

Stock code: 6442



EZCONN CORPORATION

2019 Annual General Shareholders' Meeting

Meeting Handbook

(Translation)

Notice to readers

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

Date: June 10, 2019 (Monday)

Location: Chientan Youth Activity Center

No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City

11166, Taiwan (R.O.C.)

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EZCONN CORPORATION
Procedures
of
2019 Annual General Shareholders' Meeting

I. Opening Address

II. Chairman Address

III. Reports Items

IV. Items for Acknowledgment

V. Items for Discussion and Election

VI. Ad Hoc Motion

VII. Adjournment

EZCONN CORPORATION

Agenda of 2019 Annual General Shareholders' Meeting

Meeting time: At 9:00am, June 10, 2019 (Monday)
Meeting venue: Chientan Youth Activity Center (No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City 11166, Taiwan (R.O.C.))

- I. Opening Address (report the attending number of shares)
- II. Chairman Address
- III. Reports Items
 - (I) Business Report of 2018.
 - (II) Supervisor's Review Report of 2018.
 - (III) The directors' 、 supervisors' and employees' remuneration of 2018.
- IV. Ratification Items
 - (I) 2018 Business Report and Financial Statements.
 - (II) Company's distribution of 2018 earnings.
- V. Items for Discussion and Election
 - (I) Transfer surplus to capital increase by issuing new shares.
 - (II) Amendments to the "Articles of Association".
 - (III) Amendments to the "Procedures for Acquisition or Disposal of Assets".
 - (IV) Amendments to the "Procedures of Granting of Loans".
 - (V) Amendments to the "Procedures of Making Endorsement and Guarantee".
 - (VI) By-election of one independent director.
 - (VII) The release of non-competition restrictions on newly elected directors.
- VI. Ad Hoc Motion
- VII. Adjournment

Reports Items

(I) Business Report of 2018

Explanation:	Please refer to page 8 to 11 (Attachment 1) of this manual for the 2018 business report.
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(II) Supervisor's Review Report of 2018.

Explanation:	Please refer to page 12 (Attachment 2) of this manual for the 2018 supervisor's audit report.
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(III) The directors' 、 supervisors' and employees' remuneration of 2018.

Explanation:	
	<ol style="list-style-type: none">1. According to the Articles of Association of the Company, it is stipulated that "If profits are available upon final settlement every year, the Company shall allocate no less than five percent as employee's compensation and no more than five percent as director and supervisor's compensation, after distribution per resolution of the Board of Directors, taxes shall be paid pursuant to law..."2. The Company has allocated NT\$169,754,585 of pre-tax income as the compensation to employees, directors and supervisors, and it is planned to allocate NT\$12,160,000 as employee's compensation and NT\$3,200,000 as director and supervisor's compensation, all of them will be issued in cash.3. The above-listed distribution amount is the same as the recognized cost amount in 2018.

Ratification Items

The first case	(Proposed by Board of Directors)
Cause:	2018 Business Report and Financial Statements.
Explanation:	<ol style="list-style-type: none"> 1. The 2018 individual financial statement and consolidated financial statement of the Company have been audited by HUANG, HSIU-CHUN and WEI, LIANG-FA, accountants from Deloitte & Touche, and clean opinion report has been issued for the record. And after the business report has been audited by the supervisor as well, the written audit report has been issued. 2. Please refer to page 8 to 11 (Attachment 1), page 13 to 33 (Attachment 3) of this manual for the business report, accountant's audit report, and above financial statements. 3. It is hereby proposed to shareholders for acknowledgment.
Resolution:	

The second case	(Proposed by Board of Directors)
Cause:	Company's distribution of 2018 earnings.
Explanation:	<ol style="list-style-type: none"> 1. The 2018 surplus distribution of the Company has been passed by the resolution of the Board of Directors to distribute NT\$1.50 as cash dividend and NT\$0.50 as stock dividend per share. 2. Please refer to page 34 (Attachment 4) of this manual the 2018 surplus distribution table. 3. After this surplus distribution has been passed in the General Meeting, the Chairman is authorized to otherwise determine matters related to ex-dividend base date etc., the cash dividend is calculated up to one New Taiwan Dollar (digits after the decimal point to be ignored) according to the distribution proportion, and for the total number of fractional amounts less than one New Taiwan Dollar, numbers after decimal point will be adjusted in a descending order, and the account number will be adjusted from the former to the later, until meeting the total distribution amount of cash dividend. 4. It is hereby proposed to shareholders for acknowledgment.
Resolution:	

Items for Discussion and Election

The first case	(Proposed by Board of Directors)
Cause:	Proposal for a new share issue through capitalization of earnings.
Explanation:	<ol style="list-style-type: none"> 1. In order to enrich working capital, it is planned to allocate NT\$33,000,000 of shareholder's stock dividend from the distributable surplus in 2018, and transfer it to capital increase by issuing 3,300,000 new shares with NT\$10 par value per share, according to the shareholding ratio of shareholders listed in register of shareholders on the base date for issuing new shares, 50 shares will be distributed per thousand shares for free, for distribution of fractional shares less than one share, within 5 days as of the base date for capital increase, shareholders may register for shares round up in the stock affairs agency of the Company, for the shortage part in rounding up, it will be calculated up to one New Taiwan Dollar and paid in cash according to nominal amount; for the fractional shares cannot be rounded up to one share, the Chairman is authorized to consult with specific persons (excluding Employee Welfare Committee) for subscription according to nominal amount. 2. Subsequently, in case of changes in share capital of the Company and causing impact on the number of outstanding shares, and thereby causing changes in shares allotment ratio of shareholders, the Board of Directors will be authorized to handle relevant adjustment matters. 3. After this case has been passed by Shareholders' Meeting and submitted to competent authority for approval, Board of Directors will be authorized to otherwise stipulate the base date for issuing new shares, issuing date and other relevant matters. 4. The rights and obligations of the new shares issued this time are the same as the original shares. 5. It is hereby proposed to shareholders for making decision.
Resolution:	

The second case	(Proposed by Board of Directors)
Cause:	Amendments to the "Articles of Incorporation".
Explanation:	<ol style="list-style-type: none"> 1. It is planned to make amendments to the "Articles of Association" of the Company according to the amendment of Company Act. 2. Please refer to page 35 to 37 (Attachment 5) for the comparison table on amendments to the Articles of Association.
Resolution:	It is hereby proposed to shareholders for making decision.

The third case	(Proposed by Board of Directors)
Cause:	Amendments to the " Operational procedures for Acquisition and Disposal of Assets ".
Explanation:	<ol style="list-style-type: none"> 1. It is planned to make amendments to the “Procedures for Acquisition or Disposal of Assets” of the Company according to the order of competent authority and the company requirements. 2. Please refer to page 38 to 51 (Attachment 6) for the comparison table on amendments to the “Procedures for Acquisition or Disposal of Assets”. 3. It is hereby proposed to shareholders for making decision.
Resolution:	

The fourth case	(Proposed by Board of Directors)
Cause:	Amendments to the " Operational Procedures for Loaning of Company Funds ".
Explanation:	<ol style="list-style-type: none"> 1. It is planned to make amendments to the “Procedures of Granting of Loans” of the Company according to the order of competent authority and the company requirements. 2. Please refer to page 52 to 53 (Attachment 7) for the comparison table on amendments to the “Procedures of Granting of Loans”. 3. It is hereby proposed to shareholders for making decision.
Resolution:	

The fifth case	(Proposed by Board of Directors)
Cause:	Amendments to the “Operational Procedures for Endorsements and Guarantees”
Explanation:	<ol style="list-style-type: none"> 1. It is planned to make amendments to the “Procedures of Making Endorsement and Guarantees” of the Company according to the order of competent authority and the company requirements. 2. Please refer to page 54 to 56 (Attachment 8) for the comparison table on amendments to the “Procedures of Making Endorsement and Guarantees”. 3. It is hereby proposed to shareholders for making decision.
Resolution:	

The sixth case	(Proposed by Board of Directors)
Cause:	By-election of one independent director.
Explanation:	<ol style="list-style-type: none"> 1. Pursuant to Article 15 of the Articles of Association, the candidate’s nomination system will be adopted for the one independent director in by-election, whose term of office will start from the completion of by-election in General Meeting until June 21, 2020. 2. The list of independent director candidates has been reviewed and passed by

	<p>Board of Directors of the Company on March 21, 2019, it is hereby specified relevant information as follows:</p> <table border="1"> <thead> <tr> <th>Category of nominee</th> <th>Name of nominee</th> <th>Education background</th> <th>Experience</th> <th>Current position</th> <th>Shareholding amount (unit: share)</th> </tr> </thead> <tbody> <tr> <td>Independent Director</td> <td>PENG, HSIEH-JU</td> <td>Master degree</td> <td>Entire Technology Co., Ltd. Chief Financial Officer of the Group</td> <td>Yinghua Technology Co., Ltd. Executive Vice President</td> <td>9,222</td> </tr> </tbody> </table> <p>3. This by-election is handled according to the “Director and Supervisor Election Measures” of the Company, please refer to page 69 to 71 (Appendix 3) of this manual.</p> <p>4. It is hereby proposed to shareholders for election.</p>	Category of nominee	Name of nominee	Education background	Experience	Current position	Shareholding amount (unit: share)	Independent Director	PENG, HSIEH-JU	Master degree	Entire Technology Co., Ltd. Chief Financial Officer of the Group	Yinghua Technology Co., Ltd. Executive Vice President	9,222
Category of nominee	Name of nominee	Education background	Experience	Current position	Shareholding amount (unit: share)								
Independent Director	PENG, HSIEH-JU	Master degree	Entire Technology Co., Ltd. Chief Financial Officer of the Group	Yinghua Technology Co., Ltd. Executive Vice President	9,222								
Result of election:													

The seventh case	(Proposed by Board of Directors)												
Cause:	The release of non-competition restrictions on newly elected directors.												
Explanation:	<p>1. It is handled pursuant to Paragraph 1, Article 209 of Company Act, "For the behavior of director conducted for himself/herself or other person within the business scope of the company, important contents of such behavior shall be described to the Shareholders' Meeting to acquire the permission".</p> <p>2. Certain directors of the Company invest in or operate the company with the same or similar business scope as the Company, it is planned to propose to the shareholders' meeting to approve the waiver of non-competition for newly elected directors in accordance with Article 209 of the Company Act. Items for release of non-competition are as follows:</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Items for release of non-competition</th> </tr> </thead> <tbody> <tr> <td>Independent Director</td> <td>PENG, HSIEH-JU</td> <td>Executive Vice President of Yinghua Technology Co., Ltd.</td> </tr> <tr> <td>Independent Director</td> <td>PENG, HSIEH-JU</td> <td>Independent Director of Cayman merchant Eurocharm. Innovation CO., LTD.</td> </tr> <tr> <td>Independent Director</td> <td>PENG, HSIEH-JU</td> <td>Director of Icomettrue Company Limited</td> </tr> </tbody> </table> <p>3. It is hereby proposed to shareholders for making decision.</p>	Title	Name	Items for release of non-competition	Independent Director	PENG, HSIEH-JU	Executive Vice President of Yinghua Technology Co., Ltd.	Independent Director	PENG, HSIEH-JU	Independent Director of Cayman merchant Eurocharm. Innovation CO., LTD.	Independent Director	PENG, HSIEH-JU	Director of Icomettrue Company Limited
Title	Name	Items for release of non-competition											
Independent Director	PENG, HSIEH-JU	Executive Vice President of Yinghua Technology Co., Ltd.											
Independent Director	PENG, HSIEH-JU	Independent Director of Cayman merchant Eurocharm. Innovation CO., LTD.											
Independent Director	PENG, HSIEH-JU	Director of Icomettrue Company Limited											
Resolution:													

Ad Hoc Motion

Adjournment

Attachment 1

Business Report of 2018

I. Business conditions in 2018

(I) Results of implementing business plan

In 2018, the consolidated net operating income is NT\$2,805,106 thousand, reduced by 3% year-on-year, and the consolidated operating margin is 17.07%, also reduced by 3% year-on-year, the consolidated net operating profit is NT\$129,627 thousand, the consolidated net profit after tax is NT\$154,395 thousand, the consolidated earnings per share after tax is NT\$2.34, and the net value per share is NT\$32.1.

(II) Financial revenue and expenditure and profitability analysis

1. Financial revenue and expenditure

In 2018, the consolidated net operating income is NT\$2,805,106 thousand, reduced by NT\$94,844 thousand comparing with the NT\$2,899,950 thousand in 2017. In the aspect of earnings, in 2018, the consolidated net profit after tax is NT\$154,395 thousand, increased 107,387 by NT\$154,395 thousand comparing with the NT\$47,008 thousand in 2017.

2. Profitability analysis

Analysis item		2017	2018	
Profitability analysis	Return on assets (%)	1.55%	4.99%	
	Return on equity (%)	2.16%	7.35%	
	Proportion in paid-up capital (%)	Operating profit	22.97%	19.64%
		Net profit before tax	8.28%	31.20%
	Net profit ratio (%)	1.62%	5.50%	
	Basic earnings per share (NT\$)	0.71	2.34	

Notes: It is calculated according to the consolidated financial statement in 2018.

(III) R&D status

1. High-frequency connector product lines

Products researched, developed and manufactured by the Company are mostly high-frequency connectors, and we have strict requirements on both stability and reliability of products. All kinds of products are mainly applied in cable TV and cable broadband industries, in respond to rapid industry development, apart from continuously improving the capability of product design and development by making the best of own resources and actively participating in the technical research with research institutions, the technology R&D team of the Company also actively joins product standards associations, masters the latest product standard specification, develops and renovates all kinds of products by planning, and acquires certifications from safety specification units of various countries and customers, so as to take a leading role in the industry and keep in line with product requirements of global customers.

In the aspect of product expansion, increase the products layout in the new compressed coaxial connector, optoelectronic integrated products, high-frequency isolator, coaxial filter, high shielding jumper wire and new base station high-frequency connector; in the aspect of improving production efficiency, promote lean plan throughout the plant and introduce intelligent production and assembly manner, effectively improve production efficiency and yield; and in the aspect of talent training, continue to implement educational training in each department to strengthen the centripetal force of

employees and training on multi-skilled workers.

2. Optical element and module product lines

Research and development of the Company mainly aim at three application markets, namely applications in fixed broadband, data center and 5G forward and afterward network. In fixed broadband application, products developed include the XG-PON BOSA on board solution, the XGS-PON ONU transceiver under mass production, and the 10G-EPON/XGS-PON OLT optical transceiver module that has completed sample presentation. Products planned to be newly developed include the combo PON that is capable of coexisting with GPON /XG-PON for flexible upgrading and application to fiber-to-the-home, in industrial network connection, there are also many XGS-PON ONU mini sticks with extensive application scenarios.

