

Stock Code: 6015



Horizon Securities Co., Ltd.

2022 Shareholders' Meeting

Meeting Handbook

Mode of Shareholders' Meeting: Videoconferencing supported session

Date: May 27, 2022

Location: 7F., No. 236, Sec. 4, Xinyi Rd., Taipei City (7F, Xinyi Anhe Building)

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Horizon Securities Co., Ltd.
Procedures for the 2022 Shareholders' Meeting

1. Call the Meeting to Order
2. Opening Remark by Chair
3. Reports
4. Proposals
5. Discussions
6. Extemporary Motions
7. Adjournment

Horizon Securities Co., Ltd.

2022 Shareholders' Meeting Agenda

Mode of convention: Videoconferencing supported session (Shareholders' Meeting will convene in physical session and supported by videoconferencing)

Time: 9:00 a.m., May 27, 2022 (Friday)

Location: 7F., No. 236, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City, Taiwan

Videoconference platform: "Electronic Balloting Platform for Shareholder Meeting – Videoconference Platform for Shareholder Meeting" – Taiwan Depository and Clearing Corporation
(Website: <https://www.stockvote.com.tw>)

I. Call the Meeting to Order

II. Opening Remark by Chair

III. Reports

- 1: The Company's 2021 Business Report.
- 2: Review of 2021 financial statements by the Audit Committee.
- 3: Distribution of 2021 remuneration to employees and directors.
- 4: Distribution of cash dividends from the Company's earnings for 2021.

IV. Proposals

- 1: The Company's 2021 Business Report and Financial Statements.
- 2: The Company's 2021 earnings allocation.

V. Discussions

- 1: Raising capital through issuing new shares.
- 2: Issuance of new common shares through private placement for raising capital.
- 3: Amendments to the "Articles of Incorporation."
- 4: Amendment to "Rules of Procedure for Shareholders' meetings."
- 5: Amendment to "Regulations Governing the Acquisition and Disposal of Assets."

VI. Extemporaneous Motions

VII. Adjournment

Reports

1. Proposed by the board of directors

Motion: Please review the Company's 2021 Business Report.

Description: For the Company's 2021 Business Report, please refer to Attachment 1 on pages 15 to 16 of the handbook.

2. Proposed by the board of directors

Motion: Please review the Audit Committee's review report on 2021 financial statements.

Description:

1. The Audit Committee has reviewed the Company's 2021 financial statements and consolidated financial statements, which have been audited by James Huang and Bob Chang, certified public accountants (CPAs) at Ernst & Young Global Limited, as well as the 2021 business report and an earnings allocation table, and issued a review report accordingly. Please refer to Attachment 2 on page pages 17 to 18 of the handbook.
2. The Audit Committee may proceed to read out the review report.

3. Proposed by the board of directors

Motion: Please review the report on distribution of 2021 remuneration to employees and Directors.

Description:

1. It is handled in accordance with Article 23 of the Articles of Incorporation of the Company.
2. The pre-tax income of the Company, after deducting the remuneration distributed to employees and directors' remuneration for 2021, is NT\$1,440,175,786, and the employee remuneration is in the amount of NT\$30,000 thousand while directors' is NT\$41,000 thousand, which are distributed in cash.
3. Passed by the 4th term of the Remuneration Committee of the Company in its 10th session on January 1, 2022, in its 11th session on March 3, 2022, and forwarded to the 15th term of the Board in its 17th session on January 20, 2022, and passed by the 15th term of the Board in its 18th session on March 3, 2022 on record.

4. Proposed by the board of directors

Motion: Please review the Company's 2021 distribution of cash dividends.

Description:

1. As stipulated in Paragraph 2, Article 24 of the Articles of Incorporation, the Company authorizes the Board to determine whether to distribute all or part of the aforementioned dividends or bonuses in the form of cash and report the resolutions to the Shareholders' Meeting.
2. The dividend to shareholders is in the amount of NT\$596,464,974, and the cash dividend is NT\$1.8 per share. Cash dividends are distributed, with all cents rounded down to the nearest NT dollar, and the amount under 1 NT dollar will be transferred to the Company's Employee Welfare Committee free of charge.
3. This proposal has been approved by the board of directors, which has authorized the Chairman to determine the record dates of dividend allotment and distribution. However, the Board is in charge of matters related to any changes in the payout ratios due to a change in outstanding shares from the Company's repurchase, transfer, conversion of shares which causes any increase or decrease in shareholdings.

Proposals

1. Proposed by the board of directors
Motion: Please ratify the Company's 2021 Business Report and Financial Statements.

Description:

1. The Company's 2021 financial statements have been audited by James Huang and Bob Chang, CPAs at Ernst & Young Global Limited, and approved by the board of directors on March 3, 2022 and reviewed by the Audit Committee.
2. For the Business Report, Auditor's Report, and financial statements, please refer to Attachment 1 on pages 15–16 and Attachment 3 on pages 19–37 of the handbook.
3. Please proceed to ratify them.

Resolution:

2. Proposed by the board of directors

Motion: Please ratify the Company's 2021 earnings allocation.

Description:

1. The Company's 2021 earnings allocation table was passed by the board of directors on April 14, 2022, and has been reviewed by the Audit Committee. Please refer to Attachment 4 on page 38 of the handbook.
2. Please proceed to ratify it.

Resolution:

Discussions

1. Proposed by the board of directors

Motion: Capitalization of retained earnings into new shares for discussion.

Description:

1. For pooling up the working capital, appropriation of shareholder dividend in 2021 amounting to NT\$198,821,650 worth of dividend to shareholders into 19,882,165 new shares at NT\$10/share. Shareholders on the Shareholders Registry as of the base day of capitalization are entitled to 60 new shares for every 1,000 shares of holding. Shareholders may request with the investor service agent for registration of combining the fractions of a share in the period of 5 days prior to the issuing day of new shares during which share transaction is prohibited. Fractions of shares not being combined or the combination falling below 1 share will be compensated in cash pursuant to Article 240 of the Company Act rounded to the nearest NT dollar. The Chairman will be authorized to contact the designated party for acquiring these fractions of shares.
2. In case of change in the equity of the Company that affect the outstanding quantity of shares and subsequent ratio of cash dividend payment, the Board will be authorized to handle the changes with full discretion under the Company Act or other applicable legal rules.
3. This motion will come into force after passing by the Shareholders' Meeting and reporting to the competent authority for reference filing. The Board will be authorized to set the base day of recapitalization through issuing new shares, the payout day, and related matters.
4. The rights and obligations inherent to this issue of new shares shall be identical with all other shares previously issued.

Resolution:

2.

Proposed by the board of directors

Motion: Issuance of new common shares through private placement for raising capital for discussion.

Description:

1. The Company seeks to strengthen its financial structure to support the needs of business development in the future and availability of working capital, and considers the timeliness, cost of raising new capital, and the actual need of the strategic investors and thereby plans to raise no more than NT\$50 million in cash by offering new common shares through private placement. The offer will be made at one or two times at the right moment within 1 year after the resolution of the Shareholders' Meeting depending on the market environment and the need of the Company.
2. For additional information on the principal condition of private placement, the particulars to the elaborate pursuant to Article 43-6 of the Securities and Exchange Act, and the important notice under the "Directions for Public Company Conducting Private Placement of Securities," refer to Appendix V on pp. 39–40 of this Meeting Handbook.
3. The price of the new shares offered through private placement for raising capital shall not fall below 80% of the reference price. Other factors, including but not limiting to the actual quantity of shares offered, the actual price per share offered, the actual amount raised through private placement, the selection of prospective investors in private placement, the base day, condition of private placement, the use of capital and progress, expected result, and necessary revision due to the change in the regulatory environment, instruction from the competent authority, or the changes in other objective environment, and others not being mentioned in this context, shall be handled by the Board under the authorization of the Shareholders' Meeting with full power of attorney.
4. Further to the aforementioned scope of authorization, the Shareholders' Meeting is asked to authorize the Chairman to act on behalf of and in the name of the Company in the signing negotiation, and altering the contracts and documents pertinent to the private placement of common shares, and proceed to the offering of common shares through private placements and related matters.

Resolution:

3.

Proposed by the board of directors

Motion: Please discuss the amendment to “Articles of Incorporation.”

Description:

1. Action taken pursuant to Article 172-2 of the Company Act after amendment, and in conformity to Ministry of Economic Affairs Letter Jing-Shang-Zi No. 10402427800 dated October 15, 2015.
2. For the comparison table of amended provisions, please refer to Attachment 6 on page 41 of the handbook.

Resolution:

4. Proposed by the board of directors

Motion: Please discuss the amendment to “Rules of Procedure for Shareholders’ meetings.”

Description:

1. Amendment is made According to the Taipei Exchange Letter Zheng-Gui-Jian No. 11100543772 dated March 11, 2022.
2. For the comparison table of amended provisions, please refer to Attachment 7 on pages 42–55 of the handbook.

Resolution:

5. Proposed by the board of directors

Motion: Please discuss the amendment to “Regulations Governing the Acquisition and Disposal of Assets.”

Description:

1. Action taken in conformity to Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022.
2. For the comparison table of amended provisions, please refer to Attachment 8 on pages 56–69 of the handbook.

Resolution:

Extemporaneous Motions

Adjournment

Horizon Securities Co., Ltd. 2021 Business Report

The world was still suffering from COVID-19 in 2021. However, due to the continued loosening of monetary policy in major countries in the world, rapid launch of vaccines and wide vaccination coverage, the recovery in demand fueled the dynamic in economy, providing a strong support to the global stock market. In May 2021, Taiwan underwent an outbreak of COVID-19. As the pandemic was under appropriate control, the technology and traditional industries prospered, and are receiving increased orders and even faced with supply shortage. With the dynamic in the semi-conductor and shipping industry, Taiwan's overall economic performance is strong, compared to the world. It is noteworthy that the work from home policy has significantly boosted the transaction volume in Taiwan's stock market, which consists of mainly online transactions. According to the statistics from the Taiwan Stock Exchange Corporation, by the end of 2021, the Taiwan Capitalization Weighted Stock Index came to 18,219, an increase of 3,486, or 24% up, for the year, setting a second consecutive new record high. The total market value of listed stocks reached NT\$56.3 trillion, an increase of NT\$11.4 trillion compared with 2020. The daily trading value of listed stocks was NT\$391.5 billion, and the daily trading value of both listed companies and OTC stocks was NT\$481.3 billion, an increase of 95% and 70%, respectively over the previous year.

Benefited from the outstanding performance of the Taiwan stock market which created an advantages external operating environment for the Company, the Company had operating revenues of NT\$2,641,258 thousand, profit after tax NT\$1,239,273 thousand, and earnings per share NT\$3.74. As for the financial structure as of the end of 2021, the total assets were NT\$16.5 billion, and the total liabilities were NT\$11.2 billion. The liabilities were mainly generated by undertaking bond repurchase transactions and settlement accounts payable arising from brokerage-entrusted trading business. The overall financial structure was considered stable. The total shareholders' equity was NT\$5.3 billion, and the net value per share was NT\$16.08. The securities firm's capital adequacy ratio was 427%, indicating that the Company's operation was sound.

A summary of the operating results of each major business in 2021 is shown as follows:

1. Brokerage business: Entrusted trading totaled NT\$1,529.9 billion, the average daily trading value was NT\$6.3 billion and the average margin debt was NT\$3.6 billion.
2. The combined sales of securities held-for-trading and valuation gains was NT\$140 million.
3. Underwriting business: Total underwriting project of NT\$8.4 billion, completed 38 cases of IPO and SPO with a role of either sponsor or co-sponsor, and 1 financial advisory case.
4. Stock transfer agency: Served a total of 123 clients as an agent. The clients included 46 companies in either the Taiwan Stock Exchange or Taipei Stock Exchange, 20 companies in the Emerging Stock Market board and a total of 57 in public offering and others, serving approximately 2.10 million shareholder accounts.
5. Completed the transfer of Hualien operating location, which contributes to the Company's Brokerage business.

6. Issued the first convertible corporate bonds totaling NT\$700 million. This was the first offering of convertible bonds in the securities industry in 10 years. The bonds were issued through auctions, which was also a groundbreaking offering in the financial industry. Received a total of NT\$825 million.

In 2022, the investment environment in Taiwan is expected to be steady, and vaccination coverage is increasing in various countries. These have brought along economic recovery. However, certain industries experienced an increase in price due to the rapid economic recovery and the supply shortage crisis. This has urged the governments around the world to take precautions. The calls for tight monetary policies and anticipation for interest rate hikes are heard around the world. In the face of the ever-changing international environment and Taiwan's stock market that has been affected by it, the Company will continue to make steady progress and actively develop various business platforms.

1. Continue to invest in financial technology and develop digital platform operations, with a view to enhancing customers' digital experience and actively expanding the business scale.
2. In order to increase the Company's source of income, it plans to launch its wealth management business in 2022, to further expand its re-consignment market share, to better meet the needs of customers and expand the business scale.
3. As of the end of 2021, the scale of lending money without specific purposes has reached NT\$500 million. In 2022, the Company will invest in more resources and provide rapid lending services to meet the customers' need for diverse fund sources.
4. Strive for growth in the capital market underwriting, financial advisory and stock transfer agency businesses to increase fee income from diverse services.
5. The Company flexibly adjusts the allocation of risk assets and hedging assets with an aim of having flexible capital movements and maintaining of steady revenue.

In addition to sparing no efforts to develop business and achieve operational performance, the Company continues to improve corporate governance and transparency, implement money laundering prevention practices, enhance its energy-saving and carbon-reduction policies and assume its responsibility of sustainable development. In the future, the Company will continue to uphold a long-term and stable business strategy and be committed to the "customer-oriented, reciprocal and common prosperity; profit-oriented, active and pragmatic; steady-oriented, strict risk control; emphasis on employees, sharing business results; emphasis on integrity and professional conscience" business philosophy, and will continue to implement various mechanisms for risk and internal control management, strengthen the Company's operating fitness and enhance the competitiveness of various businesses, provide customers with satisfactory financial services, and create maximum benefits and value for the Company and its shareholders.

Chairman: Ke-Chyn Jiang

President: Jamie Lin

Accounting Manager: Chilli Hsieh

[Attachment 2] (Overprint)

Horizon Securities Co., Ltd.

Audit Committee's Review Report

Approved

The Audit Committee has reviewed the Company's 2020 Individual and Consolidated Financial Statements (including balance sheets, statements of comprehensive income, statements of cash flow, and statements of changes in equity), which have been audited by James Huang and Bob Chang Proposal, CPAs at Ernst & Young Global Limited, as well as the business report prepared by the board of directors, and concluded that said documents were legitimate, and has issued a review report in accordance with the provisions of Articles 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

Best regards

2022 Horizon Securities Co., Ltd. Annual General Meeting

Audit Committee, Horizon Securities Co., Ltd.

Convener: HSIAO, CHEN-CHI

March 3, 2022

[Attachment 2-1]

Horizon Securities Co., Ltd.
Audit Committee's Review Report

Approved

The Board of the Company has prepared the proposal for the distribution of earnings in 2021. The Audit Committee has reviewed the proposal and holds that it is appropriately prepared. The proposal is hereby presented for your approval pursuant to Article 14-4 of the Securities and Exchange Act, and Article 219 of the Company Act.

Best regards

2022 Horizon Securities Co., Ltd. Annual General Meeting

Audit Committee, Horizon Securities Co., Ltd.

Convener: HSIAO, CHEN-CHI

April 14, 2022

[Attachment 3] (apply financial statements)

Auditor's Report

To: Horizon Securities Co., Ltd.

Audit opinion

We have audited the accompanying individual balance sheet of Horizon Securities Co, Ltd. (“the Company”) as of December 31, 2021 and 2020, and the related individual statement of income, individual statement of changes in shareholders equity, individual statement of cash flows, and Notes of the individual financial statements (including major accounting policy) for the years then ended.

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

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the separate financial statements. We are independent of Horizon Securities Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the consolidated financial statements of Horizon Securities Co., Ltd., 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

The “key audit matters” means that the independent auditor has based its evaluations on the professional judgment to audit the most important matters on the 2021 individual financial statements of Horizon Securities Co., Ltd. These matters were addressed in the content of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Evaluation of financial instruments—no active market

The Company invests in financial assets without active market quotes. Because of the lack of active market quotes, their fair value is determined using the evaluation approach. For the aforementioned financial assets, the Company adopted an internal model approach or other evaluation approaches to evaluate the fair value. As changes in the assumptions used in the evaluation would affect the fair value of the financial instruments reported, we determined to list it as a key audit matter.

