the traders determine that the established strategies are no longer applicable, they will submit evaluation reports at any time and reformulate the strategies, which shall be approved by the president and used as the basis for trading.

(2) Accounting staff

- ①Execute transaction confirmation.
- ② Review whether the transactions are conducted in accordance with the authorized authority and the established strategy.
- ③ Conduct monthly evaluation and submit the evaluation report to the president.
- 4 Accounting and statements handling.
- ⑤Reporting and announcement in accordance with the regulations of the Securities and Futures Commission.
- (3) Settlement personnel: perform settlement tasks.
- (4) Approval authority for derivatives
 - ①Approval authority for hedging transactions

A .1 . 1	D 11 . 11	N. 1 . 1
Authorized	Daily trading	Net accumulated position
person	authority	trading authority
President	Up to US\$500,000	Up to US\$1,500,000
	(inclusive)	(inclusive)
Chairman	Above US\$500,000	Above US\$1,500,000 and
	(inclusive)	below US\$6,000,000
		(inclusive)

The Board of Directors shall authorize the Chairman to approve transactions with net cumulative trading authority of US\$6 million or above.

2)Other transactions for specific purposes are subject to approval by the board of directors.

2. Audit department

Responsible for understanding the appropriateness of internal controls over derivative transactions and checking the compliance of the trading department with operating procedures, analyzing the trading cycle, preparing audit reports, and reporting to the Board of Directors in case of significant deficiencies.

(IV) Performance evaluation

- 1. Hedging transactions
 - (1) Performance is evaluated based on the exchange rate costs in the Company's statements and the gain or loss from engaging in derivative financial transactions.
 - (2) In order to fully understand and express the valuation risk of the transaction, the Company uses a monthly valuation method to evaluate the profit and loss.
 - (3) The finance department shall provide the evaluation of foreign exchange positions, market trends and analysis to the president for management reference and instructions.
- 2. Transactions for specific purposes

Performance is evaluated on the basis of actual gains and losses generated, and the accounting staff must prepare reports on the positions regularly for management's reference.

(V) Determination of total contract amount and loss limit

1. Total contract amount

(1) Amount of hedging transactions

The finance department shall keep track of the Company's overall positions in order to hedge transaction risks. The amount of hedging transactions shall not exceed two-thirds of the Company's overall net position. If it exceeds two-thirds, it shall be reported to the president for approval.

(2) Transactions for specific purposes

②Transactions for specific purposes are subject to approval by the board of directors. The total amount of the transaction shall not exceed 10% of the net worth of the most recent financial statements.

2. Determination of loss limit

- (1) As hedging transactions are for risk avoidance, it is not necessary to set a loss limit.
- (2) In the case of a transaction contract for specific purposes, a stop-loss point shall be established to prevent excess losses after the position is established. If the loss exceeds 10% of the contract amount, the loss shall be immediately reported to the President and the Board of Directors for consideration of necessary countermeasures.
- (3) The maximum amount of loss for a specific purpose transaction shall not exceed US\$20,000,000.
- (4) The maximum annual loss limit for the Company's specific purpose transactions is US\$300,000.

II. Risk management measures

(I) Credit risks management

Since the market is subject to changes in various factors, which may cause operational risks of derivatives, market risk management is conducted in accordance with the following principles:

- 1. Transaction targets: mainly renowned domestic and foreign financial institutions.
- Transaction products: limited to the products provided by renowned domestic and foreign financial institutions.
- 3. Transaction amount: The unhedged transaction amount of the same counterparty shall not exceed 50% of the total authorized amount, except for hedging transactions.
- (II) Market price risk management

The market is mainly the open foreign exchange market provided by banks, and the futures market is not considered for the time being.

(III) Liquidity risk management

To ensure market liquidity, financial products are selected with a preference for higher liquidity (i.e., readily available to roll over in the market). The financial institution entrusted with the transaction must have sufficient information and the ability to trade in any market at any time.

(IV) Cash flow risk management

In order to ensure the stability of the Company's working capital turnover, the Company's sources of funding for derivative transactions are limited to its own funds. The amount of its operations should take into account the funding requirements of the cash flow forecast for the next three months.

- (V) Operational risk management
 - 1. The Company shall follow the authorized limits and operational procedures, and incorporate internal audits to avoid operational risks.
 - Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

- 3. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
- (VI) Product risks management

Internal traders should have complete and correct expertise in financial instruments. Banks are required to fully disclose risks to avoid misuse of financial instrument risks.

(VII) Legal risks management

Documents signed with financial institutions shall be examined by specialized staff of foreign exchange and legal affairs or legal advisors before they are formally signed to avoid legal risks.