In data center application, there are QSFP-SR4 AOC and transceiver module that have been developed and introduced in production, aiming at the requirements of improving Ethernet interface from 25Gps to the new standard 50Gps, and upgrading the data center from 100Gbps to 400Gbps. Besides, R&D projects under planning include 400G QSFP-DD SR8, SFP28-SR and QSFP56-SR AOC optical transceiver module. In long-distance single mode optical fiber transmission scheme, what is expected to be finished is the DML QSFP28-LR4 product solution; its price is more competitive than the traditional EML QSFP28-LR4.

In 5G forward and afterward network application, products under development and related to forward network include SFP28-LR and SFP28-BiDi optical transceiver module, for afterward network, it is the XGS-PON mini ONU stick can be applied to small cell afterward transmission, allowing the small cell to utilize the existing passive fiber network for afterward transmission.

Furthermore, in order to accelerate the development of aforesaid products, the R&D team continues to improve the reinforcement in high-frequency circuit design, integration of software and hardware, packaging and testing capacity and manpower.

II. Summary of 2019 business plan

(I) Business policy

1. Stabilize existing customer base and develop new customers in target industries, and expand market share.
2. Continuously promote standardized products, and enhance the commonality of each product to provide customers the design of cost effectiveness and convenience.
3. Strengthen human resources cultivation and implement performance appraisal.
4. At the stage of new product research and development, integrate the customer requirements and manufacturing technology of key component suppliers to shorten the time of research and development and effectively reduce the cost.
5. Ensure product quality and improve customer satisfaction.
6. Continuously introduce the production of automation equipment to increase production efficiency and reduce labor cost.

(II) Business target

1. High-frequency connector products
The target of expected business sales volume is 177,551,387 items.
2. Optical element and module products
The target of expected business sales volume is 52,771,028 items.

(III) Important production and sales policies

1. Production policy: continuous optimization of production process, improvement of production yield and shortening product delivery, forming the production system of economic scale and cost rationality by vertical integration.
2. Sales policy: actively establish marketing strategic alliance or partnership with key customers, spare no efforts to promote core products and carry out marketing project management with the orientation of customer requirements. Besides, fully master the market trend and consumption trend, so as to promptly respond to diversified product requirements of customers.

III. Future development strategy of the Company

(I) High-frequency connector product lines

It is set with development unit for professional precision mold and automated assembly equipment, responsible for the design and manufacturing of precision mold and automated assembly equipment, and introduces mass production. Regarding the time of product research and development and the degree of self-control of key technologies, the Company has been taking a leading position in the industry domestically.

(II) Optical element and module product lines

A. Optical communication products

In future long-term development strategy, Optical Communications Business Group will improve internal technical competence and process capability towards the extension of vertical integration according to market and technology trend, utilize the developed technical platform to develop products towards market diversification, and find out competitive products and solutions for customers in high growth markets such as 5G, data center and IOT etc. Besides, through technical cooperations with domestic and overseas customers and domestic research institutions in relevant industries, the Company will master the early market and introduce early technology to improve future competitiveness. In the aspect of technical R&D personnel and organization, apart from recruiting senior R&D personnel continuously, the Company will also provide professional in-service training to strengthen the professional skill and project management capability of existing R&D personnel.

B. Other optical products

By combining the core competitiveness established by optical communication products and high-frequency connector products, the Company has extended it to the products and applications different from these two industries, and has established relevant R&D team and supply chain layout, focusing on the characteristics of MEMS laser scanning modules, and carrying out product vertical integration development and application from elements and modules to systems, product applications include LiDAR, Head Up Display (HUD), 3D depth measurement and medical imaging system. In recent years, the extensive application of ADAS has brought opportunities to the commercial use of LiDAR; the demand on high speed networking in India market has brought business opportunities to optical products of different technologies, with increasing visibility of such market demands, the Company may also accelerate the layout of other optical products to enter into the stage of mass production.

IV. Impact of external competitive environment, regulatory environment and overall operation environment

Due to the rapid rising of competitors in China Mainland and the vertical integration of certain competitors, the low price competition has become increasingly competitive, and the Company will also continuously face the severe challenges in the acquisition cost of key materials, inventory control and production efficiency, but the management team and all employees of the Company will adhere to the spirit of relentless fighting to break through the steep difficulty and adversity, spare no efforts to accomplish the annual growth mission and target of the company, creating the maximum profits for all shareholders and the company.

Chairman	CHEN, STEVE
President	LEE, SHIH-CHENG
Accounting Supervisor	CHUANG, KUO-AN

Attachment 2

EZCONN CORPORATION Supervisor's Review Report of 2018

Among the 2018 business report, individual financial statement, consolidated financial statement and surplus distribution etc. of the Company prepared and submitted by Board of Directors, the individual financial statement and consolidated financial statement has been jointly audited by HUANG, HSIU-CHUN and WEI, LIANG-FA, accountants from Deloitte & Touche, and audit report has been issued, after we have examined the aforesaid business report, individual financial statement, consolidated financial statement and surplus distribution etc., we have found no discrepancy, it is hereby issued this report pursuant to Article 219 of Company Act for supervision.

Sincerely submitted to

EZCONN CORPORATION 2019 Annual General Shareholders' Meeting

Supervisor: KO, YUAN-YU (Signature)
Supervisor: CHIEN, CHIH-CHENG (Signature)
Supervisor: LAI, WEN-HSIEN (Signature)

March 21, 2019

Attachment 3

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders EZconn Corporation

Opinion

We have audited the accompanying financial statements of EZconn Corporation (the “Company”), which comprise the balance sheets as of December 31, 2018 and 2017, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements for the year ended December 31, 2018 are stated as follows:

Impairment of Trade Receivables

As of December 31, 2018, the Company's trade receivables, which are presented in New Taiwan dollars (“NT\$”), amounted to NT\$557,015 thousand (net of allowance for impairment loss of NT\$ 137,134 thousand). Since the provision for impairment of trade receivables is based on management's subjective judgment and affected by credit risks on receivables, it is identified as one of the key audit matters.

Please refer to Notes 4, 5 and 11 to the financial statements for the accounting policy, critical accounting estimates and judgements, and details of the information about trade receivables.

The audit procedures we performed in response to the above key audit matter included the following:

1. We obtained an understanding of the design of the key controls over trade receivables and we tested the operating effectiveness of such controls.
2. We obtained an understanding of the accounting policy on impairment of trade receivables, and we reviewed the rate of impairment loss in prior years to assess the reasonableness of the allowance for impairment loss calculated by management for the current year.
3. We assessed the reasonableness of the allowance for impairment loss by verifying the accuracy of the related report.
4. We reviewed the collection of individually material trade receivable balances after balance sheet date to assess whether any additional provision is needed.

Impairment of Inventory

As of December 31, 2018, the Company's inventories amounted to NT\$407,290 thousand (net of provision for inventory value decline of NT\$91,983 thousand). Please refer to Notes 4, 5 and 12 to the financial statements for the details of the information.

The Company's inventories are stated at the lower of cost or net realizable value and estimation of net realizable value is affected by management's subjective judgement. In addition, fluctuating demand and rapid changes in technology, inventories may become slow-moving or obsolete. Therefore, it has been identified as a key audit matter.

The audit procedures we performed in response to the above key audit matter included the following:

1. We obtained an understanding of the design of the controls over valuation of inventory and we tested the operating effectiveness of such controls.
2. We obtained an understanding of the reasonableness of the accounting policy on inventory write-downs, and tested the aging of inventory and verified that the valuation of inventory confirmed with the Company's policy.
3. We compared the carrying values to the latest sales invoices of sample items to assess whether they were measured at the lower of cost or net realizable value.
4. We observed physical inventory count and assessed the physical condition of inventory to evaluate the adequacy of inventory provisions of obsolete and damaged goods.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiu-Chun Huang and Liang-Fa Wei.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and the financial statements shall prevail.

EZCONN CORPORATION

BALANCE SHEETS

DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 880,592	27	\$ 995,472	31
Financial assets at amortized cost - current (Notes 4 and 8)	13,426	-	-	-
Debt investments with no active market - current (Notes 4, 10, 11 and 29)	-	-	22,675	1
Notes receivable (Notes 4, 5 and 11)	2,109	-	3,869	-
Trade receivables (Notes 4, 5 and 11)	557,015	17	437,969	14
Trade receivables from related parties (Notes 4, 5, 11 and 28)	7	-	40	-
Other receivables (Notes 4, 5 and 11)	13,921	1	11,308	-
Current tax assets (Notes 4 and 24)	1,690	-	720	-
Inventories (Notes 4, 5 and 12)	407,290	12	306,083	10
Prepayments and other current assets	1,814	-	2,660	-
Total current assets	<u>1,877,864</u>	<u>57</u>	<u>1,780,796</u>	<u>56</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	42,018	1	-	-
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	2,202	-	-	-
Financial assets measured at cost - non-current (Notes 4 and 9)	-	-	12,620	1
Investments accounted for using equity method (Notes 4 and 13)	1,167,077	35	1,135,827	36
Property, plant and equipment (Notes 4, 14 and 28)	121,173	4	121,127	4
Intangible assets (Notes 4 and 15)	6,957	-	6,381	-
Deferred tax assets (Notes 4 and 24)	79,992	3	92,057	3
Prepayments for equipment (Note 28)	2,122	-	2,724	-
Refundable deposits	3,038	-	3,188	-
Total non-current assets	<u>1,424,579</u>	<u>43</u>	<u>1,373,924</u>	<u>44</u>
TOTAL	<u>\$ 3,302,443</u>	<u>100</u>	<u>\$ 3,154,720</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 220,000	7	\$ 220,000	7
Notes payable (Note 17)	379	-	131,927	4
Trade payables (Note 17)	342,122	10	98,520	3
Trade payables to related parties (Notes 17 and 28)	291,155	9	303,142	10
Other payables (Notes 18 and 28)	118,992	4	92,199	3
Provisions - current (Notes 4 and 19)	8,055	-	48,797	1
Other current liabilities (Notes 3, 4 and 22)	44,810	1	34,254	1
Total current liabilities	<u>1,025,513</u>	<u>31</u>	<u>928,839</u>	<u>29</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	86,597	3	63,418	2
Net defined benefit liabilities (Notes 4 and 20)	71,566	2	76,672	3
Guarantee deposits received	400	-	400	-
Total non-current liabilities	<u>158,563</u>	<u>5</u>	<u>140,490</u>	<u>5</u>
Total liabilities	<u>1,184,076</u>	<u>36</u>	<u>1,069,329</u>	<u>34</u>
EQUITY (Notes 4 and 21)				
Ordinary shares	660,000	20	660,000	21
Capital surplus	234,872	7	234,872	7
Legal reserve	217,931	7	213,230	7
Special reserve	50,573	1	35,315	1
Unappropriated earnings	1,019,271	31	992,547	32
Other equity	(64,280)	(2)	(50,573)	(2)
Total equity	<u>2,118,367</u>	<u>64</u>	<u>2,085,391</u>	<u>66</u>
TOTAL	<u>\$ 3,302,443</u>	<u>100</u>	<u>\$ 3,154,720</u>	<u>100</u>

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

EZCONN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 5, 22 and 28)	\$ 2,494,537	100	\$ 2,627,008	100
COST OF REVENUE (Notes 12, 20, 23 and 28)	<u>2,160,471</u>	<u>87</u>	<u>2,234,654</u>	<u>85</u>
GROSS PROFIT	<u>334,066</u>	<u>13</u>	<u>392,354</u>	<u>15</u>
OPERATING EXPENSES (Notes 11, 20, 23 and 28)				
Selling and marketing expenses	57,273	2	60,101	3
General and administrative expenses	144,804	6	157,655	6
Research and development expenses	<u>110,005</u>	<u>5</u>	<u>107,987</u>	<u>4</u>
Total operating expenses	<u>312,082</u>	<u>13</u>	<u>325,743</u>	<u>13</u>
OTHER OPERATING INCOME AND EXPENSES (Note 11)	<u>64,841</u>	<u>3</u>	<u>80,412</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>86,825</u>	<u>3</u>	<u>147,023</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11 and 23)				
Other income	10,923	-	15,737	1
Other gains and losses	40,477	2	(87,337)	(3)
Share of profit or loss of subsidiaries	52,258	2	(13,516)	(1)
Finance costs	<u>(2,262)</u>	<u>-</u>	<u>(2,469)</u>	<u>-</u>
Total non-operating income and expenses	<u>101,396</u>	<u>4</u>	<u>(87,585)</u>	<u>(3)</u>
PROFIT BEFORE INCOME TAX	188,221	7	59,438	2
INCOME TAX EXPENSE (Notes 4 and 24)	<u>33,826</u>	<u>1</u>	<u>12,430</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>154,395</u>	<u>6</u>	<u>47,008</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME /(LOSS) (Notes 4, 7, 20 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	3,332	-	(4,336)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(3)	-	-	-

(Continued)

EZCONN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ (400)	-	\$ 737	-
	<u>2,929</u>	-	<u>(3,599)</u>	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(20,731)	-	(18,383)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>3,980</u>	-	<u>3,125</u>	-
	<u>(16,751)</u>	-	<u>(15,258)</u>	(1)
Other comprehensive loss for the year, net of income tax	<u>(13,822)</u>	-	<u>(18,857)</u>	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 140,573</u>	<u>6</u>	<u>\$ 28,151</u>	<u>1</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 2.34</u>		<u>\$ 0.71</u>	
Diluted	<u>\$ 2.33</u>		<u>\$ 0.71</u>	

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

(Concluded)