We implemented but were not limited to the following audit procedures for the evaluation of financial assets without active market quotes: evaluate and test the effectiveness of internal control related to the evaluation of financial instruments, including the management's decisions and approval of evaluation models and their assumptions, evaluation models, as well as the control and management review evaluation results related to the changes in the assumptions. We used the assistance of internal evaluation experts on a sampling basis, including reviewing the evaluation methods adopted by the Company, understanding and evaluating the reasonableness of key evaluation assumptions, performing independent evaluation calculations, and comparing the evaluations made by the management to see if the differences were within the acceptable scope. We also considered the appropriateness of the financial instrument evaluation disclosures in Notes 5 and 12 of the individual financial statements.

Responsibilities of Management and Those in Charge of Governance of the Individual Financial Statements

The responsibility of the management is to have the individual financial statements presented fairly, in all material respects, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and the “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants”; also, to maintain the necessary internal controls related to the individual financial statements in order to ensure that the individual financial statements are free of any material misstatement arising from fraud or errors.

While preparing the individual financial statements, the management's responsibility also includes assessing the continuing operation of Horizon Securities Co., Ltd., the disclosure of the relevant matters, and the adoption of the accounting base for continuing operations, unless the management intends to liquidate Horizon Securities Co., Ltd. or cease business operation, or there is lack of any alternative except for liquidation or suspension.

The governance unit of Horizon Securities Co., Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

Independent auditor's responsibility for individual financial statements.

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

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design, and perform audit procedures responsive to risks, and obtain 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 necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Horizon Securities Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Use the audit evidence obtained to draw conclusions on the suitability of the accounting base for continuing operation adopted by the management and whether or not the events or circumstances causing significant doubts to the continuing operation ability of Horizon Securities Co., Ltd. have significant uncertainties. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the inability of Horizon Securities Co., Ltd. to continue operating.
5. Evaluate the overall presentation, structure, and content of the individual statements, including related notes, whether the individual statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the individual

financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; they are also responsible for forming an opinion on the audit of the Group.

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

The independent auditor has used communication with the governing unit to determine the key audit matters to be performed on the 2021 individual financial statements of Horizon Securities Co., Ltd. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Ernst & Young Global Limited
Competent authorities have approved the audit of the financial
reports of public companies
Approval Document No.: Jin-Guan-Zheng-6-Zi No. 0970038990
Jin-Guan-Cheng-Shen-Zi No.:
1030025503

James Huang

CPAs:

Bob Chang

March 3, 2022

Horizon Securities Co., Ltd.
Individual Balance Sheet
December 31, 2021 and 2020

Unit: NTD thousand

Assets			December 31, 2021		December 31, 2020	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current assets					
111100	Cash and cash equivalents	4, 6.1 and 12	\$2,753,911	17	\$1,080,637	6
112000	Financial assets at fair value through profit or loss- current	4, 5, 6.2, 6.20, 7, 8 and 12	4,150,458	25	4,482,284	27
113200	The financial assets measured for the fair values through other comprehensive income- current	4, 5, 6.3 and 12	70,380	-	48,420	-
114010	Bond investment under reverse repurchase agreement	4, 6.5 and 12	1,150,580	7	5,105,012	30
114060	Securities borrowings receivable	4, 5, 6.6 and 12	1,106	-	-	-
114066	Loan receivable – non-restricted purpose	4, 5, 6.7 and 12	478,927	3	301,218	2
114070	Customers’ margin accounts	4, 6.8, 6.33 and 12	519,617	3	301,112	2
114110	Notes receivable-net	4, 5, 6.9 and 12	150	-	313	-
114130	Accounts receivable – net	4, 5, 6.9, 7 and 12	4,112,543	25	3,742,534	22
114150	Prepayments		17,882	-	84,479	1
114170	Other receivables	4, 5, 6.10, 7 and 12	16,585	-	14,300	-
114600	Current income tax asset	4, 5, and 6.31	4,620	-	10,227	-
119000	Other current assets	8 and 12	1,562,667	10	477,141	3
110000	Total current assets		<u>14,839,426</u>	<u>90</u>	<u>15,647,677</u>	<u>93</u>
	Non-Current assets					
122000	Financial assets that are measured at fair value through profit or loss-non-current	4, 5, 6.2 and 12	88,281	1	86,669	1
123200	The financial assets measured for the fair values through other comprehensive income- non-current	4, 5, 6.3 and 12	92,460	1	57,364	-
123300	Financial assets based on cost after amortization- non-current	4, 5, 6.4 and 12	200,000	1	-	-
124100	Investment under the equity method	4 and 6.11	659,552	4	515,614	3
125000	Property, plant, and equipment – net	4, 6.12, 6.34 and 7	49,596	-	40,185	-
125800	Right-of-use assets- Net	4 and 6.27	84,618	1	123,878	1
127000	Intangible assets	4, 6.13 and 6.34	74,223	-	29,429	-
128000	Deferred income tax assets	4, 5, and 6.31	6,288	-	4,640	-
129010	Business guarantee	6.14 and 12	235,000	1	225,000	1
129020	Settlement / clearance fund	6.15 and 12	110,015	1	106,418	1
129030	Refundable deposits	12	26,770	-	18,461	-
129130	Prepayments for equipment		480	-	3,500	-
120000	Total of Non-Current Assets		<u>1,627,283</u>	<u>10</u>	<u>1,211,158</u>	<u>7</u>
906001	Total assets		<u>\$16,466,709</u>	<u>100</u>	<u>\$16,858,835</u>	<u>100</u>

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Balance Sheet (Continued)
December 31, 2021 and 2020

Unit: NTD thousand

Liabilities and Equity			December 31, 2021		December 31, 2020	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current liabilities					
211100	Short-term borrowings	6.16 and 12	\$50,000	-	\$-	-
211200	Commercial papers payable	4.17 and 12	149,995	1	199,936	1
214010	Call loans to banks	4, 6.18 and 12	3,804,392	23	8,005,393	48
214080	Futures traders' equity	4, 6.33 and 12	519,433	3	300,965	2
214110	Payable notes	4, 6.19 and 12	-	-	163	-
214130	Accounts payable	4,6.19, 7 and 12	4,046,930	25	3,704,463	22
214150	Advances		8,187	-	9,156	-
214170	Other payables	7 and 12	347,773	2	170,185	1
214600	Current Tax Liability	4, 5, and 6.31	127,901	1	-	-
215100	Liability reserve-Current	4 and 6.22	6,191	-	5,870	-
216000	Lease liabilities – current	4, 6.27 and 12	45,643	-	57,193	-
219000	Other current liabilities		1,205,240	8	164,490	1
210000	Total current liabilities		<u>10,311,685</u>	<u>63</u>	<u>12,617,814</u>	<u>75</u>
	Non-current liabilities					
221100	Corporate bonds payable	4, 6.20 and 12	763,524	5	-	-
225100	Liabilities reserve- non-current	4 and 6.22	9,357	-	3,478	-
226000	Lease liabilities – noncurrent	4, 6.27 and 12	21,272	-	58,755	-
228000	Deferred tax liabilities	4, 5, and 6.31	1,118	-	761	-
229070	Net determined benefit liability-non-current	4, 5 and 6.21	31,115	-	18,661	-
220000	Total of non-current liabilities		<u>826,386</u>	<u>5</u>	<u>81,655</u>	<u>-</u>
906003	Total liabilities		<u>11,138,071</u>	<u>68</u>	<u>12,699,469</u>	<u>75</u>
	Equity	4and 6.23				
301000	Share capital					
301010	Common stock capital		3,313,694	20	3,308,168	20
302000	Capital reserve		359,443	2	312,359	2
304000	Retained earnings					
304010	Statutory surplus reserves		52,945	-	13,397	-
304020	Special surplus reserves		111,110	1	28,167	-
304040	Undistributed earnings		1,373,218	8	436,103	3
305000	Other equity		118,228	1	61,172	-
906004	Total equity		<u>5,328,638</u>	<u>32</u>	<u>4,159,366</u>	<u>25</u>
906002	Total Liabilities and Equity		<u>\$16,466,709</u>	<u>100</u>	<u>\$16,858,835</u>	<u>100</u>

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Income Statement
2021 and 2020

Unit: NTD thousand

Code	Items	Note	2021		2020	
			Amount	%	Amount	%
	Income					
401000	Brokerage fee revenue	4, 6.24 and 7	\$1,042,146	40	\$590,921	44
402000	Commissions income from loans	4	82	-	-	-
404000	Underwriting business revenue	4, 6.24 and 7	67,736	3	66,215	5
410000	Operating gain on sale of securities	6.24 and 7	1,470,274	56	295,903	22
421100	Stock affairs agency revenue	4 and 7	77,036	3	70,057	5
421200	Interest revenue	4 and 6.24	35,469	1	45,103	3
421300	Dividend income	4	26,003	1	23,240	2
421500	Net profit of securities trade measured at the fair value through profit or loss	6.24 and 7	(92,170)	(3)	223,761	17
424400	Net gains (losses) on the derivative financial instruments – Futures	4, 6.24 and 12	(17,762)	(1)	6,129	1
424500	Net losses on the derivative financial instruments - over the counter	4	(1,924)	-	-	-
425300	Expected credit impairment loss and reversal benefit	4, 5, and 6.24	134	-	(110)	-
428000	Other operating revenue	6.25 and 7	1,876	-	8,730	1
400000	Total revenues		<u>2,608,900</u>	<u>100</u>	<u>1,329,949</u>	<u>100</u>
	Expense					
501000	Brokerage fee expenses		(87,791)	(3)	(51,517)	(4)
502000	Proprietary trade service commission expenses		(2,551)	-	(2,636)	-
521200	Financial costs	6.26	(1,855)	-	(27,322)	(2)
524300	Clearance and settlement service expenses		(9,383)	-	(7,603)	(1)
531000	Employee benefits expenses	61.21, 6.28 and 7	(917,435)	(35)	(568,193)	(43)
532000	Depreciation and amortization expenses	6.27 and 6.28	(89,412)	(4)	(80,609)	(6)
533000	Other operating expenses	7	(279,293)	(11)	(227,043)	(17)
500000	Total Expense		<u>(1,387,720)</u>	<u>(53)</u>	<u>(964,923)</u>	<u>(73)</u>
	Operating profit		<u>1,221,180</u>	<u>47</u>	<u>365,026</u>	<u>27</u>
601100	Shareholdings in the subsidiaries, affiliated companies and joint ventures under the equity method	4	(6,063)	-	(39,883)	(3)
602000	Other profits and losses	4 and 6.29	154,058	6	92,940	7
902001	Net profit before tax		1,369,175	53	418,083	31
701000	Income tax expenses	4, 5, and 6.31	(129,902)	(5)	(3,365)	-
902005	Current net income		<u>1,239,273</u>	<u>48</u>	<u>414,718</u>	<u>31</u>
805000	Other comprehensive income	6.30				
805500	The items that are not reclassified as profit or loss					
805510	Reevaluation of determined benefit plan		(14,259)	(1)	(22,680)	(2)
805540	Investment of equity instruments at fair value through other comprehensive income					
	Net unrealized valuation gain		57,056	2	16,154	1
805000	Other comprehensive income for the period (post-tax profit or loss)		42,797	1	(6,526)	(1)
902006	Total comprehensive income in current period		<u>\$1,282,070</u>	<u>49</u>	<u>\$408,192</u>	<u>30</u>
975000	Base earnings per share (\$):					
975010	Current net income	6.32	<u>\$3.74</u>		<u>\$1.24</u>	
985000	Diluted earnings per share (NT\$):					
985010	Current net income	6.32	<u>\$3.48</u>		<u>\$1.23</u>	

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Individual Statements of Changes in Shareholders' Equity
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

Items	Share capital		Retained earnings			Other equity	Treasury stock	Total equity
	Common stock capital	Capital reserve	Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Unrealized gain on financial assets at fair value through other comprehensive profit or loss		
Code	3100	3200	3310	3320	3350	3420	3500	3XXX
Balance as at January 1, 2020	\$3,505,008	\$237,869	\$-	\$-	\$133,968	\$48,459	\$(25,636)	\$3,899,668
Dividend allocation and distribution for 2019:								
Legal reserve appropriated	-	-	13,397	-	(13,397)	-	-	-
Appropriation of special reserve	-	-	-	28,167	(28,167)	-	-	-
Common stock cash dividends	-	-	-	-	(51,780)	-	-	(51,780)
2020 net income	-	-	-	-	414,718	-	-	414,718
Other comprehensive net income in 2020	-	-	-	-	(22,680)	16,154	-	(6,526)
Total comprehensive net income in 2020	-	-	-	-	392,038	16,154	-	408,192
Redemption of treasury stock	-	-	-	-	-	-	(96,714)	(96,714)
Cancellation of Treasury stock	(196,840)	74,490	-	-	-	-	122,350	-
Equity instrument at fair value through other comprehensive income statement	-	-	-	-	3,441	(3,441)	-	-
Balance as at December 31, 2020	<u>\$3,308,168</u>	<u>\$312,359</u>	<u>\$13,397</u>	<u>\$28,167</u>	<u>\$436,103</u>	<u>\$61,172</u>	<u>\$-</u>	<u>\$4,159,366</u>
Balance as at January 1, 2021	\$3,308,168	\$312,359	\$13,397	\$28,167	\$436,103	\$61,172	\$-	\$4,159,366
Dividend allocation and distribution for 2020:								
Legal reserve appropriated	-	-	39,548	-	(39,548)	-	-	-
Appropriation of special reserve	-	-	-	82,943	(82,943)	-	-	-
Common stock cash dividends	-	-	-	-	(165,408)	-	-	(165,408)
Other changes in capital reserve:								
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	40,790	-	-	-	-	-	40,790
2021 net income	-	-	-	-	1,239,273	-	-	1,239,273
Other comprehensive net income in 2021	-	-	-	-	(14,259)	57,056	-	42,797
Total comprehensive net income in 2021	-	-	-	-	1,225,014	57,056	-	1,282,070
Convertible corporate bonds converted	5,526	6,294	-	-	-	-	-	11,820
Balance as at December 31, 2021	<u>\$3,313,694</u>	<u>\$359,443</u>	<u>\$52,945</u>	<u>\$111,110</u>	<u>\$1,373,218</u>	<u>\$118,228</u>	<u>\$-</u>	<u>\$5,328,638</u>

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chill Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Individual Statements of Cash Flow
2021 and 2020