III. Internal audit system

- (I) The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.
- (II) The internal auditors shall report the audit report together with the annual audit of internal audit operations to the FSC by the end of February of the following year, and report the improvement of irregularities to the competent authorities for examination by the end of May of the following year.

IV. Regular evaluation method

- (I) The Board of Directors shall authorize its senior management to regularly monitor and evaluate whether derivative transactions are conducted in accordance with the Company's transaction procedures and whether the risks assumed are within the scope of the permitted commitments. It shall report immediately to the Board of Directors any abnormalities in the market price evaluation report (e.g., if the position held exceeds the loss limit) and take appropriate measures.
- (II) 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.
- V. The Board of Directors' supervision and management principles for derivative transactions.
 - (I) 1. The Board of Directors shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk. The management principles are as follows:
 - 1. The risk management measures currently in use are periodically evaluated for appropriateness and ensure that they are handled in accordance with the procedures set forth in the handling procedures.
 - 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors, and an independent director shall be present at the meeting and express an opinion.
 - (II) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
 - (III) The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.
 - (IV) The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under Paragraph 4, Subparagraph (2), Paragraph 5, Subparagraphs (1) and (2) of the Article.

Article13: Handling procedures for merger, demerger, acquisition, or transfer of shares

- I. Evaluation and operating procedures
 - (I) The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
 - (II) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1, subparagraph (1) of the 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. In addition, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

II. Other note:

- (I) Date of the Board of Directors' meeting: The Company participating in a merger, demerger, or acquisition shall convene a Board of Directors' meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- (II) The Board of Directors shall prepare the following information: The Company shall keep a complete written record of the following information for five years for inspection.
 - 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - 3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
- (III) Time limit for announcement: The Company shall, within two days from the date of the resolution of the Board of Directors' Meeting, report the information in the first and second points of the Paragraph 2 of this item to the FSC in accordance with the prescribed format through the Internet information system for record.
- (IV) Prior confidentiality commitment: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (V) Principles for determining and changing the share exchange ratio or acquisition price: The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract:
 - 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock

- warrants, or other equity based securities.
- 2. An action, such as a disposal of major assets that affects the Company's financial operations.
- 3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (VI) Contents of the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract for the merger, demerger, acquisition or transfer of shares of the Company shall set forth the following matters.
 - 1. Handling of breach of contract.
 - 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - 4. The manner of handling changes in the number of participating entities or companies.
 - 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 - 6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (VII) Change in the number of companies participating in the merger, demerger, acquisition, or transfer of shares: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or transfer of shares intends further to carry out a merger, demerger, acquisition, or transfer of shares with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or transfer of shares; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (VIII) If any company participating in a merger, demerger, acquisition or transfer of shares is not a listed company or a company whose shares are traded on a securities dealer's business premises, the Company shall enter into an agreement with such company and shall comply with the provisions of Paragraph 2, Subparagraph 1 of the Article regarding the date of the Board of Directors' meeting, Paragraph 2 regarding the information to be prepared by the Board of Directors, Paragraph 3 regarding the time limit for announcement, Paragraph 4 regarding the prior confidentiality commitment, and Paragraph 7 regarding the change in the number of companies participating in the merger, demerger, acquisition or transfer of shares.

Article14: Information disclosure procedures

- I. Reporting items to be announced and reporting standards
 - (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (II) Merger, demerger, acquisition, or transfer of shares.

- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
- (V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.
- (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - 1. Trading of domestic government bonds.
 - 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (VII) "Within the preceding year" as used in the preceding six subparagraphs refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
 - 1. The amount of any individual transaction.
 - 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 - 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 - 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
- II. Time limit for making announcement and declaration

If the Company acquires or disposes of assets with the items to be announced in the Paragraph 1 of the Article and the transaction amount reaches the standards to be announced and reported in this Article, the Company shall make an announcement and report in the prescribed form within two days from the date of occurrence.

- III. Announcing and reporting procedures.
 - The Company shall report the relevant information in the announcement on the designated website of the FSC.
 - (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
 - (III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
 - (IV) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.
 - (V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Paragraph 1, Paragraph 2 and Paragraph 3, Subparagraphs 1-4 of the Article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 - 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - 3. Change to the originally publicly announced and reported information.

Article15: Control procedures for the acquisition and disposal of assets by subsidiaries

- I. The subsidiaries shall establish "Handling Procedures for the Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and submit them to the shareholders' meeting for approval after approved by the Board of Directors of the subsidiaries and the Company. The same applies to any amendments.
- II. The internal auditors of the subsidiaries shall include the audit of the implementation status of the handling procedures for the acquisition or disposal of assets in the annual audit plan.
- III. When the Company's internal auditors conduct audits at the subsidiaries in accordance with the annual audit plan, they should also understand the implementation status of the handling procedures for the acquisition or disposal of assets by the subsidiaries and notify the Audit Committee in writing if significant irregularities are found.
- IV. If a subsidiary, which is not a public company, acquires or disposes of assets up to the standards required to be announced and reported under Article 14 of the handling procedures, the Company shall make the announcement and report on behalf of the subsidiary.
- V. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing.