EZCONN CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	Share Capital (Note 21)		Capital Surplus (Note 21)	Retained Earnings (Notes 3, 4 and 21)			Other Equity (Notes 3, 4 and 21)		Total	Total Equity	
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income
BALANCE AT JANUARY 1, 2017	66,000	\$ 660,000	\$ 234,872	\$ 184,234	\$ -	\$ 1,231,249	\$ 1,415,483	\$ (35,315)	\$ -	\$ (35,315)	\$ 2,275,040
Appropriation of 2016 earnings											
Legal reserve	-	-	-	28,996	-	(28,996)	-	-	-	-	-
Special reserve	-	-	-	-	35,315	(35,315)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(217,800)	(217,800)	-	-	-	(217,800)
Net profit for the year ended December 31, 2017	-	-	-	-	-	47,008	47,008	-	-	-	47,008
Other comprehensive loss for the year ended December 31, 2017, net of income tax	-	-	-	-	-	(3,599)	(3,599)	(15,258)	-	(15,258)	(18,857)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	43,409	43,409	(15,258)	-	(15,258)	28,151
BALANCE AT DECEMBER 31, 2017	66,000	660,000	234,872	213,230	35,315	992,547	1,241,092	(50,573)	-	(50,573)	2,085,391
Effect of retrospective application	-	-	-	-	-	21,243	21,243	-	3,160	3,160	24,403
BALANCE AT JANUARY 1, 2018 AS RESTATED	66,000	660,000	234,872	213,230	35,315	1,013,790	1,262,335	(50,573)	3,160	(47,413)	2,109,794
Appropriation of 2017 earnings											
Legal reserve	-	-	-	4,701	-	(4,701)	-	-	-	-	-
Special reserve	-	-	-	-	15,258	(15,258)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(132,000)	(132,000)	-	-	-	(132,000)
Net profit for the year ended December 31, 2018	-	-	-	-	-	154,395	154,395	-	-	-	154,395
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	3,045	3,045	(16,751)	(116)	(16,867)	(13,822)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	157,440	157,440	(16,751)	(116)	(16,867)	140,573
BALANCE AT DECEMBER 31, 2018	66,000	\$ 660,000	\$ 234,872	\$ 217,931	\$ 50,573	\$ 1,019,271	\$ 1,287,775	\$ (67,324)	\$ 3,044	\$ (64,280)	\$ 2,118,367

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

EZCONN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 188,221	\$ 59,438
Adjustments for:		
Depreciation expenses	32,033	30,004
Amortization expenses	6,778	8,030
Expected credit loss reversed on trade receivables	(65,772)	(88,054)
Finance costs	2,262	2,469
Interest income	(10,396)	(8,187)
Share of (profit)/loss of subsidiaries	(52,258)	13,516
Loss on disposal of property, plant and equipment	709	380
(Reversal of) write-down of inventories	2,255	(14,579)
Recognition of provisions	-	10,165
Changes in operating assets and liabilities		
Notes receivable	1,760	2,226
Trade receivables	(53,274)	509,484
Trade receivables from related parties	33	999
Other receivables	(2,222)	6,326
Inventories	(103,462)	(6,161)
Prepayments and other current assets	846	(1)
Notes payable	(131,548)	(21,116)
Trade payables	243,602	(52,189)
Trade payables to related parties	(11,987)	(190,444)
Other payables	25,026	(37,886)
Provisions	-	(27,604)
Other current liabilities	(30,186)	25,091
Net defined benefit liability	(1,774)	(3,982)
Cash generated from operations	40,646	217,925
Interest received	10,005	7,570
Interest paid	(2,316)	(2,372)
Income tax paid	(970)	(20,466)
Net cash generated from operating activities	<u>47,365</u>	<u>202,657</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets measured at cost	(33,042)	-
Proceeds from sale of financial assets measured at cost	40,089	-
Purchase of debt investments with no active market	-	(23,618)
Proceeds from sale of debt investments with no active market	-	17,046
Payments for property, plant and equipment	(30,088)	(42,560)
Proceeds from disposal of property, plant and equipment	-	742
Decrease (increase) in refundable deposits	150	(227)
Payments for intangible assets	(7,354)	(8,596)
Net cash used in investing activities	<u>(30,245)</u>	<u>(57,213)</u>

(Continued)

EZCONN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 2,410,000	\$ 3,370,000
Repayments of short-term borrowings	(2,410,000)	(3,150,000)
Dividends paid to owners of the Company	<u>(132,000)</u>	<u>(217,800)</u>
Net cash (used in) generated from financing activities	<u>(132,000)</u>	<u>2,200</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(114,880)	147,644
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>995,472</u>	<u>847,828</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 880,592</u>	<u>\$ 995,472</u>

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

(Concluded)

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of EZconn Corporation as of and for the year ended December 31, 2018, under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, EZconn Corporation and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

EZCONN CORPORATION

By

CHEN, STEVE
Chairman

March 21, 2019

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
EZconn Corporation

Opinion

We have audited the accompanying consolidated financial statements of EZconn Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

Impairment of Trade Receivables

As of December 31, 2018, the Group's trade receivables, which are presented in New Taiwan dollars ("NT\$"), amounted to NT\$632,666 thousand (net of allowance for impairment loss of NT\$137,464 thousand). Since the provision for impairment of trade receivables is based on management's subjective judgment and affected by credit risks on receivables, it is identified as one of the key audit matters.

Please refer to Notes 4, 5 and 11 to the consolidated financial statements for the accounting policy, critical accounting estimates and judgements, and details of the information about trade receivables.

The audit procedures we performed in response to the above key audit matter included the following:

1. We obtained an understanding of the design of the key controls over trade receivables and we tested the operating effectiveness of such controls.
2. We obtained an understanding of the accounting policy on impairment of trade receivables, and we reviewed the rate of impairment loss in prior years to assess the reasonableness of the allowance for impairment loss calculated by management for the current year.
3. We assessed the reasonableness of the allowance for impairment loss by verifying the accuracy of the related report.
4. We reviewed the collection of individually material trade receivable balances after balance sheet date to assess whether any additional provision is needed.

Impairment of Inventory

As of December 31, 2018, the Group's inventories amounted to NT\$695,272 thousand (net of provision for inventory value decline of NT\$129,904 thousand). Please refer to Notes 4, 5 and 12 to the consolidated financial statements for the details of the information.

The Group's inventories are stated at the lower of cost or net realizable value and estimation of net realizable value is affected by management's subjective judgement. In addition, fluctuating demand and rapid changes in technology, inventories may become slow-moving or obsolete. Therefore, it has been identified as a key audit matter.

The audit procedures we performed in response to the above key audit matter included the following:

1. We obtained an understanding of the design of the controls over valuation of inventory and we tested the operating effectiveness of such controls.
2. We obtained an understanding of the reasonableness of the accounting policy on inventory write-downs, and tested the aging of inventory and verified that the valuation of inventory conformed with the Group's policy.
3. We compared the carrying values to the latest sales invoices of sample items to assess whether they were measured at the lower of cost or net realizable value.
4. We observed physical inventory count and assessed the physical condition of inventory to evaluate the adequacy of inventory provisions of obsolete and damaged goods.

Other Matter

We have also audited the parent company only financial statements of EZconn Corporation as of and for the years ended December 31, 2018 and 2017 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiu-Chun Huang and Liang-Fa Wei.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,225,360	38	\$ 1,288,377	43
Financial assets at amortized cost - current (Notes 4 and 8)	61,357	2	-	-
Debt investments with no active market - current (Notes 4, 10, 11 and 30)	-	-	70,741	2
Notes receivable (Notes 4, 5 and 11)	16,879	-	29,539	1
Trade receivables (Notes 4, 5 and 11)	632,666	19	508,767	17
Trade receivables from related parties (Notes 4, 5, 11 and 29)	7	-	40	-
Other receivables (Notes 4, 5 and 11)	18,516	1	14,626	1
Current tax assets (Notes 4 and 25)	1,690	-	3,351	-
Inventories (Notes 4, 5 and 12)	695,272	21	522,827	17
Prepayments and other current assets (Note 16)	19,140	1	11,628	-
Total current assets	<u>2,670,887</u>	<u>82</u>	<u>2,449,896</u>	<u>81</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	42,018	1	-	-
Financial assets at amortized cost - non-current (Notes 4, 8 and 30)	2,202	-	-	-
Financial assets measured at cost - non-current (Notes 4 and 9)	-	-	12,620	1
Property, plant and equipment (Notes 4, 14 and 29)	395,581	12	404,757	13
Intangible assets (Notes 4 and 15)	10,532	1	8,516	-
Deferred tax assets (Notes 4 and 25)	91,549	3	112,101	4
Prepayments for equipment (Note 29)	3,997	-	4,322	-
Refundable deposits	3,163	-	3,325	-
Long-term prepayments for leases (Note 16)	23,353	1	24,472	1
Total non-current assets	<u>572,395</u>	<u>18</u>	<u>570,113</u>	<u>19</u>
TOTAL	<u>\$ 3,243,282</u>	<u>100</u>	<u>\$ 3,020,009</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 220,000	7	\$ 220,000	7
Notes payable (Note 18)	379	-	131,927	4
Trade payables (Note 18)	483,545	15	177,611	6
Other payables (Note 19)	183,703	6	160,181	5
Current tax liabilities (Notes 4 and 25)	6,060	-	-	-
Provisions - current (Notes 4 and 20)	8,055	-	48,797	2
Other current liabilities (Notes 3, 4 and 23)	56,551	2	47,173	2
Total current liabilities	<u>958,293</u>	<u>30</u>	<u>785,689</u>	<u>26</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	86,597	3	63,418	2
Net defined benefit liabilities (Notes 4 and 21)	71,566	2	76,672	3
Other non-current liabilities	8,459	-	8,839	-
Total non-current liabilities	<u>166,622</u>	<u>5</u>	<u>148,929</u>	<u>5</u>
Total liabilities	<u>1,124,915</u>	<u>35</u>	<u>934,618</u>	<u>31</u>
EQUITY (Notes 4 and 22)				
Ordinary shares	660,000	20	660,000	22
Capital surplus	234,872	7	234,872	8
Legal reserve	217,931	7	213,230	7
Special reserve	50,573	2	35,315	1
Unappropriated earnings	1,019,271	31	992,547	33
Other equity	(64,280)	(2)	(50,573)	(2)
Total equity	<u>2,118,367</u>	<u>65</u>	<u>2,085,391</u>	<u>69</u>
TOTAL	<u>\$ 3,243,282</u>	<u>100</u>	<u>\$ 3,020,009</u>	<u>100</u>

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

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 5, 23 and 29)	\$ 2,805,106	100	\$ 2,899,950	100
COST OF REVENUE (Notes 12, 21 and 24)	<u>2,326,365</u>	<u>83</u>	<u>2,391,878</u>	<u>83</u>
GROSS PROFIT	<u>478,741</u>	<u>17</u>	<u>508,072</u>	<u>17</u>
OPERATING EXPENSES (Notes 11, 21, 24 and 29)				
Selling and marketing expenses	73,260	3	76,664	3
General and administrative expenses	218,398	8	236,604	8
Research and development expenses	<u>122,297</u>	<u>4</u>	<u>123,606</u>	<u>4</u>
Total operating expenses	<u>413,955</u>	<u>15</u>	<u>436,874</u>	<u>15</u>
OTHER OPERATING INCOME AND EXPENSES (Note 11)	<u>64,841</u>	<u>2</u>	<u>80,412</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>129,627</u>	<u>4</u>	<u>151,610</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11 and 24)				
Other income	14,993	1	25,232	1
Other gains and losses	63,688	2	(119,580)	(4)
Finance costs	<u>(2,416)</u>	<u>-</u>	<u>(2,614)</u>	<u>-</u>
Total non-operating income and expenses	<u>76,265</u>	<u>3</u>	<u>(96,962)</u>	<u>(3)</u>
PROFIT BEFORE INCOME TAX	205,892	7	54,648	2
INCOME TAX EXPENSE (Notes 4 and 25)	<u>51,497</u>	<u>2</u>	<u>7,640</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>154,395</u>	<u>5</u>	<u>47,008</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 7, 21 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	3,332	-	(4,336)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(3)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(400)</u>	<u>-</u>	<u>737</u>	<u>-</u>

(Continued)

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
	\$ 2,929	-	\$ (3,599)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(20,731)	-	(18,383)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>3,980</u>	-	<u>3,125</u>	-
	<u>(16,751)</u>	-	<u>(15,258)</u>	(1)
Other comprehensive loss for the year, net of income tax	<u>(13,822)</u>	-	<u>(18,857)</u>	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 140,573</u>	<u>5</u>	<u>\$ 28,151</u>	<u>1</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 2.34</u>		<u>\$ 0.71</u>	
Diluted	<u>\$ 2.33</u>		<u>\$ 0.71</u>	

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

(Concluded)

EZCONN CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)**

	Share Capital (Note 22)		Capital Surplus (Note 22)	Retained Earnings (Notes 3, 4 and 22)				Other Equity (Notes 3, 4 and 22)			Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	
BALANCE AT JANUARY 1, 2017	66,000	\$ 660,000	\$ 234,872	\$ 184,234	\$ -	\$ 1,231,249	\$ 1,415,483	\$ (35,315)	\$ -	\$ (35,315)	\$ 2,275,040
Appropriation of 2016 earnings											
Legal reserve	-	-	-	28,996	-	(28,996)	-	-	-	-	-
Special reserve	-	-	-	-	35,315	(35,315)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(217,800)	(217,800)	-	-	-	(217,800)
Net profit for the year ended December 31, 2017	-	-	-	-	-	47,008	47,008	-	-	-	47,008
Other comprehensive loss for the year ended December 31, 2017, net of income tax	-	-	-	-	-	(3,599)	(3,599)	(15,258)	-	(15,258)	(18,857)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	43,409	43,409	(15,258)	-	(15,258)	28,151
BALANCE AT DECEMBER 31, 2017	66,000	660,000	234,872	213,230	35,315	992,547	1,241,092	(50,573)	-	(50,573)	2,085,391
Effect of retrospective application	-	-	-	-	-	21,243	21,243	-	3,160	3,160	24,403
BALANCE AT JANUARY 1, 2018 AS RESTATED	66,000	660,000	234,872	213,230	35,315	1,013,790	1,262,335	(50,573)	3,160	(47,413)	2,109,794
Appropriation of 2017 earnings											
Legal reserve	-	-	-	4,701	-	(4,701)	-	-	-	-	-
Special Reserve	-	-	-	-	15,258	(15,258)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(132,000)	(132,000)	-	-	-	(132,000)
Net profit for the year ended December 31, 2018	-	-	-	-	-	154,395	154,395	-	-	-	154,395
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	3,045	3,045	(16,751)	(116)	(16,867)	(13,822)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	157,440	157,440	(16,751)	(116)	(16,867)	140,573
BALANCE AT DECEMBER 31, 2018	66,000	\$ 660,000	\$ 234,872	\$ 217,931	\$ 50,573	\$ 1,019,271	\$ 1,287,775	\$ (67,324)	\$ 3,044	\$ (64,280)	\$ 2,118,367