Unit: NTD thousand

Code	Items	2021	2020
	Cash flow from operating activities:		
A10000	Current year net profit before taxation	\$1,369,175	\$418,083
A20000	Adjustments:		
A20010	Revenue, expense and loss that do not affect the cash flows		
A20100	Depreciation expenses	77,702	71,919
A20200	Amortization expenses	11,710	8,690
A20300	Expected credit impairment loss and reversal benefit	(134)	110
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit and loss	92,170	(223,761)
A20900	Interest expenses	1,855	27,322
A21200	Interest income (including financial income)	(44,032)	(51,913)
A21300	Dividend income	(28,838)	(25,401)
A22400	Share of loss of the subsidiaries, affiliated companies and joint ventures under the equity method	6,063	39,883
A23100	Gain on disposal of investments	(2,353)	(14,163)
A23300	Loss on non-operating financial products at fair value	8,634	12,266
A29900	Other items	(1,252)	(3,748)
A60000	Changes in operating activities related assets/liabilities		
A61110	(Increase) decrease in financial assets at fair value through profit and loss	235,474	(257,454)
A61130	(Increase) decrease in bond investment under reverse repurchase agreement	3,954,432	(2,982,465)
A61180	Increase in securities borrowings receivable	(178,810)	(203,198)
A61190	Increase in customers' margin accounts	(218,505)	(117,326)
A61200	Decrease in futures trading margin receivable	-	331
A61230	Decrease in notes receivable	176	159
A61250	Increase in accounts receivable	(367,046)	(1,553,280)
A61270	(Increase) decrease in prepayments	37,889	(67,218)
A61280	Increase in net interest on the net defined benefit asset	-	(1,502)
A61290	Increase in other receivables	(483)	(3,733)
A61365	Financial assets at fair value through other comprehensive profit or loss (decrease)	-	259
A61370	Increase in other current assets	(1,085,526)	(117,066)
A62110	Increase (decrease) in bond liabilities under repurchase agreement	(4,201,001)	3,135,589
A62200	Increase in futures traders' equity	218,468	117,702
A62210	Increase (decrease) in notes payable	(163)	82
A62230	Increase in accounts payable	342,861	1,503,378
A62250	Increase (decrease) in advance receipts	(969)	9,147
A62270	Increase in other payables	177,588	79,878
A62290	Decrease in net determined benefit liability	(1,805)	-
A62300	Increase in liability reserve	321	2,260
A62320	Increase in other current liabilities	1,040,750	119,163
A33000	Cash inflow (outflow) from operations	<u>1,444,351</u>	<u>(76,007)</u>
A33100	Interest received	39,275	56,770
A33200	Dividends received	28,946	34,135
A33300	Interest payment	(390)	(644)
A33500	Income tax returned	2,315	2,460
AAAA	Net cash inflow (outflow) from operating activities	<u>1,514,497</u>	<u>16,714</u>
	Cash flow from investing activities:		
B00040	Acquisition of financial assets at amortized cost	(200,000)	-
B01800	Acquisition of investment under the equity method	(150,000)	-
B02700	Acquisition of property, plant, and equipment	(22,758)	(11,953)
B03300	Increase in business guarantee	(10,000)	-
B03500	Increase in settlement/clearance fund	(3,597)	(16,926)
B03700	Increase in refundable deposits	(8,309)	-
B03800	Decrease in Refundable deposits	-	2,992
B04500	Acquisition of Intangible assets	(27,496)	(10,705)
B07100	Increase in prepayments for equipment	(480)	-
BBBB	Net cash outflow from investing activities	<u>(422,640)</u>	<u>(36,592)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase of short-term loans	137,741,730	130,738,430
C00200	Decrease in short-term loans	(137,691,730)	(130,738,430)
C00700	Increase in commercial papers payable	1,614,614	869,369
C00800	Decrease in commercial papers payable	(1,665,000)	(770,000)
C01200	Issue of corporate bonds	822,374	-
C04020	Repayments of principal portion of the lease	(64,844)	(61,769)
C04500	Cash dividend released	(165,408)	(51,780)
C04900	Cost of treasury stock repurchase	-	(96,714)
C05600	Interest payment	(10,319)	(24,941)
CCCC	Net cash inflow (outflow) from financing activities	<u>581,417</u>	<u>(135,835)</u>
EEEE	Current cash and cash equivalents increase (decrease)	1,673,274	(155,713)
E00100	Balance of cash and cash equivalents, beginning of period	1,080,637	1,236,350
E00200	Balance of cash and cash equivalent, end of period	<u>\$2,753,911</u>	<u>\$1,080,637</u>

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chillli Hsieh

Statement of Declaration

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2021 (January 1 to December 31, 2021) pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those to be included into the consolidated financial statement of the parent company and subsidiaries pursuant to the Statements of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the said consolidated financial statement of the parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statement of affiliated enterprises separately.

Hereby declare

Company name: Horizon Securities Co., Ltd.

Chairman: Ke-Chyn Jiang

March 3, 2022

Auditor's Report

To: Horizon Securities Co., Ltd.

Audit opinion

We have audited the accompanying consolidated balance sheet of Horizon Securities Co., Ltd. and subsidiary (collectively referred to as the “Group”) as of December 31, 2021 and 2020, and the related consolidated statement of income, consolidated statement of changes in shareholders equity, consolidated statement of cash flows, and Notes of the consolidated financial statements (including major accounting policy) for the years then ended.

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

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Horizon Securities Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the consolidated financial statements of Horizon Securities Co., Ltd. and subsidiary, 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

The “key audit matters” means that the independent auditor has used their professional judgment to audit the most important matters on the 2021 consolidated financial statements of Horizon Securities Co., Ltd. and its subsidiaries. These matters were addressed in the content 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 those matters.

Evaluation of financial instruments—no active market

Horizon Securities Co., Ltd. and its subsidiaries invest in financial assets without active market quotes. Because of the lack of active market quotes, their fair value is determined using the evaluation approach. For the aforementioned financial assets, Horizon Securities Co., Ltd. and its subsidiaries adopted an internal model approach or other evaluation approaches to evaluate the fair value. As changes in the assumptions used in the evaluation would affect the fair value of the financial instruments reported, we determined to list it as a key audit matter.

We implemented but were not limited to the following audit procedures for the evaluation of financial assets without active market quotes: evaluate and test the effectiveness of internal control related to the evaluation of financial instruments, including the management's decisions and approval of evaluation models and their assumptions, evaluation models, as well as the control and management review evaluation results related to the changes in the assumptions. We used the assistance of internal evaluation experts on a sampling basis, including reviewing the evaluation methods adopted by Horizon Securities Co., Ltd. and its subsidiaries, understanding and evaluating the reasonableness of key evaluation assumptions, performing independent evaluation calculations, and comparing the evaluations made by the management to see if the differences were within the acceptable scope. We also considered the appropriateness of the financial instrument evaluation disclosures in Notes 5 and 12 of the consolidated financial statements.

Responsibilities of Management and Those in Charge of Governance of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and applicable IFRS, IAS, SIC, and IFRIC as recognized by the Financial Supervisory Commission, and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements to be free from material misstatement whether due to fraud or error.

While preparing the consolidated financial statements, the management's responsibility also includes assessing the continuing operation of Horizon Securities Co., Ltd. and its subsidiaries, the disclosure of the relevant matters, and the adoption of the accounting base for continuing operation, unless the management intends to liquidate Horizon Securities Co., Ltd. and its subsidiaries or cease the business operation, or there is lack of any alternative except for liquidation or suspension.

The governance unit of Horizon Securities Co., Ltd., and its subsidiaries (including the Audit Committee or supervisors) is responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

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 risks, and obtain 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 effective in Horizon Securities Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Horizon Securities Co., Ltd. and its subsidiaries and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Horizon Securities Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated

financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; they are also responsible for forming an opinion on the audit of the Group.

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

The independent auditor has, based on the communications with the governing unit, determined the key audit matters to be performed on the 2021 consolidated financial statements of Horizon Securities Co., Ltd. and its subsidiaries. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Others

Horizon Securities Co., Ltd. has compiled its 2021 and 2020 individual financial statements, for which we issued unqualified opinion.

Ernst & Young Global Limited
Competent authorities have approved the audit of the
financial reports of public companies
Approval Document No.: Jin-Guan-Zheng-6-Zi No.
0970038990
Jin-Guan-Cheng-Shen-Zi No.: 1030025503

James Huang

CPAs:

Bob Chang

March 3, 2022

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: NTD thousand

Assets			December 31, 2021		December 31, 2020	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current assets					
111100	Cash and cash equivalents	4, 6.1 and 12	\$3,105,993	19	\$1,219,126	7
112000	Financial assets at fair value through profit or loss- current	4, 5, 6.2, 6.19, 7, 8 and 12	4,208,832	26	4,523,292	27
	The financial assets measured for the fair values through other comprehensive income- current	4, 5, 6.3 and 12	70,380	-	48,420	-
113200						
114010	Bond investment under reverse repurchase agreement	4, 6.5 and 12	1,150,580	7	5,105,012	30
114060	Securities borrowings receivable	4, 5, 6.6 and 12	1,106	-	-	-
114066	Loan receivable – non-restricted purpose	4, 5, 6.7 and 12	478,927	3	301,218	2
114070	Customers’ margin accounts	4, 6.8, 6.32 and 12	519,617	3	301,112	2
114110	Notes receivable-net	4, 5, 6.9 and 12	150	-	313	-
114130	Accounts receivable – net	4, 5, 6.9, 7 and 12	4,113,587	25	3,747,482	22
114150	Prepayments		19,202	-	85,687	1
114170	Other receivables	4, 5, 6.10, 7 and 12	16,671	-	14,437	-
114600	Current income tax asset	4, 5, and 6.30	5,299	-	10,869	-
119000	Other current assets	8 and 12	1,562,667	9	477,149	3
110000	Total current assets		<u>15,253,011</u>	<u>92</u>	<u>15,834,117</u>	<u>94</u>
	Non-Current assets					
122000	Financial assets that are measured at fair value through profit or loss-non-current	4, 5, 6.2 and 12	322,158	2	388,617	2
123200	The financial assets measured for the fair values through other comprehensive income- non-current	4, 5, 6.3 and 12	92,460	1	57,364	-
123300	Financial assets based on cost after amortization- non-current	4, 5, 6.4 and 12	200,000	1	-	-
125000	Property, plant, and equipment – net	4, 6.11, 6.33 and 7	49,877	-	40,522	-
125800	Right-of-use assets- Net	4 and 6.26	86,459	1	127,296	1
127000	Intangible assets	4, 6.12 and 6.33	74,223	-	29,429	-
128000	Deferred income tax assets	4, 5, and 6.30	9,682	-	8,561	-
129010	Business guarantee	6.13 and 12	270,000	2	260,000	2
129020	Settlement / clearance fund	6.14 and 12	110,015	1	106,418	1
129030	Refundable deposits	12	26,770	-	18,461	-
129130	Prepayments for equipment		480	-	3,500	-
120000	Total of Non-Current Assets		<u>1,242,124</u>	<u>8</u>	<u>1,040,168</u>	<u>6</u>
906001	Total assets		<u>\$16,495,135</u>	<u>100</u>	<u>\$16,874,285</u>	<u>100</u>

(Refer to Note to the consolidated financial statements)
Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Chairman: Ke-Chyn Jiang

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Balance Sheet (Continued)

December 31, 2021 and 2020

Unit: NTD thousand

Liabilities and Equity			December 31, 2021		December 31, 2020	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current liabilities					
211100	Short-term borrowings	6.15 and 12	\$50,000	-	\$-	-
211200	Commercial papers payable	6.16 and 12	149,995	1	199,936	1
214010	Call loans to banks	4, 6.17 and 12	3,804,392	23	8,005,393	48
214080	Futures traders' equity	4, 6.32 and 12	519,433	3	300,965	2
214110	Payable notes	4, 6.18 and 12	-	-	163	-
214130	Accounts payable	4, 6.18, 7 and 12	4,047,041	25	3,704,728	22
214150	Advances		8,187	-	9,156	-
214170	Other payables	7 and 12	374,547	2	182,257	1
214600	Current Tax Liability	4, 5, and 6.30	128,099	1	-	-
215100	Liability reserve-Current	4 and 6.21	6,239	-	5,886	-
216000	Lease liabilities – current	4, 6.26 and 14	46,814	-	59,017	-
219000	Other current liabilities		1,205,364	8	164,593	1
210000	Total current liabilities		10,340,111	63	12,632,094	75
	Non-current liabilities					
221100	Corporate bonds payable	4, 6.19 and 12	763,524	5	-	-
225100	Liabilities reserve- non-current	4 and 6.21	9,357	-	3,478	-
226000	Lease liabilities – noncurrent	4, 6.26 and 14	21,272	-	59,925	-
228000	Deferred tax liabilities	4, 5, and 6.30	1,118	-	761	-
229070	Net determined benefit liability-non-current	4, 5 and 6.20	31,115	-	18,661	-
220000	Total of non-current liabilities		826,386	5	82,825	-
906003	Total liabilities		11,166,497	68	12,714,919	75
	Equity attributable to Shareholders of the Company	4 and 6.22				
301000	Share capital					
301010	Common stock capital		3,313,694	20	3,308,168	20
302000	Capital reserve		359,443	2	312,359	2
304000	Retained earnings					
304010	Statutory surplus reserves		52,945	-	13,397	-
304020	Special surplus reserves		111,110	1	28,167	-
304040	Undistributed earnings		1,373,218	8	436,103	3
305000	Other equity		118,228	1	61,172	-
906004	Total equity		5,328,638	32	4,159,366	25
906002	Total Liabilities and Equity		\$16,495,135	100	\$16,874,285	100

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Income Statement
2021 and 2020

Unit: NTD thousand

Code	Items	Note	2021		2020	
			Amount	%	Amount	%
	Income					
401000	Brokerage fee revenue	4, 6.23 and 7	\$1,042,142	39	\$590,901	45
402000	Commissions income from loans	4	82	-	-	-
404000	Underwriting business revenue	4, 6.23 and 7	67,736	3	66,215	5
410000	Operating gain on sale of securities	6.23 and 7	1,492,573	57	309,373	24
421100	Stock affairs agency revenue	4 and 7	77,036	3	70,057	5
421200	Interest revenue	4 and 6.23	35,663	1	46,301	4
421300	Dividend income	4	26,512	1	23,624	2
421500	Net profit of securities trade measured at the fair value through profit or loss	6.23 and 7	(93,926)	(3)	178,601	14
424400	Net gains (losses) on the derivative financial instruments – Futures	4, 6.23 and 12	(17,762)	(1)	6,129	-
424500	Net losses on the derivative financial instruments - over the counter	4	(1,924)	-	-	-
425300	Expected credit impairment loss and reversal benefit	4, 5, and 6.23	202	-	(140)	-
428000	Other operating revenue	6.24 and 7	12,924	-	15,046	1
400000	Total revenues		<u>2,641,258</u>	<u>100</u>	<u>1,306,107</u>	<u>100</u>
	Expense					
501000	Brokerage fee expenses		(87,791)	(3)	(51,517)	(4)
502000	Proprietary trade service commission expenses		(2,551)	-	(2,636)	-
521200	Financial costs	6.25	(1,876)	-	(27,361)	(2)
524300	Clearance and settlement service expenses		(9,383)	-	(7,603)	(1)
528000	Other operating expenses	7	(980)	-	(1,039)	-
531000	Employee benefits expenses	6.20, 6.27 and 7	(986,311)	(38)	(610,694)	(47)
532000	Depreciation and amortization expenses	6.26 and 6.27	(91,105)	(4)	(82,279)	(6)
533000	Other operating expenses	7	(246,237)	(9)	(200,128)	(15)
500000	Total Expense		<u>(1,426,234)</u>	<u>(54)</u>	<u>(983,257)</u>	<u>(75)</u>
5xxxxx	Operating profit		1,215,024	46	322,850	25
602000	Other profits and losses	4 and 6.28	154,904	6	94,364	7
902001	Net profit before tax		1,369,928	52	417,214	32
701000	Income tax expenses	4, 5, and 6.30	(130,655)	(5)	(2,496)	-
902005	Current net income		1,239,273	47	414,718	32
805000	Other comprehensive income	6.29				
805500	The items that are not reclassified as profit or loss					
805510	Reevaluation of determined benefit plan		(14,259)	(1)	(22,680)	(2)
805540	Investment of equity instruments at fair value through other comprehensive income					
	Net unrealized valuation gain		57,056	2	16,154	1
805000	Other comprehensive income for the period (post-tax profit or loss)		42,797	2	(6,526)	(1)
902006	Total comprehensive income in current period		<u>\$1,282,070</u>	<u>49</u>	<u>\$408,192</u>	<u>31</u>
913000	Profit attributable to:					
913100	Owners of parent		<u>\$1,239,273</u>		<u>\$414,718</u>	
914000	Total comprehensive income attributable to:					
914100	Owners of parent		<u>\$1,282,070</u>		<u>\$408,192</u>	
975000	Base earnings per share (\$):					
975010	Current net income	6.31	<u>\$3.74</u>		<u>\$1.24</u>	
985000	Diluted earnings per share (NT\$):					
985010	Current net income	6.31	<u>\$3.48</u>		<u>\$1.23</u>	