Article16: Penalty

Any employee of the Company who undertakes to acquire or dispose of assets in violation of the handling procedures shall be subject to periodic evaluation in accordance with the Company's Personnel Management Regulations and Employee Handbook, and shall be punished according to the severity of the case.

Article17: Implementation and amendments

The "Operational Procedures" shall be approved by a majority of the Audit Committee members, resolved by the board of directors, and approved by the shareholders meeting, so are the amendments. If a director expresses an objection with a record or written statement on file, the information of the director's objection shall be sent to the Audit Committee by the Company. In addition, when the "Operational Procedures" is reported to the board of directors for discussion, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.

Article18: Supplementary provisions

Any matters not covered by the handling procedures shall be handled in accordance with the relevant laws and regulations.

Article19: History

The procedures were established on April 27, 2003.

The 1st amendment was made on June 15, 2007.

The 2nd amendment was made on June 13, 2008.

The 3rd amendment was made on June 10, 2009.

The 4th amendment was made on June 18, 2012.

The 5th amendment was made on June 18, 2014.

The 6th amendment was made on September 29, 2016.

The 7th amendment was made on June 14, 2017.

The 8th amendment was made on June 21, 2018.

The 9th amendment was made on June 21, 2019.

The 10th amendment was made on June 30, 2020.

Rules and Procedures for Shareholders' Meetings June 30, 2020

- Article 1 Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
- Article 2 The shareholders referred to in these rules of procedures shall mean the shareholders themselves and the attending proxies entrusted by the shareholders.
- Article 3 (Convening of shareholders' meetings, notice of meetings and shareholders' proposals)
 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

30 days before the convening of a shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency, and shall be distributed at the shareholders' meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in an electronic form. Matters pertaining to 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 of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; 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 an election of all directors or supervisors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a shareholders' meeting. However, only one proposal is allowed. Any proposal with more than one item will not be included in the motion. However, a shareholder proposal proposed under Paragraph One for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors.

Prior to the book closure date before a shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days. Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the shareholders' meeting of shareholders and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' 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. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4: (Attendance at shareholders' meetings and proxy)

For each shareholders' 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. Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the

shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 (Principles for the venue and time of a shareholders' meeting)

The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to independent directors' opinions with respect to the place and time of the meeting.

Article 6 (Preparation of a sign-in book and other documents)

> The Company shall specify in the meeting notice the time and place for the sign-in of the shareholders and other related matters.

The shareholders' meeting reporting time referred to in the preceding paragraph shall be 30 minutes prior to the meeting started. There should be clear signs at the reporting place with adequate staff assigned to handle

Shareholders or a proxy appointed by a shareholder (hereinafter referred to as the shareholders) shall attend the shareholders' meetings with their 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 attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

(Chair of the shareholders' meeting and attendees in a non-voting capacity)

Where the Company's shareholders' meetings is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one director to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of a institutional director to serve as the chair. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

Where a shareholders' 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, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

(Evidence of the audio or video recordings of the shareholders' meeting)

The Company shall make an audio or video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting. The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

(Counting of the shares represented by shareholders present at the shareholders' meeting) Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in book or 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 scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued.

Article 7

Article 8

Article 9

The meeting postponement is limited to 2 times for a total of less than 1 hour. If less than one-third of the total number of issued shares are present after two postponements, the meeting will be adjourned by the chairman.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.

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

Article 10 Motion discussions

If a shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. The relevant motions (including extraordinary motions and amendments to original motions) shall be voted on a case-by-case basis. The meeting shall proceed in accordance with the agenda, which cannot be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

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

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

Article 11 (Shareholder speech)

Before speaking, an attending shareholder shall 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 is not in alignment with the subject 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 motion, the chair may have the shareholder stop the speech.

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

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

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

Article 12 (Counting of voting shares and a recusal policy)

Votes cast at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.

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

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

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

Article 13 (Methods for voting, scrutineering, and vote counting)

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

The Company shall convene a shareholders' meeting by electronic means and may exercise its voting rights in writing;

The method of exercising the voting rights by written or electronic means shall be set forth in the notice of the shareholders' meeting.

A shareholder's exercise of 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 extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting.

When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person,

he/she/it shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at 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. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

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

Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.

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

Article 14 (Election Matters)

When the shareholders' meeting elects directors, the election of directors shall be conducted in accordance with the Company's Regulations Governing the Election of Directors and Independent Directors. The election results shall be announced on site, including the list of elected directors and the number of their elected rights.