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

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 205,892	\$ 54,648
Adjustments for:		
Depreciation expenses	67,170	66,420
Amortization expenses	7,158	8,376
Expected credit loss reversed on trade receivables	(65,772)	(88,054)
Amortization of prepayments for leases	707	698
Finance costs	2,416	2,614
Interest income	(13,710)	(9,321)
Loss on disposal of property, plant and equipment	1,736	2,353
(Reversal of) write-down of inventories	2,255	(11,945)
Recognition of provisions	-	10,165
Changes in operating assets and liabilities		
Notes receivable	12,660	(16,082)
Trade receivables	(60,952)	521,671
Trade receivables from related parties	33	119
Other receivables	(3,500)	7,305
Inventories	(174,562)	109,964
Prepayments and other current assets	(7,525)	(86)
Notes payable	(131,548)	(21,116)
Trade payables	305,934	(216,177)
Trade payables to related parties	-	(11)
Other payables	21,416	(63,591)
Provisions	-	(27,604)
Other current liabilities	(31,364)	36,949
Net defined benefit liability	(1,774)	(3,982)
Cash generated from operations	<u>136,670</u>	<u>363,313</u>
Interest received	13,320	8,677
Interest paid	(2,470)	(2,517)
Income tax paid	<u>(1,635)</u>	<u>(32,868)</u>
Net cash generated from operating activities	<u>145,885</u>	<u>336,605</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets measured at cost	(97,929)	-
Proceeds from sale of financial assets measured at cost	104,025	-
Purchase of debt investments with no active market	-	(38,346)
Proceeds from sale of debt investments with no active market	-	16,763
Payments for property, plant and equipment	(63,186)	(58,296)
Proceeds from disposal of property, plant and equipment	1,060	2,092
Decrease (increase) in refundable deposits	160	(227)
Payments for intangible assets	<u>(9,185)</u>	<u>(9,666)</u>
Net cash used in investing activities	<u>(65,055)</u>	<u>(87,680)</u>

(Continued)

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 2,410,000	\$ 3,370,000
Repayments of short-term borrowings	(2,410,000)	(3,150,000)
Decrease in other non-current liabilities	(380)	(416)
Dividends paid to owners of the Company	<u>(132,000)</u>	<u>(217,800)</u>
Net cash (used in) generated from financing activities	<u>(132,380)</u>	<u>1,784</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(11,467)</u>	<u>(34,214)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(63,017)	216,495
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,288,377</u>	<u>1,071,882</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,225,360</u>	<u>\$ 1,288,377</u>

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

(Concluded)

Attachment 4

EZCONN CORPORATION Surplus Distribution Statement 2018

Unit: NT\$

Opening undistributed surplus	840,587,376
Influence number in retrospective application	21,243,269
Opening undistributed surplus after adjustment	861,830,645
Actuarial gains (losses) listed into reserved surplus	3,045,538
Undistributed surplus after adjustment	864,876,183
Net profit of the term	154,394,585
Allocation of statutory surplus reserve (10%)	(15,439,459)
Allocation of special surplus reserve pursuant to law	(13,707,447)
Distributable surplus of the term	990,123,862
Distribution item	
Stock dividend	(33,000,000)
Cash dividend	(99,000,000)
Ending undistributed surplus	858,123,862

Chairman: Chen, Steve

Managerial officer: LEE,
SHIH-CHENG

Accounting Supervisor:
CHUANG, KUO-AN

Attachment 5

EZCONN CORPORATION Comparison Table on Amendments to the “Articles of Incorporation”

	Before amendment	After amendment	Basis of amendment
Article 7	After the stock has become listed or Over-The-Counter, where the Company plans to transfer the shares bought back pursuant to law to the employees, and it is planned to transfer them to employees at the price lower than the average price in actual shares buyback pursuant to relevant laws and decrees, then it shall only be handled after the resolution by the last Shareholders' Meeting.	<u>After the stock has become listed or Over-The-Counter</u> , where the Company plans to transfer the shares bought back pursuant to law to the employees, and it is planned to transfer them to employees at the price lower than the average price in actual shares buyback pursuant to relevant laws and decrees, then it shall only be handled after the resolution by the last Shareholders' Meeting.	Make amendments for the company stock to become listed.
	After public offering, pursuant to Article 56-1 of “Guidelines for Issuer to Raise and Issue Negotiable Securities”, when the issuing subscription price of the Company is not restricted by the employee stock option certificate as stipulated in Article 53 of “Guidelines for Issuer to Raise and Issue Negotiable Securities”, it shall only be handled after the resolution by the last Shareholders' Meeting.	<u>After public offering</u> , pursuant to Article 56-1 of “Guidelines for Issuer to Raise and Issue Negotiable Securities”, when the issuing subscription price of the Company is not restricted by the employee stock option certificate as stipulated in Article 53 of “Guidelines for Issuer to Raise and Issue Negotiable Securities”, it shall only be handled after the resolution by the last Shareholders' Meeting.	Make amendments for the company stock to become listed.
	Newly added.	<u>The objects of transferring the shares bought back by the Company pursuant to law, objects of issuing employee stock option certificate and restricted employee stock awards, and objects for subscribing the new shares issued may include the employees of affiliated companies who have met certain conditions, and the Board of Directors may be authorized to resolve the conditions and distribution methods thereof.</u>	Make amendments according to Paragraph 4, Article 167-1; Paragraph 3, Article 167-2; Paragraph 7 and 11, Article 267 of Company Act.
	If the Company intends to cancel public offering, it may only handle matters regarding cancellation of public offering according to Article 156 of Company Act.	Deleted.	Amended pursuant to Article 156-2 of Company Act.
	The shares of the Company are registered shares signed or sealed by more than three directors, and they will be issued after certification by the competent authority or the issue registration agency approved by it. After public offering by the Company, the shares issued may be exempted from printing share certificate, but they shall be registered in centralized securities depository enterprise.	The shares of the Company are registered shares signed or sealed by <u>more than three</u> the director representing the company, and they will be issued after certification by the bank may act as the stock issue certifier pursuant to law. <u>Competent authority or the issue registration agency approved by it. After public offering by the Company.</u> The shares issued by the Company may be exempted from printing share certificate, but they shall be registered in centralized securities depository enterprise.	Amended pursuant to Article 162 of Company Act.
Article 8	The registration of share transfer shall not be carried out within thirty days before General Meeting, within fifteen days before Interim Shareholders' Meeting, or within five days before the base date on which the Company decides to distribute dividend and bonus or other benefits. After public offering by the Company, the registration of share transfer as mentioned in preceding paragraph shall not be carried out within sixty days before	The registration of share transfer shall not be carried out within <u>thirty</u> sixty days before General Meeting, within <u>fifteen</u> thirty days before Interim Shareholders' Meeting, or within five days before the base date on which the Company decides to distribute dividend and bonus or other benefits. After public offering by the Company, the registration of share transfer as mentioned in preceding paragraph shall not be carried	Make amendments for the company stock to become listed.

	Before amendment	After amendment	Basis of amendment
	General Meeting and within thirty days before Interim Shareholders' Meeting.	out within sixty days before General Meeting and within thirty days before Interim Shareholders' Meeting.	
Article 9	After public offering, the date, location and subject of convocation of the meeting shall be notified to each shareholder thirty days before convening General Meeting and fifteen days before convening Interim Shareholders' Meeting of the Company.	After public offering. The date, location and subject of convocation of the meeting shall be notified to each shareholder thirty days before convening General Meeting and fifteen days before convening Interim Shareholders' Meeting of the Company.	Make amendments for the company stock to become listed.
Article 14	All resolutions of a Shareholders' Meeting shall be recorded in the minutes signed or sealed by the chairperson of Shareholders' Meeting, and the minutes shall be distributed to the shareholders within twenty days after the meeting. After public offering by the Company, the distribution of minutes in preceding paragraph may be made by announcement.	All resolutions of a Shareholders' Meeting shall be recorded in the minutes signed or sealed by the chairperson of Shareholders' Meeting, and the minutes shall be distributed to the shareholders within twenty days after the meeting. After public offering by the Company, the distribution of minutes in preceding paragraph may be made by announcement.	Make amendments for the company stock to become listed.
Article 15	<p>The Company sets five to nine directors and two to three supervisors with three years of term of office, they will be elected by the Shareholders' Meeting from the persons with disposing capacity, and reappointment is acceptable if re-elected.</p> <p>After public offering by the Company, among the aforesaid seats of directors, the number of independent director shall be at least two and no less than one fifth of the total seats of directors. The candidate nomination system as prescribed in 1 of Article 192 of Company Act will be adopted for the election of independent directors. Relevant matters regarding the acceptance and announcement etc. of the nomination of independent director candidates shall be handled pursuant to the Company Act, Securities Exchange Act and relevant laws and decrees. Independent directors and non-independent directors shall be elected concurrently, and election quota will be calculated separately.</p> <p>After public offering by the Company, the total shareholding ratio of all directors and supervisors thereof are subject to the regulations of securities regulatory authority.</p>	<p>The Company sets five to nine directors and two to three supervisors with three years of term of office, they will be elected by the Shareholders' Meeting from the persons with disposing capacity, and the candidate nomination system as prescribed in 1 of Article 192 of Company Act will be adopted for the election of directors and supervisors. And they will be elected by the Shareholders' Meeting from the persons with disposing capacity, and reappointment is acceptable if re-elected.</p> <p>After public offering by the Company, Among the aforesaid seats of directors, the number of independent director shall be at least two and no less than one fifth of the total seats of directors. The candidate nomination system as prescribed in 1 of Article 192 of Company Act will be adopted for the election of independent directors. Relevant matters regarding the acceptance and announcement etc. of the nomination of independent director candidates shall be handled pursuant to the Company Act, Securities Exchange Act and relevant laws and decrees. Regarding independent directors' professional qualification, shareholding, part-time restriction, nomination and election method, and other matters shall be complied with; it shall be handled pursuant to relevant regulations of competent authority in charge of securities. Independent directors and non-independent directors shall be elected concurrently, and election quota will be calculated separately.</p> <p>After public offering by the Company, The total shareholding ratio of all directors and supervisors of the Company are subject to the regulations of securities regulatory authority.</p>	<p>Adopt candidate's nomination system for the election of directors and supervisors of the company.</p> <p>Make amendments for the company stock to become listed.</p>
Article 16	When the director's number of vacancies reaches to one third of the total number or all supervisors are removed, the Board of Directors shall convene the Interim Shareholders' Meeting within thirty days for by-election, and the term of office thereof is limited to make up the term of office of the original directors or supervisors. After public offering by the Company, Board of	When the director's number of vacancies reaches to one third of the total number or all supervisors are removed, the Board of Directors shall convene the Interim Shareholders' Meeting within thirty sixty days for by-election, and the term of office thereof is limited to make up the term of office of the original directors or supervisors. After public offering by	Make amendments for the company stock to become listed.

	Before amendment	After amendment	Basis of amendment
	Directors shall convene the Interim Shareholders' Meeting within sixty days for by-election.	the Company, Board of Directors shall convene the Interim Shareholders' Meeting within sixty days for by-election.	
Article 19	The supervisor set by the Company is responsible for supervising all businesses of the Company pursuant to laws and decrees. But after public offering, when the Company is setting the "Audit Committee" pursuant to 4 of Article 14 of Securities Exchange Act, there is no need to set the supervisor; if the supervisor has been set, he/she will be removed certainly upon the establishment of "Audit Committee", and provisions on the supervisor hereof will also lose effect immediately.	The supervisor set by the Company is responsible for supervising all businesses of the Company pursuant to laws and decrees. But after public offering , when the Company is setting the "Audit Committee" pursuant to 4 of Article 14 of Securities Exchange Act, there is no need to set the supervisor; if the supervisor has been set, he/she will be removed certainly upon the establishment of "Audit Committee", and provisions on the supervisor hereof will also lose effect immediately.	Make amendments for the company stock to become listed.
Article 23	At the close of each fiscal year, the Board of Directors of the Company shall prepare the following book of tables or forms and forward the same to supervisors for auditing thirty days before convening the General Meeting, and submit the same to the General Meeting for acknowledgment.	At the close of each fiscal year, the Board of Directors of the Company shall prepare the following book of tables or forms and forward the same to supervisors for auditing thirty days before convening the General Meeting, and submit the same to the General Meeting for acknowledgment.	Make amendments for the company stock to become listed.
Article 24	Newly added.	<u>The Company authorizes the Board of Directors to pass a resolution agreed by the majority of attending directors in a meeting attended more than two thirds of directors to, in whole or in part, distribute the dividend and bonus in cash, and propose it to the last Shareholders' Meeting.</u>	Amended pursuant to Article 240 of Company Act.
	Newly added.	<u>When there is no loss, the Company authorizes the Board of Directors to pass a resolution agreed by the majority of attending directors in a meeting attended more than two thirds of directors to, in whole or in part, distribute the statutory surplus reserve (limited to the part of exceeding twenty-five percent of the paid-up capital) and the capital reserve conforming to the regulations of Company Act in cash, and propose it to the last Shareholders' Meeting.</u>	Amended pursuant to Article 241 of Company Act.
Article 28	These Articles of Association was concluded on August 21, 1996. The first amendment was made on December 9, 2002. The second amendment was made on December 24, 2002. The third amendment was made on June 30, 2003. The fourth amendment was made on June 30, 2004. The fifth amendment was made on August 1, 2005. The sixth amendment was made on September 3, 2007. The seventh amendment was made on November 15, 2012. The eighth amendment was made on December 7, 2012. The ninth amendment was made on May 13, 2013. The tenth amendment was made on May 15, 2015. The eleventh amendment was made on June 21, 2016.	These Articles of Association was concluded on August 21, 1996. The first amendment was made on December 9, 2002. The second amendment was made on December 24, 2002. The third amendment was made on June 30, 2003. The fourth amendment was made on June 30, 2004. The fifth amendment was made on August 1, 2005. The sixth amendment was made on September 3, 2007. The seventh amendment was made on November 15, 2012. The eighth amendment was made on December 7, 2012. The ninth amendment was made on May 13, 2013. The tenth amendment was made on May 15, 2015. The eleventh amendment was made on June 21, 2016. The twelfth amendment was made on June 10, 2019.	Add the date and times of amendment.