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

Items	Equity attributable to Shareholders of the Company							Total equity
	Share capital	Capital reserve	Retained earnings			Other equity	Treasury stock	
	Common stock capital		Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Unrealized gain on financial assets at fair value through other comprehensive profit or loss		
Code	3100	3200	3310	3320	3350	3420	3500	3XXX
Balance as at January 1, 2020	\$3,505,008	\$237,869	\$-	\$-	\$133,968	\$48,459	\$(25,636)	\$3,899,668
Dividend allocation and distribution for 2019:								
Legal reserve appropriated	-	-	13,397	-	(13,397)	-	-	-
Appropriation of special reserve	-	-	-	28,167	(28,167)	-	-	-
Common stock cash dividends	-	-	-	-	(51,780)	-	-	(51,780)
2020 net income	-	-	-	-	414,718	-	-	414,718
Other comprehensive net income in 2020	-	-	-	-	(22,680)	16,154	-	(6,526)
Total comprehensive net income in 2020	-	-	-	-	392,038	16,154	-	408,192
Redemption of treasury stock	-	-	-	-	-	-	(96,714)	(96,714)
Cancellation of Treasury stock	(196,840)	74,490	-	-	-	-	122,350	-
Equity instrument at fair value through other comprehensive income statement	-	-	-	-	3,441	(3,441)	-	-
Balance as at December 31, 2020	<u>\$3,308,168</u>	<u>\$312,359</u>	<u>\$13,397</u>	<u>\$28,167</u>	<u>\$436,103</u>	<u>\$61,172</u>	<u>\$-</u>	<u>\$4,159,366</u>
Balance as at January 1, 2021	\$3,308,168	\$312,359	\$13,397	\$28,167	\$436,103	\$61,172	\$-	\$4,159,366
Dividend allocation and distribution for 2020:								
Legal reserve appropriated	-	-	39,548	-	(39,548)	-	-	-
Appropriation of special reserve	-	-	-	82,943	(82,943)	-	-	-
Common stock cash dividends	-	-	-	-	(165,408)	-	-	(165,408)
Other changes in capital reserve:								
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	40,790	-	-	-	-	-	40,790
2021 net income	-	-	-	-	1,239,273	-	-	1,239,273
Other comprehensive net income in 2021	-	-	-	-	(14,259)	57,056	-	42,797
Total comprehensive net income in 2021	-	-	-	-	1,225,014	57,056	-	1,282,070
Convertible corporate bonds converted	5,526	6,294	-	-	-	-	-	11,820
Balance as at December 31, 2021	<u>\$3,313,694</u>	<u>\$359,443</u>	<u>\$52,945</u>	<u>\$111,110</u>	<u>\$1,373,218</u>	<u>\$118,228</u>	<u>\$-</u>	<u>\$5,328,638</u>

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flow
2021 and 2020

Unit: NTD thousand

Code	Items	2021	2020
	Cash flow from operating activities:		
A10000	Current year net profit before taxation	\$1,369,928	\$417,214
A20000	Adjustments:		
A20010	Revenue, expense and loss that do not affect the cash flows		
A20100	Depreciation expenses	79,395	73,589
A20200	Amortization expenses	11,710	8,690
A20300	Expected credit impairment loss and reversal benefit	(202)	140
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit and loss	93,926	(178,601)
A20900	Interest expenses	1,876	27,361
A21200	Interest income (including financial income)	(44,791)	(54,125)
A21300	Dividend income	(29,347)	(25,785)
A23100	Gain on disposal of investments	(2,812)	(14,873)
A23300	Loss on non-operating financial products at fair value	8,814	12,575
A29900	Other items	(1,252)	(3,748)
A60000	Changes in operating activities related assets/liabilities		
A61110	(Increase) decrease in financial assets at fair value through profit and loss	284,702	(307,051)
A61130	(Increase) decrease in bond investment under reverse repurchase agreement	3,954,432	(2,982,465)
A61180	Increase in securities borrowings receivable	(178,810)	(203,198)
A61190	Increase in customers' margin accounts	(218,505)	(117,326)
A61200	Decrease in futures trading margin receivable	-	331
A61230	Decrease in notes receivable	176	159
A61250	Increase in accounts receivable	(363,603)	(1,556,321)
A61270	(Increase) decrease in prepayments	37,777	(67,665)
A61280	Increase in net interest on the net defined benefit asset	-	(1,502)
A61290	Increase in other receivables	(406)	(3,760)
A61365	Financial assets at fair value through other comprehensive profit or loss (decrease)	-	259
A61370	Increase in other current assets	(1,085,518)	(117,069)
A62110	Increase (decrease) in bond liabilities under repurchase agreement	(4,201,001)	3,135,589
A62200	Increase in futures traders' equity	218,468	117,702
A62210	Increase (decrease) in notes payable	(163)	82
A62230	Increase in accounts payable	342,708	1,503,453
A62250	Increase (decrease) in advance receipts	(969)	9,147
A62270	Increase in other payables	192,290	83,088
A62290	Decrease in net determined benefit liability	(1,805)	-
A62300	Increase in liability reserve	353	2,272
A62320	Increase in other current liabilities	1,040,771	119,136
A33000	Cash inflow (outflow) from operations	<u>1,508,142</u>	<u>(122,702)</u>
A33100	Interest received	40,436	59,083
A33200	Dividends received	29,556	25,739
A33300	Interest payment	(390)	(644)
A33500	Income tax returned	2,250	635
AAAA	Net cash inflow (outflow) from operating activities	<u>1,579,994</u>	<u>(37,889)</u>
	Cash flow from investing activities:		
B00040	Acquisition of financial assets at amortized cost	(200,000)	-
B02700	Acquisition of property, plant, and equipment	(22,818)	(12,150)
B03300	Increase in business guarantee	(10,000)	-
B03500	Increase in settlement/clearance fund	(3,597)	(16,926)
B03700	Increase in refundable deposits	(8,309)	-
B03800	Decrease in Refundable deposits	-	2,992
B04500	Acquisition of Intangible assets	(27,496)	(10,705)
B07100	Increase in prepayments for equipment	(480)	-
BBBB	Net cash outflow from investing activities	<u>(272,700)</u>	<u>(36,789)</u>
	Cash flows from financing activities:		
C00100	Increase of short-term loans	137,741,730	130,738,430
C00200	Decrease in short-term loans	(137,691,730)	(130,738,430)
C00700	Increase in commercial papers payable	1,614,614	869,369
C00800	Decrease in commercial papers payable	(1,665,000)	(770,000)
C01200	Issue of corporate bonds	822,374	-
C04020	Repayments of principal portion of the lease	(66,688)	(63,613)
C04500	Cash dividend released	(165,408)	(51,780)
C04900	Cost of treasury stock repurchase	-	(96,714)
C05600	Interest payment	(10,319)	(24,941)
CCCC	Net cash inflow (outflow) from financing activities	<u>579,573</u>	<u>(137,679)</u>
EEEE	Current cash and cash equivalents increase (decrease)	1,886,867	(212,357)
E00100	Balance of cash and cash equivalents, beginning of period	1,219,126	1,431,483
E00200	Balance of cash and cash equivalent, end of period	<u>\$3,105,993</u>	<u>\$1,219,126</u>

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

[Attachment 4] (Overprint)

Horizon Securities Co., Ltd.
Table of Earnings Allocation
2021

		Unit: (NTD)
Undistributed earnings, beginning of year		148,203,342
Add (Less): Net income after tax for 2021	1,239,273,625	
Reevaluation of determined benefit plan	(14,258,922)	
Subtotal		1,225,014,703
Less: Legal reserve appropriated	(122,501,470)	
Special reserve appropriated (Note 1)	(245,002,941)	
Subtotal		(367,504,411)
Total distributable earnings		1,005,713,634
Allocation item		
Cash dividend per share (NT\$1.8/share) (Note 2) (Note 3)		(596,464,974)
Stock Dividend (NT\$0.6/share) (Note 2)		(198,821,650)
Undistributed earnings, ending of year		210,427,010

Note 1: Handled in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act and Article 14 of the Regulations Governing Securities Firms.

Note 2: Retained earnings in current period shall be the first considered for payout as dividend to shareholders. The amount short will be covered by the undistributed earnings accumulated in the previous period. The amount payable to each share is based on the total quantity of 331,369,430 shares with participation rights at the time of resolution of the Board.

Note 3: Cash dividend will be determined by the Board and for reporting to the Shareholders' Meeting pursuant to Article 24 of the Articles of Incorporation of the Company.

Chairman: Ke-Chyn Jiang President: Jamie Lin Accounting Manager: Chilli Hsieh

[Attachment 5]

The principal condition of private placement for raising capital, the particulars to the elaboration and pursuant to Article 43-6 of the Securities and Exchange Act, and the important notice under the “Directions for Public Company Conducting Private Placement of Securities” are specified as follows:

- I. The primary condition for private placement
 1. Type of shares for offering through private placement: common share
 2. Amount raised through private placement: no more than NT\$500 million at face value.
 3. Face value per share: NT\$10
 4. Quantity of shares offered through private placement: no more than 50,000,000 shares
 5. Price of share for private placement: Not lower than 80% of the reference price
 6. Number of tranches: at one time or twice.
 7. Other conditions for private placement: The Shareholders’ Meeting is asked to authorize the Board in decision-making.
- II. Information to be disclosed under Article 43-6 of the Securities and Exchange Act, and the “ Directions for Public Companies Conducting Private Placement of Securities.”
 - (I) The reference for setting justifiable price
 1. The price of common shares offered through private placement shall not fall below 80% of the reference price. The reference price shall be determined through the calculation of the following two standard prices, whichever is higher:
 - (1) The stock price calculated on the basis of the simple arithmetic mean of the closing price of common share in the last, last 3 or last 5 trading days prior to the price setting day, net of ex-right and ex-dividend stock dividend, and added back by the reversal of ex-right price after recapitalization through cash buy-back.
 - (2) The stock price calculated on the basis of the simple arithmetic mean of the closing price of common shares in the last 30 trading days prior to the price setting day, net of ex-right and ex-dividend stock dividend, and added back by the reversal of ex-right price after recapitalization through cash buy-back.
 2. If the actual pricing day and the actual offering price fall within the scope of the Shareholders’ Meeting for decision, the Shareholders’ Meeting is asked to authorize the Board to make decision after soliciting with designated investors with reference to market situation.
 3. The subscription price of the aforementioned common shares through private placement will be set with reference to the business outlook, the development and prospect, and the restriction of no conversion of common shares through private placement in a period of 3 years, and the

recent prices for the trading of shares issued by the Company and other related factors. Therefore, the pricing should be justifiable.

(II) Means of selecting designated investors

1. Prospective investors for private placement should be selected in accordance with Article 43-6 under the Securities and Exchange Act, and the designated parties specified under Financial Supervisory Commission (2002) Tai-Cai-Zheng (I)-Zi No. 0910003455 dated June 13, 2002, with the group of strategic investors capable of yielding result in the long-term development and the existing shareholders equity of the Company at the top priority of choice. There is no respondent to the call for the time being. The Shareholders' Meeting is asked to authorize the Board for handling matters pertinent to the solicitation of prospective investors in private placement.
2. The means, purpose, necessity for choosing prospective investors and expected result
 - (1) The means and purpose of choosing prospective investors: strategic investors capable of assisting the Company in business development, expansion of market scale, and upgrading competitive power of the Company for meeting its need in operation development will be preferred.
 - (2) Necessity: In the wake of the rapid changes in the securities and futures market, and the need of upgrading the competitive power of the Company for long-term business development, the Company seeks to upgrade its competitive power through introducing strategic investors capable of assisting in the development of business in the securities and futures market for meeting the long-term need of business development of the Company.
 - (3) Expected result: by way of the participation of and cooperation with the strategic investors, the Company can speed up its business expansion in the securities and futures market for upgrading its competitive power and strengthening its financial structure.

(III) The reason for the necessary offering of shares through private placement

1. Reasons for not appealing to public offering: private placement is preferred due to the timeliness of raising capital, the cost of offering, and the actual need of introducing strategic investors, and also the restriction of no transfer within 3 years for securities offered through private placement. This can help to assure the long-term collaborative relation between the Company and the strategic investors. Therefore, public offering is not adopted.
2. The limit of capital raised through private placement: the quantity of shares offered through private placement shall be limited to 50,000,000 shares with the total amount of no more than NT\$500 million in face value. The Company may offer the shares at one time or twice within 1 year from the day of resolution by the Shareholders' Meeting at the right

moment depending on the market environment and the need of the Company.

3. The use of capital raised from private placement: The capital raised through each instance of offering will be used to meet the need in business development and pool up working capital, and strengthen the financial structure depending on the market environment and the need of the Company. The shares will be offered at one time or twice at the right moment within 1 year from the day after the resolution of the Shareholders' Meeting.
 4. Expected result: the capital raised from each instance of offering through private placement from strategic investors will help to upgrade the competitive power of the Company in business and strengthen the financial structure. This will be an input to shareholders equity.
- III. The common shares offered through private placement are restricted for transfer within 3 years from the day of delivery pursuant to Article 43-8 of the Securities and Exchange Act. The remainder of the rights and obligations inherent to the shares shall be identical with the rights and obligations of the other outstanding common shares of the Company. After the 3rd anniversary of the delivery of the common shares offered through private placement, the Company shall obtain the letter of approval from the competent authority for meeting the standard of listing at TWSE or TPEX, then petition with the competent authority for permitting these shares from private placement for public offering and listing at TWSE or TPEX.

[Attachment 6]

Comparison Table of the “Articles of Incorporation” Before and After Amendment

Amended Provision	Current Provision	Description
<p>Article 8</p> <p>The Company holds two types of shareholders’ meetings:</p> <p>(1)The annual meeting shall be convened by the board of directors within six months after the annual settlement of accounts.</p> <p>(2)Special meeting of shareholders: To be held when necessary.</p> <p><u>During the convention of the shareholders’ meeting, video conference or other methods announced by the central competent authority may be adopted.</u></p>	<p>Article 8</p> <p>The Company holds two types of shareholders’ meetings:</p> <p>(1)The annual meeting shall be convened by the board of directors within six months after the annual settlement of accounts.</p> <p>(2)Special meeting of shareholders: To be held when necessary.</p>	<p>Proceed with Article 172-2 of the Company Act, and Paragraph 3 of Article 44-9 of the Regulations Governing the Administration of Investor Services of Public Companies thereby explicitly stated that Shareholders’ Meeting may be convened via videoconferencing or any other means as announced by the Ministry of Economic Affairs.</p>
<p>Article 23</p> <p>If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration. However, profits must first be taken to offset against cumulative losses if any.</p> <p>The aforementioned profit refers to the pre-tax income minus the amount of remuneration to be distributed to the directors or employees.</p> <p>The employee remuneration in the first paragraph may be distributed in the form of cash or shares, and may be distributed to employees including the qualified employees of the Company’s subsidiaries. The remuneration to directors in the first paragraph shall be distributed only in the form of cash.</p>	<p>Article 23</p> <p>If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration, <u>and both shall sum up to no more than 5%.</u> However, profits must first be taken to offset against cumulative losses if any.</p> <p>The aforementioned profit refers to the pre-tax income minus the amount of remuneration to be distributed to the directors or employees.</p> <p>The employee remuneration in the first paragraph may be distributed in the form of cash or shares, and may be distributed to employees including the qualified employees of the Company’s subsidiaries. The remuneration to directors in the first paragraph shall be distributed only in the form of cash.</p>	<p>The range of flexible remuneration to the employees was introduced with reference to industry practice and in conformity to the establishment of related remuneration ratio to employees under Ministry of Economic Affairs Letter Jing-Shang-Zi No. 10402427800 dated October 15, 2015. Accordingly, the rule of the total of remuneration to employees and Directors shall be no more than 5% was deleted.</p>
<p>Article 26</p>	<p>Article 26</p>	<p>Date of amendment.</p>

Amended Provision	Current Provision	Description
<p>The Articles of Association were established on November 30, 1961.</p> <p>The 50th amendment was made on June 24, 2020.</p> <p><u>The 51st amendment was made on May 27, 2022.</u></p>	<p>The Articles of Association were established on November 30, 1961.</p> <p><u>The 46th amendment was made on June 12, 2019.</u></p> <p>The 50th amendment was made on June 24, 2020.</p>	

[Attachment 7]

Comparison Table of the Rules of Procedure for Shareholders' Meetings Before and After Amendment