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

Article 15 (Meeting minutes and documents to be signed)

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

Said distribution may be announced through the MOPS.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

Article 16 (External announcement)

The number of shares solicited by the requester and the number of shares represented by proxy shall be clearly disclosed in the shareholders' meeting on the date of the shareholders' meeting in a statistical form prepared in accordance with the prescribed format.

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or the Taipei Exchange, the Company shall upload the content to the MOPS prior to a deadline.

Article 17 (Maintenance of the order of the venue)

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess, resumption of meeting and adjournment)

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

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

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

The meeting is adjourned when the chairman declares the meeting closed in accordance with the agenda. Shareholders may not elect another chair to continue the meeting at the original meeting place or at another place after the meeting was adjourned.

Article 19 (Supplementary provisions)

These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Article 20 (History)

The rules of procedures were established on May 31, 2003.

The 1st amendment was made on June 10, 2005.

The 2nd amendment was made on May 12, 2006.

The 3rd amendment was made on June 13, 2008.

The 4th amendment was made on June 10, 2009.

The 5th amendment was made on June 18, 2012.

The 6th amendment was made on June 11, 2013.

The 7th amendment was made on June 18, 2015.

The 8th amendment was made on June 21, 2018.

The 9th amendment was made on June 30, 2020.

The Regulations Governing Election of DirectorsAugust, 18, 2021

- Article 1 Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with the Regulations.
- Article 2 The election of the Company's directors is conducted in a shareholders' meeting. The holder of the right to convene the shareholders' meeting shall prepare ballots, corresponding to the number of directors to be elected, with the number of votes indicated therefor, and then the ballots shall be marked down among the attending shareholders at the shareholders' meeting. may be replaced by the attendance card number printed on the ballot.

 When the Company elects its directors, it shall adopt a system of nomination from among the candidates who are nominated for directors by the shareholders in accordance with Article 192-1 of the Company Act. In the election of the Company's directors, independent directors and non-independent directors shall be elected at the same time but counted separately.
- Article 3 The election of the Company's directors shall adopt the cumulative voting method, in which each share shall have voting rights in numbers equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 4 The number of directors of the Company shall be determined in accordance with the Company's Articles of Incorporation, and the voting rights of independent directors and non-independent directors shall be calculated separately, and the candidates receiving the ballots representing the greater numbers of votes shall be elected in sequential order. The winners of the same number of seats shall draw lots to determine the winner, and the chair shall draw lots on behalf of the absentees.
- Article 5 At the commencement of the election, the chair shall appoint the number of vote monitoring personnel and counting personnel with shareholder status to perform the respective duties.
- Article 6 The <u>ballot boxes</u> for election shall be prepared by <u>the person convening the shareholders' meeting</u> and shall be inspected in public by the vote monitoring personnel before voting commences.
- Article 7 A ballot shall be invalid under any of the following circumstances.
 - (I) Ballots that have not been put into the ballot boxes.
 - (II) A ballot that does not require the person with the right to convene.
 - (III) A blank ballot is placed in the ballot box.
 - (IV) The candidate entered on the ballot does not conform to the director candidate list.
 - (V) Ballots that have other writings embedded in addition to the number of voting rights allocated.
- Article 8 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the list of persons elected as Directors shall be announced by the chair on-site.
- Article 9 Matters not specified in these Procedures shall be handled in accordance with the Company Act and relevant laws and regulations.
- Article 10 These Procedures shall take effect after having been approved by the Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

Feei Cherng Enterprise Co., Ltd. Shareholdings of Directors

- I. The Company's paid-in capital is NT\$1,187,707,760, and the number of issued shares is 118,770,776.
- II. In accordance with Article 26 of the Securities and Exchange Act and Article 2 of the Rules Governing the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, all directors shall hold a minimum of 8,000,000 shares.
- III. The shareholdings of individual shareholders and all directors (including independent directors) as recorded in the shareholders' register as of the date of closure of the shareholders' meeting are as follows:

March 28, 2023

Job title	Name	Date elected	Quantity of shares	Shareholding
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Yu-Ming Chang	August 18, 2021	29,041,121	24.45%
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Tseng Peng-Kuang	August 18, 2021	29,041,121	24.45%
Director	Chi Fu Investment Co., Ltd. Representative: Tsai Chien-Hsien	August 18, 2021	10,000,000	8.42%
Independent Director	Hu Ching-Hsi	August 18, 2021	-	-
Independent Director	Chen Yu-Wen	August 18, 2021	1	-
Independent Director	Chi Hsuan	August 18, 2021	-	-
Number of shares held by all directors			39,041,121	32.87%

Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate:

Not applicable as there were no stock dividend distributed in the current fiscal year.