Attachment 6

EZCONN CORPORATION

Comparison Table on Amendments to the “Operational procedures for Acquisition and Disposal of Assets”

Article/Section	Before amendment	After amendment	Basis of amendment
Article 2	<p>Application scope of assets:</p> <p>(I) Investment in stock, government bonds, corporate bonds, financial bonds, negotiable securities in recognition of funds, depository receipt, and call (put) warrant, beneficial securities and asset-backed securities etc.</p> <p>(II) Real estate (including land, house and building, investment property, <u>land use right</u>, inventory in construction industry) and equipment.</p> <p>(III) Membership certificate.</p> <p>(IV) Intangible assets such as patent right, copyright trademark right and chartered right etc.</p> <p>(V) Creditor's rights to financial institution (including receivables, negotiations and discounts, loan, overdue receivables).</p> <p>(VI) Derivatives.</p> <p>(VII) Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law.</p> <p>(VIII) Other important assets.</p>	<p>Application scope of assets:</p> <p>(I) Investment in stock, government bonds, corporate bonds, financial bonds, negotiable securities in recognition of funds, depository receipt, and call (put) warrant, beneficial securities and asset-backed securities etc.</p> <p>(II) Real estate (including land, house and building, investment property, inventory in construction industry) and equipment.</p> <p>(III) Membership certificate.</p> <p>(IV) Intangible assets such as patent right, copyright trademark right and chartered right etc.</p> <p>(V) <u>Right-of-use assets.</u></p> <p>(VI) Creditor's rights to financial institution (including receivables, negotiations and discounts, loan, overdue receivables).</p> <p>(VII) Derivatives.</p> <p>(VIII) Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law.</p> <p>(IX) <u>Other important assets.</u></p>	Text amendment according to Article 3 of the Guidelines. (Below texts omitted)
Article 3	<p>Terms definitions:</p> <p>(I) Derivatives: means the forward contract, option contract, futures contract, leverage contract, exchange contract, and the compound contract composing the preceding instruments etc., whose values are derived from assets, interest rate, exchange rate, index or other interests etc. The so-called forward contract excludes the insurance contract, performance contract, after-sales service contract, long-term lease contract and long-term purchase (sales) contract.</p> <p>(II) Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law: means the assets acquired or disposed through merger, division or acquisition pursuant to Enterprises Mergers and Acquisitions Act, Financial Holding Company Act, Law Governing the Mergers of Financial Institutions or other laws, or assignment of share of other company (hereinafter referred to as assignment of share) by issuing new shares pursuant to Paragraph 8, Article 156 of Company Act.</p>	<p>Terms definitions:</p> <p>(I) Derivatives: means the forward contract, option contract, futures contract, leverage contract and exchange contract whose values are derived from <u>specific interest rate, price of financial instruments, commodity price, exchange rate, price or rate index, credit rating or credit index, or other variables; the portfolio of aforesaid contracts, or the combined contract or structured notes embedded with derivatives etc.</u> The so-called forward contract excludes the insurance contract, performance contract, after-sales service contract, long-term lease contract and long-term purchase (sales) contract.</p> <p>(II) Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law: means the assets acquired or disposed through merger, division or acquisition pursuant to Enterprises Mergers and Acquisitions Act, Financial Holding Company Act, Law Governing the Mergers of Financial Institutions or other laws, or assignment of share of other company (hereinafter referred to as assignment of share) by issuing new shares pursuant to 3 of</p>	Text amendment according to Article 4 of the Guidelines.

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>(III) Related party, subsidiaries: shall be determined according to the provisions of Securities Issuer Financial Report Preparation Standards.</p> <p>(IV) Professional appraiser: means the real estate appraiser or other practitioners engaged in the appraisal of real estate and equipment pursuant to law.</p> <p>(V) Date of event: means the transaction signature date, payment date, commission date, date of transfer, date of board resolution or other dates sufficiently confirming the transaction object and transaction amount etc., whichever is earlier. But if the investment needs to be approved by competent authority, it means the aforesaid days or the day of receiving approval from competent authority, whichever is earlier.</p> <p>(VI) <u>Laws and decrees or competent authority: means the laws and decrees of the Republic of China or the government agency of the Republic of China.</u></p> <p>(VII) The so-called “recent financial statement” in these Procedures: means the financial statement audited certified or approved by the accountant publicly pursuant to law before the company's acquisition or disposal of assets.</p> <p>(VIII) Net value: means the shareholders' equity certified or approved by the accountant in recent financial report of the Company. If the financial report of the Company is prepared according to International Financial Reporting Standards, the so-called net value means the equity attributable to owners of parent company recorded in the balance sheet as stipulated in the Securities Issuer Financial Report Preparation Standards.</p> <p>(IX) (X) Regarding the stipulation of ten percent of total assets, it shall be calculated according to the total assets amount in the recent individual financial report as stipulated in the Securities Issuer Financial Report Preparation Standards.</p>	<p>Article 156 of Company Act.</p> <p>(III) Related party, subsidiaries: shall be determined according to the provisions of Securities Issuer Financial Report Preparation Standards.</p> <p>(IV) Professional appraiser: means the real estate appraiser or other practitioners engaged in the appraisal of real estate and equipment pursuant to law.</p> <p>(V) Date of event: means the transaction signing day, payment day, commission day, transfer day, date of board resolution or other days sufficiently confirming the transaction object and transaction amount etc., whichever is earlier. But if the investment needs to be approved by competent authority, it means the aforesaid days or the day of receiving approval from competent authority, whichever is earlier.</p> <p>(VI) <u>Investment in mainland region: means the investment engaged by Investment Commission of Ministry of Economic Affairs in mainland region or the investment engaged in mainland pursuant to Measures for Technical Cooperation Licensing.</u></p> <p>(VII) <u>Professional investor: means the financial holding company, bank, insurance company, securities financial company, trust enterprise, securities dealer running own or underwriting business, futures trader running own business, securities investment trust enterprise, securities investment consulting enterprise and fund management company that established pursuant to law and under the administration of local financial competent authority.</u></p> <p>(VIII) <u>Stock exchange: domestic stock exchange, means the Taiwan Stock Exchange Corporation; foreign stock exchange, means any organized stock exchange market under the administration of competent authority in charge of securities in such country.</u></p> <p>(IX) <u>Business place of securities dealer: business place of domestic securities dealer, means the place in which securities dealer sets counter for transaction pursuant to Administrative Measures for Securities Transaction in Business Place of Securities Dealer; business place of foreign securities dealer, means the business place of the financial institution running securities business and under administration of foreign competent authority in charge of securities.</u></p> <p>(X) <u>Laws and decrees or competent authority: means the laws</u></p>	

Article/Section	Before amendment	After amendment	Basis of amendment
		<p><u>and decrees of the Republic of China or the government agency of the Republic of China.</u></p> <p>(XI) The so-called “recent financial statement” in these Procedures: means the financial statement audited certified or approved by the accountant publicly pursuant to law before the company's acquisition or disposal of assets.</p> <p>(XII) Net value: means the shareholders' equity certified or approved by the accountant in recent financial report of the Company. If the financial report of the Company is prepared according to International Financial Reporting Standards, the so-called net value means the equity attributable to owners of parent company recorded in the balance sheet as stipulated in the Securities Issuer Financial Report Preparation Standards.</p> <p>(XIII) Regarding the stipulation of ten percent of total assets, it shall be calculated according to the total assets amount in the recent individual financial report as stipulated in the Securities Issuer Financial Report Preparation Standards.</p>	
Article 4	<p>Procedures for assessment on the acquisition or disposal of assets:</p> <p>(I) For the acquisition or disposal of real estate or equipment, apart from those transacted with government agency, built on private land or leased land, or acquired or disposed for business use, if the transaction amount thereof reaches to twenty percent of paid-up capital of the Company or over NT\$300 million, the appraisal report issued by professional appraiser shall be first acquired before the date of event, and shall comply with the following rules:</p> <ol style="list-style-type: none"> 1. When the limited price, specified price or special price is taken as reference for the transaction price due to special reasons, such transaction shall first be proposed to and passed by board resolution, in case of change of transaction conditions in the future, the foregoing procedures shall also apply accordingly. 2. Appraisals by at least 2 professional appraisers shall be required for transaction with amount in excess of NT\$1 billion. 3. If the appraisal results of professional appraiser have any one of the following circumstances, except that all appraisal results of acquired assets are higher than the transaction amount, or all appraisal results of disposed assets are lower than the transaction amount, accountants shall be appointed to handle according to No. 20 regulations of the Statement of 	<p>Procedures for assessment on the acquisition or disposal of assets:</p> <p>(I) For the acquisition or disposal of real estate, equipment <u>or its right-of-use assets</u>, apart from those transacted with <u>domestic</u> government agency, built on private land or leased land, <u>or acquisition or disposal of equipment or its right-of-use assets</u> for business use, if the transaction amount thereof reaches to twenty percent of paid-up capital of the Company or over NT\$300 million, the appraisal report issued by professional appraiser shall be first acquired before the date of event, and shall comply with the following rules:</p> <ol style="list-style-type: none"> 1. When the limited price, specified price or special price is taken as reference for the transaction price due to special reasons, such transaction shall first be proposed to and passed by board resolution; <u>thereafter, the same shall apply in case of change of transaction conditions.</u> 2. Appraisals by at least 2 professional appraisers shall be required for transaction with amount in excess of NT\$1 billion. 3. If the appraisal results of professional appraiser have any one of the following circumstances, except that all appraisal results of acquired assets are higher than the transaction amount, or all appraisal results of disposed assets are lower than the transaction amount, accountants shall be appointed to handle according to No. 20 regulations of Statement of 	Text amendment according to Article 5, 9 and 11 of the Guidelines.

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>Auditing Standards issued by the Accounting Research and Development Foundation of the Republic of China, and express specific opinions on the reasons for difference and the appropriateness of transaction price:</p> <p>(1) The difference between appraisal results and transaction amount reaches to over twenty percent of the transaction amount.</p> <p>(2) The difference between the appraisal results of two or more professional appraisers reaches to over ten percent of the transaction amount.</p> <p>4. The date of report issuing by professional appraiser shall not be over three months later than the contract date. However, the opinion of the original appraiser may be acceptable when the opinion is based on the same officially value published within 6 months.</p> <p>(II) For the acquisition or disposal of negotiable securities, before the date of event, the subject company's recent financial statement audited, certified or approved by the accountant shall be obtained as the reference for appraising transaction price, furthermore, if the transaction amount reaches to twenty percent of the paid-up capital of the company or over NT\$300 million, the accountant shall be appointed to give opinion on the rationality of transaction price prior to the date of event, if expert's report is adopted, the accountant shall handle pursuant to No. 20 regulations of the Statement on Auditing Standards issued by the Accounting Research and Development Foundation. However, the above-mentioned requirements do not apply to transactions of negotiable securities transacted actively on the open market, or those regulated by the Financial Supervisory Commission.</p> <p>(III) If the transaction amount of acquisition or disposal of <u>membership certificate</u> or intangible assets reaches to twenty percent of paid-up capital of the company or over NT\$300 Million, except for the transaction with government agency, the accountant shall be appointed to give opinions on the rationality of transaction price before date of event, and the said accountant shall handle pursuant to No. 20 regulations of the Statement on Auditing Standards issued by the Accounting Research and Development Foundation of the Republic of China.</p>	<p>Auditing Standards issued by the Accounting Research and Development Foundation of the Republic of China, and express specific opinions on the reasons for difference and the appropriateness of transaction price:</p> <p>(1) The difference between appraisal results and transaction amount reaches to over twenty percent of the transaction amount.</p> <p>(2) The difference between the appraisal results of two or more professional appraisers reaches to over ten percent of the transaction amount.</p> <p>4. The date of report issuing by professional appraiser shall not be over three months later than the contract date. However, the opinion of the original appraiser may be acceptable when the opinion is based on the same officially value published within 6 months.</p> <p>(II) For the acquisition or disposal of negotiable securities, before the date of event, the subject company's recent financial statement audited, certified or approved by the accountant shall be obtained as the reference for appraising transaction price, furthermore, if the transaction amount reaches to twenty percent of the paid-up capital of the company or over NT\$300 million, the accountant shall be appointed to give opinion on the rationality of transaction price prior to the date of event, if expert's report is adopted, the accountant shall handle pursuant to No. 20 regulations of the Statement on Auditing Standards issued by the Accounting Research and Development Foundation. However, the above-mentioned requirements do not apply to transactions of negotiable securities transacted actively on the open market, or those regulated by the Financial Supervisory Commission.</p> <p>(III) If the transaction amount of acquisition or disposal of intangible assets <u>or its right-of-use assets or membership certificate</u> reaches to twenty percent of paid-up capital of the company or over NT\$300 million, except for the transaction with <u>domestic</u> government agency, the accountant shall be appointed to give opinions on the rationality of transaction price before date of event, and the said accountant shall handle pursuant to No. 20 regulations of the Statement on Auditing Standards issued by the Accounting Research and Development Foundation of the Republic of China.</p>	

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>(IV) The calculation of the transaction amounts mentioned in preceding 3 subparagraphs shall be subject to the provisions of Article 11, and the so-called “one year” period is defined to be counting back for one year from the date of event of such transaction, but the part for which the appraisal report issued by professional appraiser or the accountant’s opinion has been obtained pursuant to these Procedures may be excluded.</p> <p>(V) For the acquisition or disposal of assets through the auction procedures of the court, the appraisal report or accountant’s opinion may be replaced by the supporting documents issued by the court.</p> <p>(VI) For the obtained appraisal report or opinion of accountant, lawyer or securities underwriter, the concerned professional appraiser and its appraising personnel, accountant, lawyer or securities underwriter shall not be the related party to the transaction party.</p> <p>(VII) For assets acquisition or disposal between the related party, apart from going through relevant resolution procedures as stipulated in this article and Article 9 and assessment on the rationality of transaction conditions etc., if the transaction amount thereof in excess of twenty percent of total assets of the company, appraisal report issued by professional appraiser or accountant’s opinion shall also be obtained pursuant to this article. The calculation of so-called transaction amount shall be subject to the provisions in Subparagraph 4 of this article.</p>	<p>(IV) The calculation of the transaction amounts mentioned in preceding 3 subparagraphs shall be subject to the provisions of Article 11, and the so-called “one year” period is defined to be counting back for one year from the date of event of such transaction, but the part for which the appraisal report issued by professional appraiser or the accountant’s opinion has been obtained pursuant to these Procedures may be excluded.</p> <p>(V) For the acquisition or disposal of assets through the auction procedures of the court, the appraisal report or accountant’s opinion may be replaced by the supporting documents issued by the court.</p> <p>(VI) For the obtained appraisal report or opinion of accountant, lawyer or securities underwriter, the concerned professional appraiser and its appraising personnel, accountant, lawyer or securities underwriter <u>shall comply with the following rules:</u></p> <ol style="list-style-type: none"> <u>1. Has not been sentenced to a set term of imprisonment for over one year due to the violation of Securities Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Accounting Act, or due to fraud, breach of faith, embezzlement, forging documents or criminal behaviors in business. Except for three years after the imprisonment has completed, expiry of probation or pardon.</u> <u>2. Must not be the related party or substantial related party to the transaction party.</u> <u>3. If appraisal reports issued by more than two professional appraisers shall be obtained, different professional appraisers or appraising personnel shall not be the related parties or substantial related parties mutually.</u> <p>(VII) For assets acquisition or disposal between the related party, apart from going through relevant resolution procedures as stipulated in this article and Article 9 and assessment on the rationality of transaction conditions etc., if the transaction amount thereof in excess of twenty percent of total assets of the company, appraisal report issued by professional appraiser or accountant’s opinion shall also be obtained pursuant to this article. The calculation of so-called transaction amount shall be subject to the provisions in Subparagraph 4 of this article.</p>	