Amended Provision	Current Provision	Description
<p>Article 3 Paragraph 1 is omitted. <u>Changes to how the Company convenes the shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.</u></p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the originals of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. A soft copy of the Meeting Handbook and supplementary materials for the meeting will be produced and the electronic file will be sent to the MOPS 21 days prior to the date of regular session or 15 days prior to the date of special session of the Shareholders' Meeting. <u>If the Company has paid-in capital exceeding NT\$10,000 million as of the last day of the previous accounting period, or the shareholding of foreign investors and investors from Mainland China as stated in the Shareholders Registry for the Shareholders' Meeting in the previous period exceeds 30% of the total shareholding, the</u></p>	<p>Article 3 Paragraph 1 is omitted.</p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the originals of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS within 21 days before the date of an annual shareholders' meeting or within 15 days before the date of an extraordinary shareholders' meeting. Within 15 days before the date of a shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time, and shall also display them at the</p>	<ol style="list-style-type: none"> 1. For acknowledging the shareholders of any change in the mode of convention for the Shareholders' Meeting, any change in the mode of convention for Shareholders' Meeting shall be determined by the Board no later than the day on which the notice of Shareholders' Meeting was sent. Paragraph 2 was added for this purpose. 2. Article 6 of the Regulations Governing the Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies promulgated on December 16, 2021 after amendment, if the companies listed at TWSE or TPEX have paid-in capital exceeding NT\$10,000 million as of the last day of the previous accounting period, or the shareholding of foreign investors and investors from Mainland China as stated in the Shareholders Registry for the Shareholders' Meeting in the previous period exceeds 30% of the total shareholding, the aforementioned electronic file of information shall be sent 30 days prior to the regular session of the Shareholders' Meeting in order that shareholders who are foreign investors or investors from Mainland China can read the information related to the

Amended Provision	Current Provision	Description
<p><u>aforementioned electronic file of information shall be sent 30 days prior to the regular session of the Shareholders' Meeting.</u> Within 15 days before the date of a shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time, and shall also display them at the Company and the professional shareholders' services agency designated thereby. <u>The shareholders' meeting agenda handbook and supplementary materials stated in the preceding paragraph shall be made available for the reference of the shareholders at the meeting place as follows:</u> 1. <u>The said data shall be made available for the shareholders to obtain and review at the physical shareholders' meeting place.</u> 2. <u>The said data shall be made available for the shareholders to obtain and review at the hybrid shareholders' meeting place; also, the electronic files shall be uploaded to the virtual meeting platform.</u> 3. <u>The electronic files shall be uploaded to the virtual meeting platform at the virtual shareholders' meeting.</u> Paragraph 5 to 7 omitted. A shareholder holding 1% or more of the total number of issued shares may submit to the company a written proposal for discussion at an annual shareholders' meeting. The number of items so proposed,</p>	<p>Company and the professional shareholders' services agency designated thereby, <u>as well as distributing them on-site at the meeting place.</u></p> <p>Paragraph 5 to 7 omitted. A shareholder holding 1% or more of the total number of issued shares may submit to the company a written proposal for discussion at an annual shareholders' meeting. The number of items so proposed,</p>	<p>Shareholders' Meeting at an earlier time. Paragraph 3 was amended for this purpose.</p> <p>3. In responding to the deregulation that public companies may hold Shareholders' Meeting via videoconferencing, the Shareholders' Meeting of the Company will convene in regular session and via videoconferencing. For the convenience of the shareholders in participating in the physical session or videoconferencing of Shareholders' Meeting to access to the Meeting Handbook and supplementary materials for the meeting on the meeting day, Paragraph 2 was amended and Paragraph 4 was added for this purpose.</p> <p>4. Modification of the wording in Paragraph 8.</p>

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<p>however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting discussions. The following is omitted.</p>	<p>however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting discussions. The following is omitted.</p>	
<p>Article 4 Paragraph 1 to 3 omitted. <u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting by means of virtual communication network, a written notice of proxy cancellation shall be submitted to the Company 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Article 4 Paragraph 1 to 3 omitted.</p>	<p>Shareholders who previously appointed proxies to attend the Shareholders' Meeting but changed their mind after the power of attorney for the authorization of proxies has been delivered to the Company and intend to attend via videoconferencing may notify the Company for revoking the previous authorization in writing 2 days prior to the meeting day of the Shareholders' Meeting. Paragraph 4 was added for this purpose.</p>
<p>Article 5 Paragraph 1 is omitted. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders' meeting.</u></p>	<p>Article 5 Paragraph 1 is omitted.</p>	<p>It is explicitly stated that Shareholders' Meeting via videoconferencing shall not be constrained by the place of the meeting. Paragraph 2 was added for this purpose.</p>
<p>Article 6 The Company shall specify in its shareholders' meeting notices the time during which shareholder, <u>solicitors, and proxy agents (hereinafter referred to as "shareholders"</u></p>	<p>Article 6 The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for</p>	<p>Paragraph 1 was amended for specifying the time and procedure for the registration of the shareholders for attendance.</p>

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<p>collectively) attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>The time for accepting shareholders' registration at the virtual meeting platform at least 30 minutes prior to the time the virtual shareholders' meeting commences, and shareholders who complete the registration are deemed to have attended the shareholders' meeting in person.</u></p> <p>Shareholders shall present the attendance cards, sign-in cards, or other certificates of attendance to attend the shareholders' meeting. The Company may not add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Paragraph 4 to 6 omitted. <u>The shareholders who intend to attend the virtual shareholders' meeting by means of virtual communication network shall complete the registration with</u></p>	<p>attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders <u>or proxies (hereinafter referred to as the "shareholders")</u> shall present the attendance cards, sign-in cards, or other certificates of attendance to attend the shareholders' meeting. The Company may not add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Paragraph 4 to 6 omitted.</p>	<p>In supporting the establishment of Paragraph 1 that Shareholder may use abbreviation, Paragraph 2 was amended.</p> <p>Shareholders intending to participate via videoconferencing shall register with the Company 2 days prior to the meeting day. Paragraph 7 was added for this purpose.</p> <p>For allowing shareholders electing to participate via videoconferencing can access to the Meeting Handbook and supplementary materials for the meeting, the Company shall upload the said information to the videoconference platform. Paragraph 8 was added for this purpose.</p>

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<p><u>the Company 2 days before the meeting date.</u></p> <p><u>For a virtual shareholders' meeting, the Company shall upload the agenda handbooks, annual reports, and other relevant materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences till the end of the meeting</u></p>		
<p>Article 6-1</p> <p><u>The Company shall have the following information detailed in the shareholders' meeting notice while convening the virtual shareholders' meeting:</u></p> <p><u>1. Shareholders' attending a virtual shareholders' meeting and the way exercising their rights;</u></p> <p><u>2. The malfunctions occurred to the virtual meeting platform or the difficulties of attending a meeting by virtual communication network due to calamities, incidents, or <i>force majeure</i>, shall be handled as follows:</u></p> <p><u>(1) The duration of the malfunction causing the meeting to be postponed or reconvened and the date for the postponed or reconvened meeting;</u></p> <p><u>(2) Shareholders who did not register to attend the initial shareholders' meeting by means of virtual communication network may not attend the postponed or reconvened meeting.</u></p> <p><u>(3) If the video transmission in the hybrid shareholders' meeting cannot be reconvened, but the total shareholdings of the shareholders attending</u></p>		<p>1. A new clause enacted.</p> <p>2. For acknowledging the shareholders of related rights and limitation pertinent to the participation in Shareholders' Meeting, it is explicitly stated that the content of the notice of meeting shall cover the means of participation via videoconferencing and related rights thereof, and the responses to natural disasters, special incidents or any other forms of <i>force majeure</i> the extent to which the videoconference platform or the mean of participation via videoconferencing was handicapped. The response shall include at least the date of the postponement or extension of the meeting, and the duration of interruption that triggers the postponement or extension of the meeting, the requirement set forth in Paragraphs 1, 2, 4 and 5 under Article 44 of the Regulations Governing the Administration of Investor Service of Public Companies, and the result of the motions being resolved. The response to no proceeding for extemporary motions, and the substitution plan for shareholders who</p>

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<p><u>the meeting after deducting the shareholdings of the shareholders who attend the meeting by means of virtual communication network still meets the quorum, the shareholders' meeting shall continue. The shareholdings of the shareholders who attend the meeting by means of virtual communication network shall be included in the total shareholdings of the shareholders present, but the attending shareholders by means of virtual communication network shall be deemed to have waived their voting power in respect of all proposals at the said shareholders' meeting.</u></p> <p><u>(4) When all the proposals have been resolved and announced, how shall those not included in the motions be handled?</u></p> <p><u>3. The alternatives available to the shareholders who have difficulties attending the virtual shareholders' meeting by means of virtual communication network shall be stated in detail.</u></p>		<p>encounter problems in participating in Shareholders' Meeting via videoconferencing should be explicitly stated.</p>
<p>Article 8 Paragraph 1, 2 omitted. <u>Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the</u></p>	<p>Article 8 Paragraph 1, 2 omitted.</p>	<p>1. It is explicitly stated in Article 183 of the Company Act and Article 18 of the Regulations Governing the Parliamentary Procedure of the Board of Public Companies that, the Company shall keep record on the enrollment, registration, reporting for</p>

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<p><u>proceedings of the virtual shareholders' meeting from beginning to end.</u> <u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual shareholders' meeting.</u> <u>If the Shareholders' Meeting is to be convened via videoconferencing, the Company shall conduct voice recording and videotaping on the back-end operation interface of the videoconference platform.</u></p>		<p>attendance, questioning, voting of the shareholders and the result of balloting for safekeeping. In addition, the Company is also required to conduct uninterrupted voice recording and videotaping of the videoconference, and keep the records and videotapes within the perpetuity of the Company. Record on the service provider of videoconference shall also be kept. Paragraph 3 and Paragraph 4 were added for this purpose.</p> <p>2. For keeping the information on videoconferencing as far as possible, the back-end operation of the videoconference platform interface should also be tracked by voice recording and videotaping further to the uninterrupted voice recording and videotaping of the entire procedure of videoconferencing as explicitly stated in Paragraph 3. The simultaneous videotaping on screen requires computer hardware and software and information security at certain level. The Company may specify the detail on the feasibility of the equipment condition in the Procedure Handbook. Paragraph 5 was added for this purpose.</p>
<p>Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards <u>and the number of shares registered on</u></p>	<p>Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares</p>	<p>1. For specifying that the quantity of shares represented by shareholders in the session with the inclusion of shareholders participating in videoconferencing, the quantity of shares represented by shareholders</p>

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<p><u>the virtual meeting platform</u> handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>When it is about the time to call the meeting to order, the chair shall immediately call the meeting to order while announcing the relevant information, such as the number of non-voting rights and the number of shares present. However, when shareholders present do not represent a majority of the total issued shares, the chair may announce the postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>The Company shall also announce the information related to the virtual shareholders' meeting adjourned on the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. <u>The shareholders who intend to attend the virtual shareholders'</u></p>	<p>whose voting rights are exercised by correspondence or electronically.</p> <p>When it is about the time to call the meeting to order, the chair shall immediately call the meeting to order while announcing the relevant information, such as the number of non-voting rights and the number of shares present. However, when shareholders present do not represent a majority of the total issued shares, the chair may announce the postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174</p>	<p>attending the session via videoconferencing should be counted after the completion of registration for the meeting. Amendment to Paragraph 1 was made for this purpose.</p> <p>2. If the Shareholders' Meeting convenes also via videoconferencing, and the Presiding Officer announces to abort the session, the Company shall also announce the abortion of the session at the videoconference platform separately for informing the shareholders in real time. Amendment to Paragraph 2 was made for this purpose.</p> <p>3. If the Company resolves to make provisional decision of calling for a new session of the Shareholders' Meeting, shareholders who desire to attend via videoconferencing shall register with the Company. Amendment of Paragraph 3 was made for this purpose.</p>

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<p><u>meeting by means of virtual communication network shall complete the registration with the Company in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	<p>of the Company Act.</p>	
<p>Article 11 Paragraph 1 to 6 omitted. <u>Shareholders who attend the virtual shareholders' meeting by means of virtual communication network may ask questions in writing on the virtual meeting platform after the chairman calls the meeting to order and before the meeting adjourned. Each shareholder shall not ask more than two times for one motion, and each question shall not exceed 200 words, which is not subject to the provision of Paragraph 1 – Paragraph 5.</u> <u>The aforementioned questions that do not violate the regulations or do not exceed the scope of the motion shall be disclosed on the virtual meeting platform for public knowledge.</u></p>	<p>Article 11 Paragraph 1 to 6 omitted.</p>	<ol style="list-style-type: none"> 1. Specify the means, procedure and restriction of shareholders attending the session via videoconferencing in raising questions in videoconference through amendment to Paragraph 7. 2. For helping shareholders to understand the content of the questions raised by some shareholders, the Company will screen off the questions irrelevant with the motions proposed, and disclose all other questions raised by the shareholders at the videoconference platform through the addition of Paragraph 8.
<p>Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under <u>Article 179</u>, Paragraph 2 of the Company Act. Paragraph 2 to 3 omitted. After a shareholder has exercised his/her voting rights by correspondence or electronic means, if the shareholder</p>	<p>Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under <u>Article 179</u>, Paragraph 2 of the Company Act. Paragraph 2 to 3 omitted. After a shareholder has exercised his/her voting rights by correspondence or electronic means, if the shareholder</p>	<ol style="list-style-type: none"> 1. Modification of the wording. 2. Shareholders may elect to attend the physical session of the Shareholders' Meeting after expressing the intent of participation via videoconferencing and electronic balloting, and shall revoke the previous expression in the same manner as the exercise of voting right. This point is

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<p>wishes to attend the shareholders' meeting in person <u>or by means of virtual communication network</u>, he/she shall revoke the declaration of intent in the same manner, in which the voting rights were exercised in the preceding paragraph, within two days before the shareholders' meeting. If the notice of revocation is submitted after the deadline, the voting rights already exercised by correspondence or electronic means shall prevail. Where a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Paragraph 5 to 8 omitted. <u>Shareholders who attend the Company's virtual shareholders' meeting by means of virtual communication network shall vote on various resolution proposals and election proposals through the virtual meeting platform after the chairman calls the meeting to order; also, the vote shall be casted before the chairman announces the close of voting, otherwise it will be deemed as a waiver</u></p> <p><u>The vote count in the virtual shareholders' meeting shall be counted at once after the chairman announcing the close of voting, and the voting and election results shall be announced accordingly.</u></p> <p><u>The shareholders who have registered to attend the hybrid shareholders' meeting by means of virtual communication</u></p>	<p>wishes to attend the shareholders' meeting in person, he/she shall revoke the declaration of intent in the same manner, in which the voting rights were exercised in the preceding paragraph, within two days before the shareholders' meeting. If the notice of revocation is submitted after the deadline, the voting rights already exercised by correspondence or electronic means shall prevail. Where a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Paragraph 5 to 8 omitted.</p>	<p>explicitly stated in Paragraph 4 after amendment.</p> <p>3. Shareholders have sufficient time for casting votes when participating in Shareholders' Meeting via videoconferencing. They may cast votes on motions proposed in the original version from the time the Presiding Officer announced for the session to the time the adjournment of the session in announced. The votes cast will be counted at one time in order to match with the time allowing shareholders in videoconferencing to vote. Paragraph 9 and Paragraph 10 were added for this purpose.</p> <p>4. For Shareholders' Meeting convenes in physical session and supported by videoconferencing, shareholders who have registered for participating via videoconferencing in the first place may switch to attend the physical session of the Shareholders' Meeting later, and shall register for revoking the attendance via videoconferencing 2 days prior to the meeting day. Shareholders who cannot revoke the previous registration may only participate via videoconferencing. Paragraph 11 was added for this purpose.</p> <p>5. According to Ministry of Economic Affairs Letter Jing-Shang-Zi No. 10102404740 dated February 24, 2021 and Letter Jing-Shang-Zi No. 10102414350 dated May 3, 2012, shareholders previously</p>

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<p><u>network in accordance with Article 6 when planning to attend the Company’s physical shareholders’ meeting in person shall cancel the registration in the same manner as the registration was made 2 days before the meeting date. Those who fail to have the said registration cancelled within the time limit can only attend the shareholders’ meeting by means of virtual communication network.</u></p> <p><u>Shareholders who exercise their voting rights in writing or electronically without withdrawing their declaration of intentions and attending the shareholders’ meeting by means of virtual communication network, except for motions, shall not exercise voting rights on the initial proposal, propose amendments to the initial proposal, or exercise their voting rights for amendments to the initial proposal.</u></p>		<p>decided to vote electronically but have not revoked the previous expression of intent cannot propose for amendment to the original versions of motions, and cannot cast votes on the motions. Yet, they may still attend the physical session of the Shareholders’ Meeting on the day of the session and may propose extemporary motions with the right of voting. Considering the casting of vote by correspondence is a mean for the shareholders to exercise their right, voting by correspondence shall have the same effect as the aforementioned voting in electronic mean under the principle of equality for the protection of the rights of the shareholders, it is therefore explicitly stated in Paragraph 12 that shareholders casting votes by correspondence and electronic mean without revoking the previous expression of intent may still register for attending the Shareholders’ Meeting via videoconferencing. Yet, they are not permitted to vote on the original versions of motions or amendment to these motions, and cannot propose amendment to these motions except for proposal of extemporary motions and vote on extemporary motions.</p>
<p>Article 15 Paragraph 1 to 3 omitted. <u>Where a virtual shareholders’ meeting is convened, in addition to the particulars to be included in the meeting minutes</u></p>	<p>Article 15 Paragraph 1 to 3 omitted.</p>	<p>1. Allowing shareholders to acknowledge the result of Shareholders’ Meeting via videoconferencing, shareholders who have</p>

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<p><u>as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairman's and secretary's name, actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting by means of virtual communication network due to natural disasters, accidents or other <i>force majeure</i> events, and how issues are dealt with shall also be included in the meeting minutes.</u></p> <p><u>The Company shall have the virtual shareholders' meeting convened in accordance with the regulations stated in the preceding paragraph; also, shall specify in the meeting minutes the alternatives provided to shareholders who have difficulties attending the virtual shareholders' meeting by means of virtual communication network.</u></p>		<p>digital gap can access to substitute option, and the response to the interruption of the videoconference, companies are required to note down the starting time of the session, the mode of convention, the name of the Presiding Officer as minute of Shareholders' Meeting on record further to the particulars for inscription as mentioned in Paragraph 3, and also the response to natural disasters, special incident, or other forms of force majeure that handicapped the videoconference platform or the continuation of participation via videoconferencing.</p> <p>Paragraph 4 was added for this purpose.</p> <p>2. If the Shareholders' Meeting is to convene via videoconferencing, a substitution plan shall be specified in the notice of Shareholders' Meeting for shareholders who encounter problem in the course of videoconferencing.</p> <p>Paragraph 5 was added to specify that substitution plan is available for shareholders who have digital gap.</p>
<p>Article 16</p> <p>The Company shall prepare the statistics of the number of shares acquired by the solicitors, the number of shares represented by the entrusted agents, <u>and the number of shares held by the shareholders attending the meeting in writing or electronically in an appropriated format as prescribed on the shareholder meeting date and shall be</u></p>	<p>Article 16</p> <p>The number of shares solicited by the solicitors and the number of shares represented by proxies shall be clearly disclosed in a statistical table compiled by the Company in accordance with the prescribed format on the day of the shareholders' meeting.</p> <p>If matters put to a resolution at a shareholders' meeting constitute material information</p>	<p>1. For allowing shareholders the quantity of shares represented to the request of a third party, the quantity of shares represented by shareholders attended by proxies, and the quantity of shares represented by correspondence mean and electronic mean for attending the Shareholders' Meeting, the Company shall disclose</p>

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<p>disclosed on the shareholder meeting place. <u>For a virtual shareholder meeting, the Company shall have the aforementioned data uploaded to the virtual meeting platform at least 30 minutes prior to the time the meeting commences till the end of the meeting.</u> <u>The Company while holding a virtual shareholder meeting shall have the number of shares represented by the attending shareholders announced on the virtual meeting platform at the time of calling the meeting to order. It is same for the statistics of the shares and voting rights represented by the shareholders present in the meeting.</u></p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>the figures on the scene of the Shareholders' Meeting. If the Shareholders' Meeting convenes via videoconferencing, upload the information to the Shareholders' Meeting videoconference platform. Amendment to Paragraph 1 was made for this purpose.</p> <p>2. For the acknowledgement of the shareholders participating in Shareholders' Meeting via videoconferencing of the quantity of shares represented by the shareholders in the physical session is sufficient to qualify for a quorum, it is explicitly stated that the Company shall disclose the total quantity of shares represented by shareholders in session at the videoconference platform at the time of announcing the commencement of the session. Any statistical data on the quantity of shares represented by shareholders in session and the votes cast shall also be disclosed at the videoconference platform. Paragraph 2 was added for this purpose.</p> <p>3. Moved the original of second item to the third item.</p>
<p><u>Article 19</u> <u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes</u></p>		<p>1. A new clause enacted. 2. To allow shareholders participating in Shareholders' Meeting via videoconferencing to access to the voting on each motion and the result of election in real time, the time sufficient for information disclosure is also specified. This provision was added for this purpose.</p>

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<p><u>after the chairman has announced the meeting adjourned.</u></p>		
<p><u>Article 20</u> <u>When the Company convenes a virtual shareholders' meeting, both the chairman and the secretary shall be in the same location in Taiwan, and the chairman shall declare the address of their location when the meeting is called to order.</u></p>		<ol style="list-style-type: none"> 1. A new clause enacted. 2. If the Shareholders' Meeting convenes via videoconferencing and there is not physical location for convention, the Presiding Officer and the record keeping clerk shall be in the same place. To allow the shareholders aware of the whereabouts of the Presiding Officer, the Presiding Officer shall announce his or her location at the time of announcing the Shareholders' Meeting in session. This section was added for this purpose.
<p><u>Article 21</u> <u>In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>If the shareholders' meeting is held by video conference, the chairman shall, when announcing the opening of the</u> <u>In the event of a virtual shareholders' meeting, when declaring the meeting started, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," if the virtual meeting platform or participation in the virtual</u></p>		<ol style="list-style-type: none"> 1. A new clause enacted. 2. Examples from the practice in foreign countries were taken as reference to provide online connection testing before the launch of videoconference to minimize the communication problems in videoconferences. Related services are also provided before and during the videoconference through assistance to tackle technical problem in communication. Paragraph 1 was added for this purpose. 3. If the Shareholders' Meeting of the Company convenes via videoconferencing, the Presiding Officer shall announce the commencement of the session. In case of natural disasters, special incidents, or any other forms of <i>force majeure</i>, to the extent that the videoconference platform or the convention via videoconference was

Amended Provision	Current Provision	Description
<p><u>shareholders' meeting is obstructed due to natural disasters, accidents or other <i>force majeure</i> events before the chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who did not register to attend the initial shareholders' meeting by means of virtual communication network may not attend the postponed or reconvened meeting.</u></p> <p><u>For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected virtual shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected virtual shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and</u></p>		<p>handicapped for more than 30 minutes, the session will be continued within 5 days or a date should be announced. Under such circumstance, the requirement of the resolution of the Shareholders' Meeting is required for proceeding as stated in Article 182 of the Company Act and shall not govern. Paragraph 2 was added for this purpose. However, this provision does not govern the failure of the convention or participation in videoconferencing due to the intentional act or gross negligence of the Company, the videoconference platform, shareholders, third parties requesting for representation of shares to the meeting, or proxies.</p> <p>4. In case of the postponement or extension of the Shareholders' Meeting of the Company as stated in Paragraph 2 under Article 44-20 of the Regulations Governing the Administration of Investor Services of Public Companies, shareholders (including third parties requesting for representation of shares to the meeting, and proxies) did not register to participate in the Shareholders' Meeting previously called for via videoconferencing are not entitled to participate in the postponed or extended meeting. Paragraph 3 was added for this purpose. Shareholders previously attending the physical session of Shareholders' Meeting convenes in</p>

Amended Provision	Current Provision	Description
<p><u>results have been announced, or list of elected directors.</u> <u>When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting by means of virtual communication network, still meets the quorum, then the shareholders' meeting shall continue, and not postponement or resumption thereof under Paragraph 2 is required.</u> <u>Under the circumstances where a meeting shall continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting by means of virtual communication network shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u> <u>When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u> <u>The latter paragraph of Article 12 and Paragraph 3 of For dates or period set forth under Article</u></p>		<p>physical session and supported by videoconferencing may continue to attend the physical session after postponement or extension.</p> <p>5. If the Company have to postpone or extend the Shareholders' Meeting as stated in Paragraph 2, the quantity of shares represented, the votes cast and right of election exercised by shareholders (including third parties requesting for representation of shares to the meeting, and proxies) who have registered for participation in videoconference of the Shareholders' Meeting previously called for but did not participate in the postponed or extended meeting shall be included as an integral part of the total quantity of shares, votes cast, and election right represented by shareholders in the postponed or extended session of the Shareholders' Meeting. Paragraph 4 was added for this purpose.</p> <p>6. If the Shareholders' Meeting was interrupted due to communication problem that postponement or extension is necessary, the votes already cast and counted, and the list of candidates already elected to the seats of Directors and Supervisors with announcement made shall be deemed accomplished. No further discussion and resolution will be necessary to reduce the time and cost of holding the Shareholders' Meeting. Paragraph 5 was added for this purpose.</p>

Amended Provision	Current Provision	Description
<p><u>13, second half, and Article 13, Paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under Paragraph 2.</u></p>		<p>7. In circumstance that the Shareholders' Meeting convenes in physical session and videoconferencing simultaneously, and the videoconference conference platform or videoconferencing was handicapped due to <i>force majeure</i>, but the Shareholders' Meeting in physical session is still in progress, if the total quantity represented by the shareholders net of the quantity represented by shareholders participating in videoconference is still sufficient for qualifying a quorum, the Shareholders' Meeting shall be continued in which case the postponement or extension of the session as stated in Paragraph 2 will not be necessary. Paragraph 6 was added for this purpose.</p> <p>8. If the Shareholders' Meeting of the Company shall be continued that no postponement or extension is necessary as stated in Paragraph 2, the quantity of shares represented by shareholders (including third parties requesting for representation of shares to the meeting, and proxies) participating in the Shareholders' Meeting via videoconferencing shall be included as an integral part of the total quantity of shares represented in the Shareholders' Meeting pursuant to Paragraph 5 under Article 44-20 of the Regulations Governing the Administration of Investor Services of Public</p>

Amended Provision	Current Provision	Description
		<p>Companies. However, it shall be deemed their abstention in the voting of all motions proposed in this session of Shareholders' Meeting. Paragraph 7 was added for this purpose.</p> <p>9. Considering the aforementioned interruption of Shareholders' Meeting convenes via videoconferencing is analogous to the original Shareholders' Meeting in postponement or extension, it is not necessary to postpone the meeting or set the date for the extension of the meeting thereby proceed with the preliminary works for Shareholders' Meeting again as stated in Paragraph 7 under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p> <p>10. Considering the Shareholders' Meeting via videoconferencing is delayed, the disclosure on the day of the session as set forth in the rear section of Article 12, and Paragraph 3 under Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 under Article 44-5, Article 44-15, Paragraph 1 under Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, but disclosure to shareholders shall be made on the day of the postponed or extended</p>

Amended Provision	Current Provision	Description
		meeting. Paragraph 9 was added for this purpose.
<p><u>Article 22</u> When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting by means of virtual communication network.</p>		1. A new clause enacted 2. Considering the digital gap of shareholders participating in videoconferencing if the Company also holds Shareholders' Meeting via videoconferencing that may hinder their participation, the Company shall provide substitution, such as participation by correspondence for voting or make available necessary equipment to the shareholders for participation in videoconferencing through lease or lending.
<p><u>Article 23</u> The dedicated unit responsible for the Rules is the President's Office.</p>	<p><u>Article 19</u> The dedicated unit responsible for the Rules is the President's Office.</p>	In conjunction with this update, the order of the articles will be adjusted.
<p><u>Article 24</u> These Rules will be implemented after approval by the shareholders' meeting, and the same applies when they are amended.</p>	<p><u>Article 20</u> These Rules will be implemented after approval by the shareholders' meeting, and the same applies when they are amended.</p>	In conjunction with this update, the order of the articles will be adjusted.
<p><u>Article 25</u> The Rules were formulated on June 9, 2006. <u>The 7th amendment was made on July 29, 2021.</u> <u>The 8th amendment was made on May 27, 2022.</u></p>	<p><u>Article 21</u> The Rules were formulated on June 9, 2006. <u>The 6th amendment was made on June 24, 2020.</u> <u>The 7th amendment was made on July 29, 2021.</u></p>	1. In conjunction with this update, the order of the articles will be adjusted. 2. Date of amendment.

[Attachment 8]

Regulations Governing the Acquisition and Disposal of Assets Comparison Table of the amendments made before and after

Amended Provision	Current Provision	Description
<p>Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements:</p> <p>1.–2. (omitted)</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective associations and the following</u>:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>executing</u> a case, they shall appropriately plan and</p>	<p>Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements:</p> <p>1.–2. (omitted)</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a</p>	<p>1. Whereas respective industry associations of the external experts have their own rules and regulations governing respective industries, such as the appraisal reports issued by professional appraisers are governed by related self-regulatory rules of the property appraisal industry. Likewise, the industry associations of other external experts shall also amend and include the particulars inscribed in the “Practical Guide for Experts in Issuing Statement of Opinions” announced by Taiwan Stock Exchange Corporation in their respective self-regulatory rules. For assuring external experts comply with related procedures and assume related responsibilities, the introduction under Paragraph 2 was amended for regulating the issuance of appraisal reports or statements of opinions issued by professional appraisers and their appraisal staff, certified public accountants, lawyers or securities dealers. Further to the particulars stated in Paragraph 2, which are currently in force, the self-regulatory rules of respective industry associations shall also be duly observed.</p> <p>2. Seeing that the aforementioned external experts undertake and execute the cases of issuing</p>

Amended Provision	Current Provision	Description
<p>execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and</u> reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>appraisal reports or statement of opinions on rationality are not audit work in financial reporting, the wording of “audit” cases as stated in subparagraph 2 of Paragraph 2 was amended to “execute.”</p> <p>III. Considering the data source, parameters and information adopted by the external experts in the practice of appraisal, with reference to subparagraph 4- (5)-v of Paragraph 4 under Article 9 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Accounting Research and Development Foundation Letter (2014) Ji-MI-Zi No. 000000298 dated December 25 2014, and Article 27 of the Statement of Auditing Standard No. 8 on the sources of information, the appropriateness and rationality of parameters, wording in subparagraphs 3 and 4 of Paragraph 2 was amended to reflect the reality.</p>
<p>Article 5 Appraisal Procedure The mean of price determination and references for the Company in the acquisition or disposal of assets shall be governed by the following rules: 1. Real property, equipment, or its</p>	<p>Article 5 Appraisal Procedure The mean of price determination and references for the Company in the acquisition or disposal of assets shall be governed by the following rules: 1. Real property, equipment, or its</p>	<p>1. Considering the amendment to Article 4 with the addition of the requirement of the statement of opinion from external experts must be conforming to the self-regulatory rules of respective industry associations, which in effect includes the procedure for</p>

Amended Provision	Current Provision	Description
<p>right-of-use assets (1)(omitted) (2)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: 1.-2, (omitted) 3. 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</p>	<p>right-of-use assets (1)(omitted) (2)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: 1.-2, (omitted) 3. 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</p>	<p>CPAs in issuing the statement of opinions, as a result, the wording of subparagraph 1 - 2 - (3) , and subparagraph 2, and subparagraph 3 - (2) in proceeding with the Statement of Auditing Standard No. 20 released by Accounting Research and Development Foundation was deleted. 2. In supporting the application of IFRS 16, Leases, subparagraph 3 was amended thereby right-of-use assets were included in this article. 3. Amended Paragraph 2 in structure arrangement</p>

Amended Provision	Current Provision	Description
<p>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 render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. (omitted)</p>	<p>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 <u>engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2)The discrepancy between the</p>	

Amended Provision	Current Provision	Description
<p>2. Securities 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. Unless the securities have open quotation in the active market or the following applies. (1) - (10) (omitted)</p> <p>3. Memberships, intangible assets or right-of-use assets (1)For the acquisition</p>	<p>appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. (omitted)</p> <p>2. Securities 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. <u>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</u></p>	

Amended Provision	Current Provision	Description
<p>or disposal or membership cards, obtain information on related prices beforehand, and proceed with price comparison or negotiation: for the acquisition or disposal of intangible assets, <u>or its right-of-use assets</u>, also obtain information on related prices beforehand, and review applicable legal rule and the content of the contracts with caution to determine the transaction price.</p> <p>(2)Where the Company acquires or disposes of memberships, <u>intangible assets or right-of-use assets</u> and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p><u>ARDF.</u> Unless the securities have open quotation in the active market or the following applies. (1) - (10) (omitted)</p> <p>3. Memberships, intangible assets or right-of-use assets (1)For the acquisition or disposal or membership cards, obtain information on related prices beforehand, and proceed with price comparison or negotiation: for the acquisition or disposal of intangible assets, also obtain information on related prices beforehand, and review applicable legal rule and the content of the contracts with caution to determine the transaction price.</p> <p>(2)Where the Company acquires or disposes of memberships or intangible assets 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</p>	

Amended Provision	Current Provision	Description
<p>The calculation of the transaction amount as stated in subparagraph 1 – 3 of the preceding paragraphs shall be proceeded with <u>Paragraph 2</u> under Article 7. One year as referred to shall be the duration of 1 year counting from the day of deed moving backward for a period of 1 year. The transactions supported by the appraisal reports issued by professional appraisers or statement of opinion from CPAs could be excluded from calculation.</p>	<p>occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>The calculation of the transaction amount as stated in subparagraph 1 – 3 of the preceding paragraphs shall be proceeded with Paragraph 2 under Article 7. One year as referred to shall be the duration of 1 year counting from the day of deed moving backward for a period of 1 year. The transactions supported by the appraisal reports issued by professional appraisers or statement of opinion from CPAs could be excluded from calculation.</p>	
<p>Article 6: Operation Procedure 1. Authorization limit along the corporate hierarchy (1) - (3) (omitted) <u>(4)</u>The Company has established the seats for Independent Directors. When the aforementioned acquisition or disposal of assets was presented to the Board for discussion, and if the Independent Directors have adverse opinion or qualified opinion, it should be noted down as a part of the minute of Board meeting on</p>	<p>Article 6: Operation Procedure 1. Authorization limit along the corporate hierarchy (1) - (3) (omitted) (4)The Company has established the seats for Independent Directors. When the aforementioned acquisition or disposal of assets was presented to the Board for discussion, and if the Independent Directors have adverse opinion or qualified opinion, it should be noted down as a part of the minute of Board meeting on</p>	<ol style="list-style-type: none"> 1. Change the name of the department concerned in line with the organizational adjustment. 2. Subparagraphs 4 and 5 of Paragraph 1 was amended for rearrangement of the order.