Article/Section	Before amendment	After amendment	Basis of amendment																																																		
Article 6	<p>Procedures for acquisition or disposal of real estate and equipment:</p> <p>(I) Acquisition or disposal of real estate:</p> <ol style="list-style-type: none"> The acquisition or disposal of real estate shall be assessed by the execution unit and agreed by the President, and then submitted to the Board of Directors for approval. The real estate of the Company and each subsidiaries used not for business purpose shall not exceed 20% of the net value in the last financial statement. <p>(II) Decision-making and authorization hierarchy</p> <table border="1" data-bbox="367 467 1070 916"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="3">Delegation of authority</th> </tr> <tr> <th>President</th> <th>Chairman</th> <th>Board of Directors</th> </tr> </thead> <tbody> <tr> <td>Acquisition or disposal of real estate</td> <td></td> <td></td> <td style="text-align: center;">•</td> </tr> <tr> <td>Acquisition or disposal of the equipment below NT\$20 million (inclusive)</td> <td style="text-align: center;">•</td> <td></td> <td></td> </tr> <tr> <td>Acquisition or disposal of the equipment from NT\$20 million (exclusive) ~ NT\$50 million (inclusive)</td> <td></td> <td style="text-align: center;">•</td> <td></td> </tr> <tr> <td>Acquisition or disposal of the equipment over NT\$50 million (exclusive)</td> <td></td> <td></td> <td style="text-align: center;">•</td> </tr> </tbody> </table>	Item	Delegation of authority			President	Chairman	Board of Directors	Acquisition or disposal of real estate			•	Acquisition or disposal of the equipment below NT\$20 million (inclusive)	•			Acquisition or disposal of the equipment from NT\$20 million (exclusive) ~ NT\$50 million (inclusive)		•		Acquisition or disposal of the equipment over NT\$50 million (exclusive)			•	<p>Procedures for acquisition or disposal of real estate, <u>equipment or its right-of-use assets</u>:</p> <p>(I) Acquisition or disposal of real estate, <u>equipment or its right-of-use assets</u>:</p> <ol style="list-style-type: none"> The acquisition or disposal of real estate shall be assessed by the execution unit and agreed by the President, and then submitted to the Board of Directors for approval. The real estate or its right-of-use assets of the Company and each subsidiary used not for business purpose shall not exceed 20% of the net value in the last financial statement. <p>(II) Decision-making and authorization hierarchy</p> <table border="1" data-bbox="1106 496 1809 1007"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="3">Delegation of authority</th> </tr> <tr> <th>President</th> <th>Chairman</th> <th>Board of Directors</th> </tr> </thead> <tbody> <tr> <td>Acquisition or disposal of real estate</td> <td></td> <td></td> <td style="text-align: center;">•</td> </tr> <tr> <td>Acquisition or disposal of the equipment below NT\$20 million (inclusive)</td> <td style="text-align: center;">•</td> <td></td> <td></td> </tr> <tr> <td>Acquisition or disposal of the equipment from NT\$20 million (exclusive) ~ NT\$50 million (inclusive)</td> <td></td> <td style="text-align: center;">•</td> <td></td> </tr> <tr> <td>Acquisition or disposal of the equipment over NT\$50 million (exclusive)</td> <td></td> <td></td> <td style="text-align: center;">•</td> </tr> <tr> <td>Acquisition or disposal of <u>right-of-use assets</u></td> <td style="text-align: center;">•</td> <td></td> <td></td> </tr> </tbody> </table>	Item	Delegation of authority			President	Chairman	Board of Directors	Acquisition or disposal of real estate			•	Acquisition or disposal of the equipment below NT\$20 million (inclusive)	•			Acquisition or disposal of the equipment from NT\$20 million (exclusive) ~ NT\$50 million (inclusive)		•		Acquisition or disposal of the equipment over NT\$50 million (exclusive)			•	Acquisition or disposal of <u>right-of-use assets</u>	•			<p>Make amendments according to No. 16 leasing bulletin regulations of the International Financial Reporting Standards and Article 3 of the Standards.</p>
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Article 8	<p>Procedures for acquisition or disposal of derivatives: (Below texts omitted) (X) Internal auditors of the company shall regularly learn about the adequacy of internal control of derivatives transaction, audit the compliance of transaction department in engaging in the procedures for derivatives transaction on a monthly basis, and prepare the audit report; and written notice shall be served to each supervisor in case of major violation is found.</p>	<p>Procedures for acquisition or disposal of derivatives: (Below texts omitted) (X) Internal auditors of the company shall regularly learn about the adequacy of internal control of derivatives transaction, audit the compliance of transaction department in engaging in the procedures for derivatives transaction on a monthly basis, and prepare the audit report; and written notice shall be served to each supervisor in case of major violation is found. <u>If the independent director has been set pursuant to Securities Exchange Act, the written notice served to each supervisor as mentioned in preceding paragraph shall be served to the independent director as well.</u> <u>If the Audit Committee has been set pursuant to Securities Exchange</u></p>	<p>Text amendment according to Article 22 of the Guidelines.</p>																																																		

Article/Section	Before amendment	After amendment	Basis of amendment
		<u>Act, the provisions on the supervisor in paragraph 1 shall apply to the Audit Committee.</u>	
Article 9	<p>Procedures for related party transaction:</p> <p>(I) For assets acquisition or disposal between the Company and the related party, relevant resolution procedures as stipulated in this article and assessment on the rationality of transaction conditions etc. shall be carried out pursuant to Article 4 and this article. When judging whether the transaction object is the related party, apart from paying attention to its legal form, its substantial relationship shall also be considered.</p> <p>(II) For the Company's acquisition or disposal of real estate from the related party, or the acquisition or disposal of other assets other than real estate with the related party, if the transaction amount is in excess of twenty percent of paid-up capital of the company, ten percent of total assets or NT\$300 million, except for transactions of purchase or sale of government bonds or bonds with repurchase/reverse repo agreement or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise, the documents mentioned below shall be presented to the Board of Directors for approval and to the supervisor for ratification before signing transaction contract and making payments:</p> <ol style="list-style-type: none"> 1. The purpose and necessity of, and expected benefit from the acquisition or disposal of such assets. 2. The reason for selecting the related party as transaction object. 3. For the acquisition of real estate from the related party, assess relevant materials on the rationality of expected transaction conditions pursuant to the provisions of Paragraph (III) and (IV) of this article. 4. Related party's original acquisition date and price, transaction object, and relations between the company and related party etc. 5. The cash flow forecast of the next twelve months after the month when the contract is expected to be signed, as well as assessment on the necessity of transaction and rationality of funds utilization. 6. The appraisal report issued by professional appraiser or opinion of accountant obtained in accordance with the 	<p>Procedures for related party transaction:</p> <p>(I) For assets acquisition or disposal between the Company and the related party, relevant resolution procedures as stipulated in this article and assessment on the rationality of transaction conditions etc. shall be carried out pursuant to Article 4 and this article. When judging whether the transaction object is the related party, apart from paying attention to its legal form, its substantial relationship shall also be considered.</p> <p>(II) For the Company's acquisition or disposal of real estate <u>or its right-of-use assets</u> from the related party, or the acquisition or disposal of other assets other than real estate <u>or its right-of-use assets</u> with the related party, if the transaction amount is in excess of twenty percent of paid-up capital of the company, ten percent of total assets or NT\$300 million, except for transactions of purchase or sale of <u>domestic</u> government bonds or bonds with repurchase/reverse repo agreement or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise, the documents mentioned below shall be presented to the Board of Directors for approval and to the supervisor for ratification before signing transaction contract and making payments:</p> <ol style="list-style-type: none"> 1. The purpose and necessity of, and expected benefit from the acquisition or disposal of such assets. 2. The reason for selecting the related party as transaction object. 3. For the acquisition of real estate <u>or its right-of-use assets</u> from the related party, assess relevant materials on the rationality of expected transaction conditions pursuant to the provisions of Paragraph (III) and (IV) of this article. 4. Related party's original acquisition date and price, transaction object, and relations between the company and related party etc. 5. The cash flow forecast of the next twelve months after the month when the contract is expected to be signed, as well as assessment on the necessity of transaction and rationality of funds utilization. 6. The appraisal report issued by professional appraiser or 	Text amendment according to Article 15, 16, 17 and 18 of the Guidelines.

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>previous paragraph.</p> <p>7. Restrictions and other important terms of the transaction. The calculation of the transaction amount in this paragraphs shall be subject to the provisions of Article 11, and the so-called “one year” period is defined to be counting back for one year from the date of event of such transaction, but the part that has been passed by Board of Directors and acknowledged by supervisor pursuant to these Procedures may be excluded.</p> <p>For acquisition or disposal of equipment for business use between the Company and parent company or subsidiaries, Board of Directors may authorize the Chairman to make a decision in advance within a certain quota, and then propose to the most recent Board of Directors Meeting for subsequent recognition.</p> <p>When the Company has set the independent director and proposed to Board of Directors for discussion pursuant to provisions of this article, opinions of each independent director shall be fully considered, and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.</p> <p>When the Company has set the Audit Committee, matters shall be acknowledged by the supervisor according to the provisions of this paragraph shall be agreed by more than one second of all members of Audit Committee, if not, it may be agreed by more than two thirds of all directors, and the resolution of the Audit Committee shall be specified in the Minute Book of Board of Directors Meeting. All members of Audit Committee and all directors referred to in preceding paragraph are calculated based on the actual appointment.</p> <p>(III) For acquisition of real estate from the related party, the Company shall assess the rationality of transaction cost according to the following methods:</p> <p>1. Related party’s transaction price plus necessary funds interest and the cost borne by the buyer pursuant to law. The so-called necessary funds interest cost is calculated according to the weighted average interest rate for the money borrowed by the company in the year of assets acquisition, but it shall not be higher than the highest lending rate for non-financial enterprises announced by the Ministry of Finance.</p> <p>2. If the related party once used such subject matter to set mortgage for borrowing from a financial institution, the total value in loan evaluation conducted by the financial</p>	<p>opinion of accountant obtained in accordance with the previous paragraph.</p> <p>7. Restrictions and other important terms of the transaction. The calculation of the transaction amount in this paragraphs shall be subject to the provisions of Article 11, and the so-called “one year” period is defined to be counting back for one year from the date of event of such transaction, but the part that has been passed by Board of Directors and acknowledged by supervisor pursuant to these Procedures may be excluded.</p> <p><u>For the following transactions engaged between the Company and parent company, subsidiaries, or the subsidiaries in which the Company directly or indirectly holds one hundred percent of outstanding shares or total capital,</u> Board of Directors may authorize the Chairman to make a decision in advance within a certain quota, and then propose to the most recent Board of Directors Meeting for subsequent recognition:</p> <p>(1) <u>Acquisition or disposal of equipment or its right-of-use assets for business use.</u></p> <p>(2) <u>Acquisition or disposal of real estate right-of-use assets for business use.</u></p> <p>When the Company has set the independent director and proposed to Board of Directors for discussion pursuant to provisions of this article, opinions of each independent director shall be fully considered, and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.</p> <p>When the Company has set the Audit Committee, matters shall be acknowledged by the supervisor according to the provisions of this paragraph shall be agreed by more than one second of all members of Audit Committee, if not, it may be agreed by more than two thirds of all directors, and the resolution of the Audit Committee shall be specified in the Minute Book of Board of Directors Meeting. All members of Audit Committee and all directors referred to in preceding paragraph are calculated based on the actual appointment.</p> <p>(III) For acquisition of real estate <u>or its right-of-use assets</u> from the related party, the Company shall assess the rationality of transaction cost according to the following methods:</p> <p>1. Related party’s transaction price plus necessary funds interest and the cost borne by the buyer pursuant to law. The so-called necessary funds interest cost is calculated according to the weighted average interest rate for the</p>	

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>institution on such subject matter, but the financial institution's actual accumulated loan value for such subject matter shall reach to over seventy percent of the total value in loan evaluation and the period of loan has been more than one year. However, such stipulations shall not apply if the financial institution is the related party to a transaction party.</p> <p>For combined purchase of land and house of the same subject matter, assessment on transaction cost may be conducted according to any method listed in preceding paragraphs for the land and house respectively.</p> <p>For acquisition of real estate from the related party, apart from assessing on the real estate cost according to the provisions of this paragraph, the Company shall also appoint the accountant to review and give specific opinions.</p> <p>Provided any one of the following circumstances, for acquisition of real estate from the related party, the Company shall handle according to preceding paragraphs, and provisions of preceding subparagraphs of this paragraph shall not apply:</p> <ol style="list-style-type: none"> 1. The related party acquires real estate due to inheritance or bestowal. 2. The related party has acquired the real estate by contract conclusion for over five years according to the contract date of this transaction. 3. Sign joint construction contract with the related party, or acquire the real estate by appointing the related party for real estate construction by means of consigned construction on the owned land or consigned construction on the leased land etc. <p>(IV) If the results of appraisal as stipulated in preceding paragraph are lower than the transaction price, the Company shall handle pursuant to Paragraph (V). Except for under the following circumstances, and objective evidences have been proposed and specific rational opinions of professional real estate appraiser and accountant have been obtained:</p> <ol style="list-style-type: none"> 1. If the related party acquires the raw land or leases the land for construction, it shall prove the conformance to any one of the following conditions: <ol style="list-style-type: none"> (1) The raw land is assessed according to the method stipulated in preceding paragraph, and the related party's total construction cost plus reasonable construction profit of the house exceeds the actual 	<p>money borrowed by the company in the year of assets acquisition, but it shall not be higher than the highest lending rate for non-financial enterprises announced by the Ministry of Finance.</p> <ol style="list-style-type: none"> 2. If the related party once used such subject matter to set mortgage for borrowing from a financial institution, the total value in loan evaluation conducted by the financial institution on such subject matter, but the financial institution's actual accumulated loan value for such subject matter shall reach to over seventy percent of the total value in loan evaluation and the period of loan has been more than one year. However, such stipulations shall not apply if the financial institution is the related party to a transaction party. <p>For combined purchase <u>or lease</u> of land and house of the same subject matter, assessment on transaction cost may be conducted according to any method listed in preceding paragraphs for the land and house respectively.</p> <p>For acquisition of real estate <u>or its right-of-use assets</u> from the related party, apart from assessing on the real estate <u>or its right-of-use assets</u> cost according to the provisions of this paragraph, the Company shall also appoint the accountant to review and give specific opinions.</p> <p>Provided any one of the following circumstances, for acquisition of real estate <u>or its right-of-use assets</u> from the related party, the Company shall handle according to preceding paragraphs, and provisions of preceding subparagraphs of this paragraph shall not apply:</p> <ol style="list-style-type: none"> 1. The related party acquires real estate <u>or its right-of-use assets</u> due to inheritance or bestowal. 2. The related party has acquired the real estate <u>or its right-of-use assets</u> by contract conclusion for over five years according to the contract date of this transaction. 3. Sign joint construction contract with the related party, or acquire the real estate by appointing the related party for real estate construction by means of consigned construction on the owned land or consigned construction on the leased land etc. 4. <u>The acquisition of real estate right-of-use assets for business use between the Company and parent company, subsidiaries, or the subsidiaries in which the Company directly or indirectly holds one hundred percent of outstanding shares or total capital.</u> 	