Amended Provision	Current Provision	Description
<p>record. (5)The Company has established the Audit Committee. The transaction of assets at significant level shall require the consent of at least 1/2 of all members of the Audit Committee, where Paragraph 2 under Article 23 shall apply with necessary changes made.</p> <p>2. Executor (1)The acquisition or disposal of securities: Business Unit, Finance Division or other related functional units. (2)The acquisition or disposal of other assets beyond securities: <u>Administrative Service Department under Operations Service Division</u>, Finance Division or other related functional units.</p> <p>3. Transaction process The transaction process and operation of the acquisition or disposal of assets shall be governed by applicable legal rules, subparagraphs 1 and 2 of Paragraph 1 under this article, and related rules and regulations of the Company.</p>	<p>record. (5)The Company has established the Audit Committee. The transaction of assets at significant level shall require the consent of at least 1/2 of all members of the Audit Committee, where Paragraph 2 under Article 23 shall apply with necessary changes made.</p> <p>2. Executor (1)The acquisition or disposal of securities: Business Unit, Finance Division or other related functional units. (2)The acquisition or disposal of other assets beyond securities: <u>Administrative Service Department</u>, Finance Division or other related functional units.</p> <p>3. Transaction process The transaction process and operation of the acquisition or disposal of assets shall be governed by applicable legal rules, subparagraphs 1 and 2 of Paragraph 1 under this article, and related rules and regulations of the Company.</p>	
Article 7 Public announcement and regulatory filing	Article 7 Public announcement and regulatory filing	1. Considering the trading of domestic governments

Amended Provision	Current Provision	Description
<p>procedures.</p> <p>1. Standard for announcement and declaration. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1)Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of <u>the</u> company's total assets, or NT\$300 million or more; this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or</p>	<p>procedures.</p> <p>1. Standard for announcement and declaration. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1)Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of company's total assets, or NT\$300 million or more; this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or</p>	<p>bonds by public companies is no longer required for declaration, section 1 of subparagraph 5, Paragraph 1, was amended and thereby the requirement was eased that the trading of foreign government bonds with rating not falling below the sovereign rating of Taiwan are also not required for declaration.</p> <p>2. Considering the straightforward nature of foreign government bonds, and the credit rating of these bonds are generally superior to corporate bonds. Also, indexed securities and ETF are similar by nature that section 2 of subparagraph 5 of Paragraph 1 was amended to ease the requirement that those engaged in the subscription of foreign governments bonds in the primary market; subscription or reselling indexed securities are also not required for declaration.</p> <p>3. Amendment to subparagraph 5 of paragraph 1, subparagraph 5 of paragraph 2, paragraph 1 of paragraph 3, and subparagraph 5 in the rearrangement of order and citation description.</p>

Amended Provision	Current Provision	Description
<p>redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) The acquisition or disposal of assets which are business equipment or its right-of-use assets, and the counterparty of trade is an unrelated party, and the transaction amount exceeds NT\$500 million.</p> <p>(4) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>(5) Where an asset transaction other than any of those</p>	<p>redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) The acquisition or disposal of assets which are business equipment or its right-of-use assets, and the counterparty of trade is an unrelated party, and the transaction amount exceeds NT\$500 million.</p> <p>(4) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>(5) Where an asset transaction other than any of those</p>	

Amended Provision	Current Provision	Description
<p>referred to in the preceding four <u>subparagraphs</u> or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds of credit rating not inferior to the authority rating of our nation.</u> 2. The engagement in the trading of securities in securities exchanges or OTC market at home and overseas, subscription of <u>foreign government bonds</u>, offering of regular corporate bonds and bank debentures with no equity feature (excluding subordinated band debentures) in the domestic primary market, or subscription or redemption of securities investment trust 	<p>referred to in the preceding four <u>subparagraphs</u> or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. The engagement in the trading of securities in securities exchanges or OTC market at home and overseas, subscription of foreign government bonds, offering of regular corporate bonds and bank debentures with no equity feature (excluding subordinated band debentures) in the <u>domestic</u> primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or, as securities dealers of recommendation at the Emerging 	

Amended Provision	Current Provision	Description
<p>funds or futures trust funds, <u>or the subscription or redemption of indexed securities</u>, or, as securities dealers of recommendation at the Emerging Stock Market for underwriting need, for subscription of the securities required by TPEX.</p> <p>3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. The amount of transactions above shall be calculated as follows: (Paragraph 1 to 4, omitted) (5) Within the preceding year as used in this <u>paragraph</u> 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.</p>	<p>Stock Market for underwriting need, for subscription of the securities required by TPEX.</p> <p>3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. The transaction amount as stated in the preceding <u>paragraph</u> shall be calculated in accordance with the following equation: (Paragraph 1 to 4, omitted) Within the preceding year as used in this paragraph 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.</p>	

Amended Provision	Current Provision	Description
<p>Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries (Paragraph 1, 2 omitted)</p> <p>3. For subsidiaries of the Company which are not domestic companies, the acquisition or disposal of assets in manners as stated the rules under <u>paragraph 1</u>, Article 7 shall be declared by the Company on behalf of and in the names of the subsidiaries.</p> <p>4. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 7, <u>paragraph 1</u>. (Paragraph 5 omitted)</p>	<p>Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries (Paragraph 1, 2 omitted)</p> <p>3. For subsidiaries of the Company which are not domestic companies, the acquisition or disposal of assets in manners as stated the rules under <u>paragraph 1</u>, Article 7 shall be declared by the Company on behalf of and in the names of the subsidiaries.</p> <p>4. The requirement of the standard for declaration of the subsidiaries regarding paid-in capital or total assets as set forth in the preceding paragraph governed by <u>subparagraph 1</u> under Article 7 shall be based on the paid-in capital or total assets of the Company. (Paragraph 5 omitted)</p>	<p>Amendment to paragraphs 3 and 4 in the rearrangement of the order and citation description.</p>
<p>Article 10: Decision procedure of related party transactions, and the reasonability of the terms and condition of trade</p> <p>1. Decision Procedure (1)When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a</p>	<p>Article 10: Decision procedure of related party transactions, and the reasonability of the terms and condition of trade</p> <p>1. Decision Procedure When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount</p>	<p>1. Considering the requirement set forth in paragraph 1 under Article 35 of the Regulations Governing the Acquisition or Disposal of Assets by Public Companies, and the requirement of 10% of the total assets as stated in this procedure, which is exhibited Article 7, Article 9 and Article 10, and is moved to paragraph 2 under Article 20.</p> <p>2. Subparagraphs 3 and 4 of Paragraph 3 under Article 1 currently in effect was amended and moved to subparagraph 5 of Paragraph 1.</p> <p>3. Subparagraph 4 under paragraph 1 was added:</p>

Amended Provision	Current Provision	Description
<p>related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> <u>1.</u> The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. <u>2.</u> The reason for choosing the related party as a transaction counterparty. <u>3.</u> With respect to the acquisition of real property or right-of-use assets thereof 	<p>reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> <u>(1)</u>The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. <u>(2)</u>The reason for choosing the related party as a transaction counterparty. <u>(3)</u>With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of 	<p>(I) For bolstering the management of related party transactions and protecting the rights of minority shareholders of the Company in expressing opinion on related party transactions, the rules and regulations in major international capital markets are such as Singapore and Hong Kong that related party transactions shall be reported to the Shareholders' Meeting in advance. Also for avoiding public companies in proceeding to significant related party transactions through subsidiaries which are not domestic public companies, such as avoiding the submission of related information to the Shareholders' Meeting for consent, it is explicitly stated in this context that public companies or subsidiaries which are not domestic public companies with acquisition or disposal of assets with related parties as stated in Paragraph I and the transaction amount exceeds 10% of the total assets of public companies, the public companies concerned shall present related information to the shareholders for consent before proceeding to transaction. Matters of subsidiaries which are not public companies for</p>

Amended Provision	Current Provision	Description
<p>from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 2 of this Article, Article 11 and Article 12.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>(2)With respect to the types of transactions listed below, when to be conducted between</p>	<p>the preliminary transaction terms in accordance with Paragraph 2 of this Article, Article 11 and Article 12.</p> <p>(4)The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5)Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7)Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of</p>	<p>presenting to the Shareholders' Meeting for consent shall be reported to the Shareholders' Meeting by the immediate parent company.</p> <p>(2)Considering the overall business planning required of public companies and their parent companies, subsidiaries or among the subsidiaries, and in consultation with the exclusions in the aforementioned major international capital markets, a leeway was provided in the exclusion whereby transactions among the aforementioned companies are not required to present to the Shareholders' Meeting for resolution</p> <p>(3)If the aforementioned significant related party transactions fall within the content of subparagraphs 1-3 of Paragraph 1 under 185 of the Company Act, the resolution of the Shareholders' Meeting shall be made pursuant to Article 185 of the Company Act, and proceed with the aforementioned detail and related requirements under the Company Act</p> <p>3. Subparagraph 2 of Paragraph 1 of the provision currently in effect was moved and amended as subparagraph 5 of paragraph 1. The calculation of the transaction amount under subparagraph 4 of</p>

Amended Provision	Current Provision	Description
<p>the Company or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 6, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>(3) <u>If the Company, subsidiaries or direct or indirect wholly owned subsidiaries by shareholding or capital ownership are engaged in the transactions as stated in paragraph 1, and the transaction amount exceeds 10% of the total assets of the Company, the Company shall forward related information and materials as stated in Paragraph 1 to the Shareholders' Meeting for consent before proceeding to entering into agreement and</u></p>	<p><u>the amount of transaction as stated in paragraph 1 and the preceding paragraph shall be proceeded with paragraph 2 under Article 7. One year as referred to shall be based on the day of deed of this transaction in retrospect for 1 year. Transactions presented to the Board and Supervisors for recognition under this procedure could be excluded from the calculation. The requirement of 10% of the total assets as stated in this procedure shall be based on the amount of total assets presented in the separate financial statement prepared under the Regulations Government the Preparation of Financial Reports by Securities Issuers. With respect to the types of transactions listed below, when to be conducted between the Company or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may</u></p>	<p>paragraph 1 after amendment is included as transaction for submitting to the Shareholders' Meeting for approval.</p> <p>IV. Rearrangement of the order and rectifying the error of subparagraph 6 of paragraph 1.</p>

Amended Provision	Current Provision	Description
<p><u>effecting payment.</u> <u>Except for transactions between the Company and subsidiaries, and among the subsidiaries.</u></p> <p>(4)The calculation of the amount of transaction as stated in <u>paragraph 1</u> and the preceding paragraph shall be proceeded with paragraph 2 under Article 7. One year as referred to shall be based on the day of deed of this transaction in retrospect for 1 year. Transactions presented to <u>Shareholders’ Meeting</u>, the Board and Supervisors for recognition under this procedure could be excluded from the calculation.</p> <p>(5)The Company has established the seats for Independent Directors. When the transaction is presented to the Board for discussion as aforementioned, the opinions from the Independent Directors shall be considered fully. If there is any adverse opinion or qualified opinion from the Independent Directors, note down as a part of the minutes of Board meeting on record.</p> <p>(6)The Company has established the Audit Committee. As stated in the preceding paragraphs, the consent of at least 1/2 of the members of the Audit Committee is required</p>	<p>pursuant to Article 6, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>The Company has established the seats for Independent Directors. When the transaction is presented to the Board for discussion as aforementioned, the opinions from the Independent Directors shall be considered fully. If there is any adverse opinion or qualified opinion from the Independent Directors, note down as a part of the minute of Board meeting on record.</p> <p>The Company has established the Audit Committee. As stated in the preceding paragraphs, the consent</p>	

Amended Provision	Current Provision	Description
<p>and submitted to the Board for resolution, where Article 23 shall apply with necessary changes made.</p> <p>2. Procedure for the evaluation of the transaction cost (Paragraph 1, skipped)</p> <p>(2) For the combined purchase or leasing of the land and building of the same subject matter, the transaction cost shall be assessed on the land and building separately in any of the methods specified in the preceding paragraph.</p> <p>(3) Related party transactions with the Company shall be subject to assessment of the cost of property and its right-of-use assets as required by subparagraph 1 of this paragraph, and shall consult a CPA for the second review with presentation of a statement of opinion in substantive term.</p> <p>(4) If any of the following applies to related party transactions with the Company, proceed with paragraph 1 under this Article where this subparagraph is not applicable: (Sections 1 to 4, skipped)</p>	<p>of at least 1/2 of the members of the Audit Committee is required and submitted to the Board for resolution, where Article 26 shall apply with necessary changes made.</p> <p>2. Procedure for the evaluation of the transaction cost (Paragraph 1, skipped)</p> <p>(2) For the combined purchase or leasing of the land and building of the same subject matter, the transaction cost shall be assessed on the land and building separately in any of the methods specified in the preceding paragraph.</p> <p>(3) Related party transactions with the Company shall be subject to assessment of the cost of property and its right-of-use assets as required by section 1 of this paragraph, and shall consult a CPA for the second review with presentation of a statement of opinion in substantive term.</p> <p>(4) If any of the following applies to related party transactions with the Company, proceed with subparagraph 1 under this Article where this subparagraph is not applicable: (Sections 1 to 4, skipped)</p>	
<p>Article 20: Article 16 and Article 17 shall apply to acceptance as assignee in business with necessary changes made. If the amount falls below NT\$500 million, the Chairman will be authorized to make approval and report to the nearest session of the Board for recognition.</p>	<p>Article 20: Article 16 and Article 17 shall apply to acceptance as assignee in business with necessary changes made. If the amount falls below NT\$500 million, the Chairman will be authorized to make approval and report to the nearest session of the Board for recognition.</p>	<p>Paragraph 2 under Article 20 was added, amended for the same reason as note 1 for Article 10.</p>

Amended Provision	Current Provision	Description
<p><u>The requirement of 10% of the total assets as stated in this procedure shall be based on the amount of total assets presented in the separate financial statement prepared under the Regulations Government the Preparation of Financial Reports by Securities Issuers.</u></p>		
<p>Article 24. Date of establishment and amendment The Rules were formulated on June 9, 2006. The 5th amendment was made on June 12, 2019. The 6th amendment was made on May 27, 2022.</p>	<p>Article 24. Date of establishment and amendment The Rules were formulated on June 9, 2006. <u>The 4th amendment was made on May 31, 2017.</u> The 5th amendment was made on June 12, 2019.</p>	<p>Date of amendment.</p>

[Appendix 1]

Horizon Securities Co., Ltd. Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is organized as Horizon Securities Co., Ltd. in accordance with the provisions of the Company Act.
- Article 2 The Company's industry classifications are:
- (1) H301011 Securities Dealer
 - (2) H401011 Futures Commission Merchants
 - (3) H405011 Futures Advisory Enterprises
- Article 3 The Company's business scope is as follows:
- (1) Undertaking the trading of securities at centralized securities exchange market.
 - (2) Brokerage trading of securities within business premise.
 - (3) Proprietary trading of securities listed on Taiwan Stock Exchange.
 - (4) Proprietary trading of securities within business premise.
 - (5) Underwriting securities.
 - (6) Stock affairs agency for securities.
 - (7) Handling business regarding margin purchase and short sale.
 - (8) Brokerage trading of overseas securities.
 - (9) Handling business regarding short-term bills.
 - (10) Brokerage trading of the domestic futures and options contracts.
 - (11) Proprietary trading business related to securities and futures trading
 - (12) Operating the futures advisory business concurrently.
 - (13) Other activities approved by the competent authority.
- Article 4 The Company is located in Taipei City, and may, if necessary, be resolved by the board of directors to establish branches, subsidiaries, or offices in the country and abroad.

Chapter 2 Shareholding

- Article 5 The Company's total registered capital is in the amount of NT\$8 billion, divided into 800 million shares, each with a par value of NT\$10, and the board of directors is authorized to issue the shares in tranches.
- Article 6 The Company's shares are registered ones, and the Company may be exempted from printing any share certificate for the shares issued. The shares issued shall be delivered to shareholders by way of book-entry transfer and registered with a centralized securities depository enterprise.
- Article 7 Within 60 days before an annual shareholders' meeting, 30 days before a special

meeting of shareholders, or 5 days before the Company decides to distribute dividends and bonuses, or other benefits, the transfer of shares shall be suspended.

Chapter 3 Board of Shareholders

- Article 8 The Company holds two types of shareholders' meetings:
- (1) The annual meeting shall be convened by the board of directors within six months after the annual settlement of accounts.
 - (2) Special meeting of shareholders: To be held when necessary.
- Article 9 A notice of convening an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date while a notice of convening a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date, to inform all shareholders of the date, place, and reason for such meetings.
- Article 10 Shareholders present at the shareholders' meeting of the Company have one voting right per share; however, the shares specified in Article 179 of the Company Act do not have voting rights.
- Article 11 Unless otherwise stipulated by the Company Act and relevant laws and regulations, the resolutions of shareholders' meeting must be adopted by a majority of attending shareholders at a meeting attended by shareholders representing a majority of the total issued shares.
- Article 12 When a shareholder is unable to attend the shareholders' meeting for some reason, he/she may issue a written proxy to entrust a proxy to attend the meeting. However, when the proxy is entrusted by two or more people at the same time, the proxy's voting rights shall not exceed 3% of the total number of shares issued. The excess part will not be counted.
- Article 13 The Chairman shall chair the shareholders' meeting, and when he is on leave or cannot exercise his powers for some reason, the Vice Chairman shall act on his behalf; when the Vice Chairman is also on leave or cannot exercise his powers for some reason, the Chairman shall designate a director to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair.
- Article 14 Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting.
- The preparation and distribution of said minutes in the preceding paragraph may be effected by electronic means, and the distribution of said minutes may be effected by means of a public announcement.

Chapter 4 Board of directors

- Article 15 The Company has five to nine directors, of whom three to five are independent

directors, who, with behavioral capacity, are elected by the shareholders' meeting for a term of three years and eligible for reelection. Regardless of the Company's profit or loss, all of them shall be paid with honoraria.

The election of directors and independent directors mentioned in the preceding paragraph shall adopt the candidate nomination system, and the shareholders shall elect them from the list of candidates.

The remuneration to directors shall be determined by the board of directors in consideration of the standards in the industry.

Article 16 The board of directors is formed by directors, who shall elect one person from among themselves as the chairman and another one as the vice chairman; the chairman is the chair of the board of directors and represents the Company externally.

Article 17 When the chairman is on leave or is unable to exercise his power and authority for some reason, the vice chairman shall act on his behalf. When the vice chairman is also on leave or is unable to exercise his power and authority for some reason, the chairman shall designate one director to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman.

Article 18 A board meeting shall be convened by the Chairman. Unless otherwise provided by the Company Act, a board meeting shall only be convened with the consent of a majority of the attending directors at the meeting attended by a majority of the directors. When a director is unable to attend the meeting for some reason, he/she may entrust another director to attend the meeting as a proxy in accordance with Paragraph 2, Article 205 of the Company Act.

A notice of the reasons for convening a board meeting shall be given to each director 7 days before the meeting is convened. In the case of an emergency, however, a board meeting may be called at any time. The notice of convening of a board meeting of the Company shall be sent to the directors in writing, or by email or fax.

Article 19 The powers and responsibilities of the board of directors are as follows:

- (1) Decisions on business plans, and business guidance and supervision.
- (2) Review and approval of various charters and important contracts.
- (3) The appointment, dismissal, and remuneration of managers.
- (4) Preparation of budgets and final statements.
- (5) Purchase of liability insurance for directors and key employees, if applicable.
- (6) Other important matters that shall be decided by the board of directors

Article 20 The board of directors shall set up an Audit Committee composed of all independent directors with no less than three members, one of whom shall be the convener and at least one shall have accounting or financial expertise.

The board of directors is authorized to formulate the Audit Committee Charter.

Chapter 5 Staff

Article 21 The Company has one President as well as several Vice Presidents and Assistant

Vice Presidents. The appointment, dismissal, and remuneration thereof are all handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 22 The Company's fiscal year starts from January 1 of each year to December 31 of the same year, and when each fiscal year ends, the board of directors shall prepare the following documents and send them to the Audit Committee for review 30 days before the annual shareholders' meeting, or the Audit Committee may entrust CPAs to verify them and issue a report, and submit it to the annual shareholders' meeting for ratification.

(1) Business report.

(2) Financial statements.

(3) Earnings distribution or loss reimbursement proposal.

Article 23 If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration (excl. Independent Directors), and both shall sum up to no more than 5%. However, profits must first be taken to offset against cumulative losses if any.

The aforementioned profit refers to the pre-tax income minus the amount of remuneration to be distributed to the directors or employees.

The employee remuneration in the first paragraph may be distributed in the form of cash or shares, and may be distributed to employees including the qualified employees of the Company's subsidiaries. The remuneration to directors in the first paragraph shall be distributed only in the form of cash.

Article 24 When allocating the earnings, the Company shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings. The allocation shall not be subject to the above if the amount of accumulated legal capital reserve has reached the amount of the paid-in capital of the Company. The Company shall also set aside a certain amount of profit as special reserve in accordance with the laws and regulations. Besides the amount retained for business needs, the distribution may shall be determined by the Board with reference to the operational status of the Company. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the shareholders' meeting for resolution before distribution.

As stipulated by Paragraph 5 of Article 240 of the Company Act, the Company may distribute the distributable dividends in form of cash and report to the Shareholders' Meeting, after such matter has been determined by a majority of the Directors at a meeting attended by two-thirds or more of the total number of Directors.

Taking into consideration the future growth of operation scale and diversified development of businesses, the Company shall appropriate no less than 50% of the total distributable profit as dividends. However, the Company may be exempt from

distribution of dividends in cases where accumulated distributable profit is less than 10% of paid-in capital. Stock dividends shall be no more than 50%, and cash dividends shall be no less than 50% of the total distributable dividends. However, the Company may adjust the percentage thereof and the percentage of distributable earning depending on the Company's business development and capital requirement.

Chapter 7 Supplementary Provisions

Article 25 Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and other relevant regulations.

Article 26 The Articles of Association were established on November 30, 1961.
The 46th amendment was made on June 12, 2019.
The 50th amendment was made on June 24, 2020.

Horizon Securities Co., Ltd. (seal is needed)

Horizon Securities Co., Ltd.

Rules of Procedure for Shareholders' Meetings

- Article 1 For the purpose of establishing the Company's shareholder's meeting governance system, developing monitoring functions, and enhancing the management mechanism, the Rules are stipulated in accordance with Article 5 of the "Corporate Governance Best-Practice Principles for Securities Firms" for compliance.
- Article 2 The Rules of Procedure for Shareholders' Meetings of the Company shall prevail, unless otherwise provided by laws or regulations.
- Article 3 The Company's shareholders' meeting shall be convened by the board of directors unless otherwise provided by laws and regulations.
- The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS within 21 days before the date of an annual shareholders' meeting or within 15 days before the date of an extraordinary shareholders' meeting. Within 15 days before the date of a shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time, and shall also display them at the Company and the professional shareholders' services agency designated thereby, as well as distribute them on-site at the meeting place.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Matters pertaining to election or dismissal of directors, amendments to 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 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the

Offering and Issuance of Securities by Securities Issuers shall be enumerated in the causes or subjects to be described, and the essential contents shall be explained in the notice of convening a meeting of shareholders and shall not be brought up as extemporaneous motions.

The reasons for the convening of the shareholders' meeting have indicated the full reelection of directors and independent directors, and the date of appointment. After the reelection of the shareholders' meeting is completed, the date of appointment shall not be changed by temporary motion or other means at the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the company a written proposal for discussion at an annual shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting discussions.

The Company shall announce the acceptance of shareholders' proposals, acceptance methods for proposals in writing and by electronic means, the location, and time period for the submission prior to the book closure date before the annual shareholders' meeting is held; the period for the submission shall not be less than 10 days.

A proposal submitted by a shareholder is limited to 300 words. Anything proposal exceeding 300 words shall not be included in the proposal; the proposing shareholder shall attend the annual shareholders' meeting in person or by proxy to participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the processing results before the notice day of the shareholders' meeting, and list the proposals that conform to the provisions of this provision in the notice of the meeting. For shareholder proposals that are not included in the agenda, the Board of Shareholders shall explain the reasons for exclusion of any shareholder proposals in the shareholders' meeting.

Article 4 Shareholders may issue a proxy prepared by the Company for each shareholders' meeting, to specify the scope of authorization, and appoint a proxy to attend such meetings.

Each shareholder shall issue one proxy and entrust only one person as the proxy, and it shall be delivered to the Company five days before the shareholders' meeting. In the event of a duplicate proxy, the first one shall prevail. However, those who declare to revoke the previous proxy shall not be subject to this provision.

After a proxy is served to the Company, any shareholder who wishes to attend the

shareholders' meeting in person or exercise their voting rights in writing or electronically shall notify the Company in writing of revocation of the proxy two days before the shareholders' meeting; if the revocation notice is submitted after the specified time, the votes cast at the meeting by proxy shall prevail.

Article 5 The location of the shareholders' meeting shall be at the place of the Company or at a place easily accessible to shareholders and suitable for a shareholders' meeting. The start time of the meeting shall not be earlier than 9 a.m. or later than 3 p.m. The independent directors' opinions of the place and time of the meeting shall be fully considered.

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

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

Shareholders or proxies (hereinafter referred to as the "shareholders") shall present the attendance cards, sign-in cards, or other certificates of attendance to attend the shareholders' meeting. The Company may not add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign in, 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, pre-printed 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 proxy, it may designate only one person to represent it in the meeting.

Article 7 If a shareholders' meeting is convened by the Board of Shareholders, the meeting shall be chaired by the Chairman. When the Chairman is on leave for any reason, the Vice Chairman shall act in place of the Chairman; if the Vice Chairman is also on leave for any reason, the Chairman shall appoint one director to act as chair. In the absence of such a designation, the directors shall elect from among themselves an

acting chair.

Where a director serves as chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more and understand the financial and business conditions of the Company.

The Chairman shall personally preside the shareholders' meeting that is convened by the board of directors; also, a majority of the board of directors and at least one member of each functional committee should attend the meeting with the attendance recorded in the minutes of meeting.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Shareholders, 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 to attend a shareholders' meeting in a non-voting capacity.

Article 8 The Company shall make an uninterrupted audio and video recording of the process, from the shareholders' sign-in process, the proceedings of the shareholders' meeting to the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained 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 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

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

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not a member of the board of directors.

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extemporary 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 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her 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. Where the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. However, with the consent of the chair, it may be extended only once by three minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

Where a juridical person 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 Voting at a shareholders' meeting shall be calculated based the number of shares.

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

Where 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, the shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to

the Company within two days before the date of the shareholders' meeting. Where a duplicate declaration of intent is delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised his/her voting rights by correspondence or electronic means, if the shareholder wishes to attend the shareholders' meeting in person, he/she shall revoke the declaration of intent in the same manner, in which the voting rights were exercised in the preceding paragraph, within two days before the shareholders' meeting. If the notice of revocation is submitted after the deadline, the voting rights already exercised by correspondence or electronic means shall prevail. Where a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided by the Company Act and in the Company's Articles of Incorporation, the passing 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. A proposal shall be deemed approved after the chair consults all shareholders present without any objection, and its effect shall be the same as that of voting; if there are objections, the voting shall be adopted in accordance with the provisions of the preceding paragraph. In addition to the proposals listed on the agenda, other proposals proposed by shareholders or amendments or alternatives to the original proposals shall be seconded by other shareholders. The shares represented by the proposer and the seconders shall reach at least one percent of the total number of shares issued.

Where there are amendments or alternatives to the same proposal, the chair shall, together with the original proposal, determine 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.

The scrutineers and vote counters for proposal voting shall be designated by the chair, but the scrutineers shall be shareholders.

The counting of votes for the shareholders' meeting or elections at the meeting shall be done in public at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including number of votes counted, and shall be recorded.

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the relevant election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and those unelected as well as the numbers of votes that they obtained.

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 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The preparation and distribution of said minutes in the preceding paragraph may be affected by electronic means, and the distribution of said minutes may be affected by means of a public announcement.

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

As for the resolution method in the preceding paragraph, where the chair consults shareholders for their opinions of a proposal without objection, it shall be recorded "The proposal was passed without objection after consulting by the chair"; however, where any shareholder disagrees with a proposal, the method of voting and the ratio of the number of votes for to the number of all voting rights shall be stated.

Article 16 The number of shares solicited by the solicitors and the number of shares represented by proxies shall be clearly disclosed in a statistical table compiled by the Company in accordance with the prescribed format on the day of the shareholders' meeting.

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

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification badges or arm bands.

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

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 Where 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 extemporary 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.

Article 19 The dedicated unit responsible for the Rules is the President's Office.

Article 20 These Rules will be implemented after approval by the shareholders' meeting, and the same applies when they are amended.

Article 21 The Rules were formulated on June 9, 2006.
The 6th amendment was made on June 24, 2020.
The 7th amendment was made on July 29, 2021.

[Appendix 3]

Horizon Securities Co., Ltd.

Ownership of All Directors of the Company

1. The Company's paid-in capital is NT\$3,313,694,300. Total number of issued shares is 331,369,430.
2. The minimum total number of shares held by directors is 13,254,777 as stipulated in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the FSC in accordance with Article 26 of the Securities and Exchange Act. The Company has set up an Audit Committee, so the number of shares that shall be held by supervisors does not apply.
3. The actual number of shares held by all directors as of March 29, 2022, the book closure date, for the annual shareholders' meeting is as follows:

Title	Name	Number of shares held	Percentage of ownership
Chairman	Cheng-Da Investment Consulting Co., Ltd. Representative: Ke-Chyn Jiang	33,170,000	10.01%
Director	Cheng-Da Investment Consulting Co., Ltd. Representative: Jamie Lin	33,170,000	10.01%
Director	LEE, CHIA-HUNG	50,000	0.02%
Director	LI JYUN-DE	0	0.00%
Independent Director	HSIAO, CHEN-CHI	0	0.00%
Independent Director	CHEN, YUH-JEN	0	0.00%
Independent Director	LIAW, CHE-YING	0	0.00%
The number of shares actually held by all directors (excluding independent directors)		33,220,000	
The number of shares held by all directors has reached the number required by law			

[Appendix 4] The impact of current stock dividend resolved in the Company's shareholders' meeting on the Company's business performance, earnings per share, and return on shareholder's investment:

The Company did not release its financial forecasts for 2022, hence not applicable.

MEMO