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>transaction price. The so-called reasonable construction profit shall be the average operating margin of the related party's construction department in the last three years or the most recent gross margin in construction industry published by the Ministry of Finance, whichever is lower.</p> <p>(2) The transaction cases of other non-related parties on other floors of the same real estate or in adjacent regions within one year, with similar area and equivalent conditions after assessment according to the due reasonable floors or regional price differences in real estate transaction practice.</p> <p>(3) <u>The lease cases of other non-related parties on other floors of the same real estate within one year, with equivalent transaction conditions after estimation according to the due reasonable floor price differences in real estate lease practice.</u></p> <p>2. For the real estate purchased from the related party as proved by the Company, its transaction conditions are equivalent to the transaction cases with other non-related parties in adjacent regions within one year and the area is similar.</p> <p>In principle, the transaction cases in adjacent regions mentioned in this paragraph take the cases transacted in the same or adjacent street and within 500 meters away from the transaction object or those cases with similar announced present value; the so-called similar area means the area in transaction case of other non-related party is not lower than fifty percent of the area of transaction object; and the so-called within one year is defined to be counting back for one year from the date of real estate acquisition this time.</p> <p>(V) For the Company's acquisition of real estate from the related party, if the results of assessment as prescribed in Paragraph (III) and (IV) are lower than the transaction price, the following matters shall be handled:</p> <p>1. For the price difference between real estate transaction price and assessment cost, allocate special surplus reserve pursuant to Paragraph 1, Article 41 of Securities Exchange Act, and it shall not be distributed or transferred to capital increase and shares allotment.</p> <p>2. Supervisor shall handle pursuant to Article 218 of Company Act.</p> <p>3. Handling circumstances pursuant to Item 1 and 2 shall be</p>	<p>(IV) If the results of appraisal as stipulated in preceding paragraph are lower than the transaction price, the Company shall handle pursuant to Paragraph (V). Except for under the following circumstances, and objective evidences have been proposed and specific rational opinions of professional real estate appraiser and accountant have been obtained:</p> <p>1. If the related party acquires the raw land or leases the land for construction, it shall prove the conformance to any one of the following conditions:</p> <p>(1) The raw land is assessed according to the method stipulated in preceding paragraph, and the related party's total construction cost plus reasonable construction profit of the house exceeds the actual transaction price. The so-called reasonable construction profit shall be the average operating margin of the related party's construction department in the last three years or the most recent gross margin in construction industry published by the Ministry of Finance, whichever is lower.</p> <p>(2) The transaction cases of other non-related parties on other floors of the same real estate or in adjacent regions within one year, with similar area and equivalent conditions after assessment according to the due reasonable floors or regional price differences in real estate transaction <u>or lease</u> practice.</p> <p>2. For the real estate purchased from the related party <u>or the real estate right-of-use assets acquired by lease</u> as proved by the Company, its transaction conditions are equivalent to the transaction cases with other non-related parties in adjacent regions within one year and the area is similar.</p> <p>In principle, the transaction cases in adjacent regions mentioned in this paragraph take the cases transacted in the same or adjacent street and within 500 meters away from the transaction object or those cases with similar announced present value; the so-called similar area means the area in transaction case of other non-related party is not lower than fifty percent of the area of transaction object; and the so-called within one year is defined to be counting back for one year from the date of <u>acquiring real estate or its right-of-use assets</u> this time.</p> <p>(V) For the Company's acquisition of real estate <u>or its right-of-use assets</u> from the related party, if the results of</p>	

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>reported to Shareholders' Meeting, and detailed transaction contents shall be disclosed in the annual report and public prospectus.</p> <p>If special surplus reserve is allocated pursuant to this paragraph, the Company shall wait until the assets purchased at a high price has been recognized in the loss from failing price, or is disposed or properly compensated or reinstated, or if it is not unreasonable as confirmed by other evidences, such special surplus reserve may only be employed with the consent of competent authority.</p> <p>For the Company's acquisition of real estate from the related party, if there are other evidences indicating that the transaction is not conforming to regular business practice; it shall also be handled pursuant to this paragraph.</p>	<p>assessment as prescribed in Paragraph (III) and (IV) are lower than the transaction price, the following matters shall be handled:</p> <ol style="list-style-type: none"> 1. For the price difference between real estate <u>or its right-of-use assets</u> transaction price and assessment cost, allocate special surplus reserve pursuant to Paragraph 1, Article 41 of Securities Exchange Act, and it shall not be distributed or transferred to capital increase and shares allotment. <u>If the investor adopting Equity Method for appraising the company's investment is a public company, it shall also allocate the special surplus reserve from such allocation amount according to the investment proportion and the provisions of Paragraph 1, Article 41 of Securities Exchange Act.</u> 2. Supervisor shall handle pursuant to Article 218 of Company Act. <u>If Audit Committee has been set pursuant to Securities Exchange Act, the preceding paragraph of this item applies to independent director members of Audit Committee.</u> 3. Handling circumstances pursuant to Item 1 and 2 shall be reported to Shareholders' Meeting, and detailed transaction contents shall be disclosed in the annual report and public prospectus. <p>If special surplus reserve is allocated pursuant to this paragraph, the Company shall wait until the assets purchased <u>or leased</u> at a high price has been recognized in the loss from failing price, or is disposed <u>or terminated of lease contract</u> or properly compensated or reinstated, or if it is not unreasonable as confirmed by other evidences, such special surplus reserve may only be employed with the consent of competent authority.</p> <p>For the Company's acquisition of real estate <u>or its right-of-use assets</u> from the related party, if there are other evidences indicating that the transaction is not conforming to regular business practice, it shall also be handled pursuant to this paragraph.</p>	
Article 11	<p>Announcement and declaration procedures (applicable when the Company is a public company pursuant to the laws of the Republic of China):</p> <p>(I) If the acquisition or disposal of assets is under the following circumstances, the Company shall announce and declare relevant information at the website designated by Financial Supervisory Commission within two days as of the date of event:</p>	<p>Announcement and declaration procedures (applicable when the Company is a public company pursuant to the laws of the Republic of China):</p> <p>(I) If the acquisition or disposal of assets is under the following circumstances, the Company shall announce and declare relevant information at the website designated by Financial Supervisory Commission within two days as of the date of event:</p>	Text amendment according to Article 31 and 34 of the Guidelines.

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>1. Acquire or dispose real estate from interested party, or acquire or dispose other assets other than real estate from interested party and the transaction amount thereof reaches to twenty percent of company paid-up capital, ten percent of total assets, or over NT\$300 Million. However, the transactions of the purchases or sales of government bonds, or bonds with repurchase/reverse repo agreement, or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise are excluded.</p> <p>2. Merger, split, acquisition or assignment of share.</p> <p>3. The loss in derivatives transactions reaches to the amount of loss ceiling of all or individual contract as stipulated in handling procedures.</p> <p>4. <u>The type of assets</u> in acquisition or disposal is the equipment for business use, and the transaction object thereof is a non-related party, and the transaction amount meets one of the following provisions:</p> <p>(1) If the paid-up capital of the Company is less than NT\$10 billion, the transaction amount is in excess of NT\$500 million.</p> <p>(2) If the paid-up capital of the Company is in excess of NT\$10 billion, the transaction amount is in excess of NT\$1 billion.</p> <p>5. The Company acquires or disposes the real estate for construction use by running construction business and the transaction object thereof is a non-related party, and the transaction amount is not in excess of NT\$500 million.</p> <p>6. For the real estate acquired by means of construction on private or leased land, or house distribution, sharing or sales in joint construction, the transaction amount expected to be input by the company is not in excess of NT\$500 million.</p> <p>7. For the assets transaction other than those mentioned from Item 1 to Item 6, or disposal of creditor's rights by a financial institution or the investment in Mainland China, the transaction amount thereof is in excess of twenty percent of paid-up capital of the company or NT\$300 million. Except for the following circumstances:</p> <p>(1) Purchase or sale of government bonds.</p> <p>(2) For professional investors, the transaction of negotiable securities in <u>foreign and domestic</u> stock exchange or business place of securities dealer; or the ordinary</p>	<p>1. Acquire or dispose real estate or its right-of-use assets from a related party, or acquire or dispose other assets other than real estate or its right-of-use assets from a related party and the transaction amount thereof reaches to twenty percent of paid-up capital or ten percent of total assets of the company, or over NT\$300 million. However, the transactions of the purchases or sales of <u>domestic</u> government bonds, or bonds with repurchase/reverse repo agreement, or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise are excluded.</p> <p>2. Merger, split, acquisition or assignment of share.</p> <p>3. The loss in derivatives transactions reaches to the amount of loss ceiling of all or individual contract as stipulated in handling procedures.</p> <p>4. The acquisition or disposal of equipment or its right-of-use assets for business use, and the transaction object thereof is a non-related party, and the transaction amount meets one of the following provisions:</p> <p>(1) If the paid-up capital of the Company is less than NT\$10 billion, the transaction amount is in excess of NT\$500 million.</p> <p>(2) If the paid-up capital of the Company is in excess of NT\$10 billion, the transaction amount is in excess of NT\$1 billion.</p> <p>5. The Company acquires or disposes the real estate <u>or its right-of-use assets</u> for construction use by running construction business and the transaction object thereof is a non-related party, and the transaction amount is not in excess of NT\$500 million; <u>among them, the paid-up capital reaches to over NT\$10 billion, the disposal of the completed real estate constructed by itself is in a non-related party transaction and with transaction amount in excess of NT\$1 billion.</u></p> <p>6. For the real estate acquired by means of construction on private or leased land, or house distribution, sharing or sales in joint construction, <u>and the transaction object is a non-related party,</u> the transaction amount expected to be input by the company is not in excess of NT\$500 million.</p> <p>7. For the assets transaction other than those mentioned from Item 1 to Item 6, or disposal of creditor's rights by a financial institution or the investment in Mainland China, the</p>	

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>corporate bonds subscribed, raised or issued in <u>domestic</u> primary market and the general financial bonds not involved in stock right; or the negotiable securities subscribed according to the regulations of Taipei Exchange as recommended by a securities dealer acting as the adviser of public company due to underwriting business needs.</p> <p>(3) Purchase or sale of bonds with repurchase or reverse repo agreement, or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise.</p> <p>(II) The transaction amounts stated in Paragraph (I) shall be calculated according to the following methods:</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. The cumulative amount of acquisition or disposal of similar assets with the same counterparty within one year. 3. The cumulative amount of acquisition or disposal (separately for the acquisition and disposal) of real estate under the same development plan within one year. 4. The cumulative amount of acquisition or disposal (separately for the acquisition and disposal) of the same negotiable securities within one year. 5. The so-called “one year” period is defined to be counting back for one year from the date of transaction. However, the part that has been announced pursuant to these Procedures or relevant laws and decrees may be excluded. <p>(III) The Company shall declare the derivatives transacted by <u>the Company</u> and its domestic non-public subsidiaries as at the end of previous month on a monthly basis, and such declaration shall be input at the information declaration website designated by Financial Supervisory Commission in a specific form before the 10th day of every calendar month.</p> <p>(IV) When the items due to be announced by the Company as required should be supplemented and corrected due to the mistake or omission upon announcement, all items shall be announced and declared again within two days as of the day of knowing such mistake or omission.</p> <p>(V) In case of acquisition or disposal of assets by the domestic non-public subsidiaries of the Company, and it shall be announced and declared pursuant to the provisions of Article 11, the Company shall make announcement and declaration</p>	<p>transaction amount thereof is in excess of twenty percent of paid-up capital of the company or NT\$300 million. Except for the following circumstances:</p> <ol style="list-style-type: none"> (1) Purchase or sale of <u>domestic</u> government bonds. (2) For professional investors, the transaction of negotiable securities in stock exchange or business place of securities dealer; or the ordinary corporate bonds subscribed, raised or issued in primary market and the general financial bonds not involved in stock right <u>(subordinated bonds excluded)</u>; or <u>subscription or repurchase of securities investment trust funds or futures trust funds</u>, or the negotiable securities subscribed according to the regulations of Taipei Exchange as recommended by a securities dealer acting as the adviser of public company due to underwriting business needs. (3) Purchase or sale of bonds with repurchase or reverse repo agreement, or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise. <p>(II) The transaction amounts stated in Paragraph (I) shall be calculated according to the following methods:</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. The cumulative amount of acquisition or disposal of similar assets with the same counterparty within one year. 3. The cumulative amount of acquisition or disposal (separately for the acquisition and disposal) of real estate <u>or its right-of-use assets</u> under the same development plan within one year. 4. The cumulative amount of acquisition or disposal (separately for the acquisition and disposal) of the same negotiable securities within one year. 5. The so-called “one year” period is defined to be counting back for one year from the date of transaction. However, the part that has been announced pursuant to these Procedures or relevant laws and decrees may be excluded. <p>(III) The Company shall declare the derivatives transacted by the company and its domestic non-public subsidiaries as at the end of previous month on a monthly basis, and such declaration shall be input at the information declaration website designated by Financial Supervisory Commission in</p>	

Article/Section	Before amendment	After amendment	Basis of amendment
	<p>instead; for the required announcement and declaration standards applicable to the subsidiaries as stipulated in Paragraph (I) of Article 11, regarding the stipulations on <u>reaching to twenty percent</u> of paid-up capital or <u>ten percent</u> of total assets, it shall be subject to the paid-up capital or total assets of the Company.</p>	<p>a specific form before the 10th day of every calendar month.</p> <p>(IV) When the items due to be announced by the Company as required should be supplemented and corrected due to the mistake or omission upon announcement, all items shall be announced and declared again within two days as of the day of knowing such mistake or omission.</p> <p>(V) In case of acquisition or disposal of assets by the domestic non-public subsidiaries of the Company, and it shall be announced and declared pursuant to the provisions of Article 11, the Company shall make announcement and declaration instead; for the required announcement and declaration standards applicable to the subsidiaries as stipulated in Paragraph (I) of Article 11, regarding the stipulations on paid-up capital or total assets, it shall be subject to the paid-up capital or total assets of the Company.</p>	
Article 13	<p>After the Company has announced and declared the transaction according to the provisions of Article 11, provided any one of the following circumstances, the Company shall announce and declare relevant information at the website designated by Financial Supervisory Commission within two days as of the date of event:</p> <p>(I) The changes, termination or release of the original contracts.</p> <p>(II) The merger, split, acquisition, or assignment of share are not completed according to the schedule specified in contracts.</p> <p>(III) The changes in contents of the previous announcement and declaration.</p>	<p>After the Company has announced and declared the transaction according to the provisions of Article 11, provided any one of the following circumstances, the Company shall announce and declare relevant information at the website designated by Financial Supervisory Commission within two days as of the date of event:</p> <p>(I) The changes, termination or release of the original contracts.</p> <p>(II) The merger, split, acquisition, or assignment of share are not completed according to the schedule specified in contracts.</p> <p>(III) The changes in contents of the previous announcement and declaration.</p>	Text amendment.
Article 17	<p>Amendment dates of these Procedures: These Procedures were formulated on June 24, 2012. The first amendment was made on June 30, 2014. The second amendment was made on May 29, 2018.</p>	<p>Amendment dates of these Procedures: These Procedures were formulated on June 24, 2012. The first amendment was made on June 30, 2014. The second amendment was made on May 29, 2018. <u>The third amendment was made on June 10, 2019.</u></p>	Add the date and times of amendment.

Attachment 7

**EZCONN CORPORATION
Comparison Table on Amendments to the “Operational Procedures for
Loaning of Company Funds”**

Before amendment	After amendment	Basis of amendment
<p align="center">Article 2 I. (II) The financing amount stated in Subparagraph 2, Paragraph 1 means the cumulative balances of short-term financing of the Company. For the Company’s granting of loans to the foreign company in which directly and indirectly holding one hundred percent of voting shares, the amount of loan thereof is limited to fifty percent of the net value.</p>	<p align="center">Article 2 I. (II) The financing amount stated in Subparagraph 2, Paragraph 1 means the cumulative balances of short-term financing of the Company. For the Company’s granting of loans to the foreign company in which directly and indirectly holding one hundred percent of voting shares, <u>or such foreign company’s granting of loans to the Company,</u> the amount of loan thereof is limited to fifty percent of the net value. (IV) <u>If responsible person of the Company violates the provisions of Paragraph 1 or relevant proviso, he/she shall bear the joint and several responsibilities for repayment with the borrower; in case of any damage to the Company, he/she shall also bear the damage compensation responsibility.</u></p>	<p align="center">Text amendment in accordance with the law.</p>
<p align="center">Article 4 III. When the Company has set the independent director, opinions of each independent director shall be fully considered upon discussion in Board of Directors Meeting, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.</p>	<p align="center">Article 4 III. When the Company has set the independent director, opinions of each independent director shall be fully considered upon discussion in Board of Directors Meeting, <u>and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.</u></p>	<p align="center">Text amendment in accordance with the law.</p>
<p align="center">Article 5 VIII. Internal audit personnel of the Company shall audit the Procedures of Granting of Loans and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to each supervisor immediately. IX. (V) Internal audit personnel of subsidiaries shall also audit the Procedures of Granting of Loans and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to the audit unit of the Company immediately, and audit unit of the Company shall submit written materials to each supervisor.</p>	<p align="center">Article 5 VIII. Internal audit personnel of the Company shall audit the Procedures of Granting of Loans and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to each supervisor <u>and independent director</u> immediately. IX. (V) Internal audit personnel of subsidiaries shall also audit the Procedures of Granting of Loans and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to the audit unit of the Company immediately, and audit unit of the Company shall submit written materials to each supervisor <u>and independent director.</u> <u>If the Company has set the Audit Committee,</u></p>	<p align="center">Text amendment in accordance with the law.</p>

	<u>the provisions on the supervisor in preceding paragraph shall apply to the Audit Committee.</u>	
<p style="text-align: center;">Article 6</p> <p>(II) If the granting of loans meet any one of the following standards, it shall be announced and declared within two days as of the date of event:</p>	<p style="text-align: center;">Article 6</p> <p>(II) If the granting of loans meet any one of the following standards, it shall be announced and declared within two days as of the date of event:</p> <p style="text-align: center;"><u>(IV) The so-called date of event in this paragraph means the signature date, payment date, date of board resolution or other days sufficiently confirming the object and amount of granting of loans etc., whichever is earlier.</u></p>	Text amendment in accordance with the law.
<p style="text-align: center;">Article 8</p> <p>When the Company has set the independent director and when submitting these Procedures to Board of Directors Meeting for discussion, opinions of each independent director shall be fully considered, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.</p>	<p style="text-align: center;">Article 8</p> <p>When the Company has set the independent director and when submitting these Procedures to Board of Directors Meeting for discussion, opinions of each independent director shall be fully considered, <u>and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.</u></p> <p><u>If the Company has set the Audit Committee, upon formulation or amendment of these Procedures, it shall be agreed by more than one second of all members of Audit Committee, and proposed to Board of Directors Meeting for resolution, and the provisions in Paragraph II shall not apply.</u></p> <p><u>If it is not agreed by more than one second of all members of Audit Committee as mentioned in preceding paragraph, it may be agreed by more than two thirds of all directors, and the resolution of Audit Committee shall be specified in the Minute Book of Board of Directors Meeting.</u></p> <p><u>All members of Audit Committee referred to in Paragraph III and all directors referred to in preceding paragraph are calculated based on the actual appointment.</u></p>	Text amendment in accordance with the law.
<p style="text-align: center;">Article 9: Amendment dates of these Procedures:</p> <p>These Procedures were formulated on June 24, 2012.</p> <p>The first amendment was made on June 30, 2014.</p> <p>The second amendment was made on June 21, 2016.</p>	<p style="text-align: center;">Article 9: Amendment dates of these Procedures:</p> <p>These Procedures were formulated on June 24, 2012.</p> <p>The first amendment was made on June 30, 2014.</p> <p>The second amendment was made on June 21, 2016.</p> <p><u>The third amendment was made on June 10, 2019.</u></p>	Add the date and times of amendment

Attachment 8

**EZCONN CORPORATION
Comparison Table on Amendments to the “Operational Procedures for
Endorsements and Guarantees.”**

Before amendment	After amendment	Basis of amendment
<p align="center">Article 6 (IV)</p> <p>Opinions of each independent director shall be fully considered when making endorsement and guarantees for others, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.</p>	<p align="center">Article 6 (IV)</p> <p>Opinions of each independent director shall be fully considered when making endorsement and guarantees for others, <u>and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.</u></p>	<p align="center">Text amendment in accordance with the law.</p>
<p align="center">Article 7 II.</p> <p>Internal audit personnel shall audit the Procedures of Making Endorsement and Guarantees and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to each supervisor immediately.</p> <p align="center">IV.</p> <p>If the object of endorsement and guarantee meets the requirement originally but fails to meet the requirement subsequently, or the amount of endorsement and guarantee exceeds the stipulated limit due to the change in the base for limit calculation, the amount of endorsement and guarantee to such object or the exceeding part shall be eliminated upon the expiry of period stipulated in relevant contract, or the financial unit shall make a plan and have it approved by the President, and then send the improvement plan to each supervisor, and eliminate all of it within a certain period and report to the Board of Directors.</p>	<p align="center">Article 7 II.</p> <p>Internal audit personnel shall audit the Procedures of Making Endorsement and Guarantees and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to each supervisor immediately. <u>Written notice served to each supervisor shall be served to the independent director as well.</u></p> <p align="center">IV.</p> <p>If the object of endorsement and guarantee meets the requirement originally but fails to meet the requirement subsequently, or the amount of endorsement and guarantee exceeds the stipulated limit due to the change in the base for limit calculation, the amount of endorsement and guarantee to such object or the exceeding part shall be eliminated upon the expiry of period stipulated in relevant contract, or the financial unit shall make a plan and have it approved by the President, and then send the improvement plan to each supervisor <u>and independent director</u>, and eliminate all of it within a certain period and report to the Board of Directors.</p> <p><u>If the Company has set the Audit Committee, the provisions on the supervisor in preceding paragraph shall apply to the Audit Committee.</u></p>	<p align="center">Text amendment in accordance with the law.</p>

<p style="text-align: center;">Article 9</p> <p>(I) The balance of endorsement and guarantee of the Company and subsidiaries reaches to over fifty percent of the net value in the most recent financial statement of the Company.</p> <p>(II) The balance of endorsement and guarantee of the Company and subsidiaries to a single enterprise reaches to over twenty percent of the net value in the most recent financial statement of the Company.</p> <p>(III) The balance of endorsement and guarantee of the Company and subsidiaries to a single enterprise reaches to over NT\$10 million, and the total balance of endorsement and guarantee, long-term investment and granting of loans to such enterprise reaches to over thirty percent of the net value in the most recent financial statement of the Company.</p> <p>(IV) The newly added amount of endorsement and guarantee of the Company or subsidiaries reaches to NT\$30 million and over five percent of the net value in the most recent financial statement of the Company.</p> <p>(V) If the subsidiaries of the Company is not a domestic public company and there are matters shall be announced and declared by such subsidiaries pursuant to laws and decrees or the provisions of the preceding four paragraphs of these Procedures, the Company shall make the announcement and declaration instead.</p> <p>(VI) Contents of announcement and declaration are subject to the regulations of relevant laws and decrees or government department.</p>	<p style="text-align: center;">Article 9</p> <p><u>(I) The Company shall announce and declare the balance of endorsement and guarantee of the Company and subsidiaries in the last month before the tenth day of each calendar month.</u></p> <p><u>(II) If the endorsement and guarantee meet any one of the following standards, it shall be announced and declared within two days as of the date of event:</u></p> <ol style="list-style-type: none"> 1. The balance of endorsement and guarantee of the Company and subsidiaries reaches to over fifty percent of the net value in the most recent financial statement of the Company. 2. The balance of endorsement and guarantee of the Company and subsidiaries to a single enterprise reaches to over twenty percent of the net value in the most recent financial statement of the Company. 3. The balance of endorsement and guarantee of the Company and subsidiaries to a single enterprise reaches to over NT\$10 million, and the total balance of endorsement and guarantee, <u>book amount of investment by adopting Equity Method</u> and granting of loans to such enterprise reaches to over thirty percent of the net value in the most recent financial statement of the Company. 4. The newly added amount of endorsement and guarantee of the Company or subsidiaries reaches to NT\$30 million and over five percent of the net value in the most recent financial statement of the Company. <p><u>(III) If the subsidiaries of the Company is not a domestic public company and there are matters shall be announced and declared by such subsidiaries pursuant to laws and decrees or the provisions of Subparagraph 4 of preceding paragraph of these Procedures, the Company shall make the announcement and declaration instead.</u></p> <p><u>(IV) The so-called date of event in this paragraph means the signature date, payment date, date of board resolution or other days sufficiently confirming the object and amount of endorsement and guarantee etc., whichever is earlier.</u></p>	<p style="text-align: center;">Text amendment in accordance with the law.</p>
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<p style="text-align: center;">Article 12</p> <p>When the Company has set the independent director and when submitting the Procedures of Making Endorsement and Guarantees to Board of Directors Meeting for discussion pursuant to the provisions of preceding paragraph, opinions of each independent director shall be fully considered, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.</p>	<p style="text-align: center;">Article 12</p> <p>When the Company has set the independent director and when submitting the Procedures of Making Endorsement and Guarantees to Board of Directors Meeting for discussion pursuant to the provisions of preceding paragraph, opinions of each independent director shall be fully considered, <u>and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.</u></p> <p style="text-align: center;"><u>Meeting.</u></p> <p><u>If the Company has set the Audit Committee, upon formulation or amendment of the Procedures of Making Endorsement and Guarantees, it shall be agreed by more than one second of all members of Audit Committee, and proposed to Board of Directors Meeting for resolution, and the provisions in Paragraph II shall not apply.</u></p> <p><u>If it is not agreed by more than one second of all members of Audit Committee as mentioned in preceding paragraph, it may be agreed by more than two thirds of all directors, and the resolution of Audit Committee shall be specified in the Minute Book of Board of Directors Meeting. All members of Audit Committee referred to in Paragraph III and all directors referred to in preceding paragraph are calculated based on the actual appointment.</u></p>	<p style="text-align: center;">Text amendment in accordance with the law.</p>
<p>Article 13: Amendment dates of these Procedures: These Procedures were formulated on June 24, 2012. The first amendment was made on May 13, 2013. The second amendment was made on June 30, 2014.</p>	<p>Article 13: Amendment dates of these Procedures: These Procedures were formulated on June 24, 2012. The first amendment was made on May 13, 2013. The second amendment was made on June 30, 2014. <u>The third amendment was made on June 10, 2019.</u></p>	<p style="text-align: center;">Add the date and times of amendment</p>

Appendix 1:

Articles of Incorporation of EZCONN CORPORATION

Chapter 1: General Principles

Article 1: The Company is incorporated pursuant to the regulations of Company Act and is named as EZCONN CORPORATION.

Article 2: Businesses operated by the Company are as follows:

1. Manufacturing, assembly, processing and buying and selling of all kinds of optical fibers, optical fiber lead, jumper wire, fiber optic connector, socket, optical fiber splice closure and distribution cabinet.
2. Processing and assembly businesses of communication optoelectronic interface products and communication network equipment.
3. Processing, manufacturing and assembly of precision metal parts and electronic products for use as electronic components
4. Processing of all kinds of electronic, plastic parts, automobile parts and motorcycle parts.
5. Buying and selling, import and export of all kinds of telecommunications (electronic) equipment (including radio transceiver and the motor with launching performance).
6. Import and export trading businesses regarding the products in preceding paragraphs.
7. Import and export trading businesses of direct broadcast satellite television receiver.
8. CC01080 Electronic Parts and Components Manufacturing.
9. F119010 Wholesale of Electronic Materials.
10. F219010 Retail Sale of Electronic Materials.
11. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The company sets parent company in Taipei City, when necessary; the branch may be incorporated both at home and abroad with the board resolution and approval of competent authority.

Article 4: The Company may provide guarantee externally according to business needs.

Article 5: The Company may make foreign reinvestment according to business necessity, and may become the limited partner of other companies per board resolution, and the total investment amount thereof may not be restricted by relevant reinvestment quotas as provided in Article 13 of Company Act.

Chapter 2 Shares

Article 6: The capital on stock of the Company is NT\$1 billion in 100 million shares with nominal amount par value of NT\$10 per share. The Board of Directors is authorized to issue them in batches.

NT\$100 million is reserved from the total capital on stock in preceding paragraph for the exercise of stock option when issuing the stock option certificate, warrant bond and preferred shares with warrants etc., totally ten million shares with NT\$10 per share, and it may be issued in bathes.

Article 7: After the stock has become listed or Over-The-Counter, where the Company plans to transfer the shares bought back pursuant to law to the employees, and it is planned to transfer them to employees at the price lower than the average price in actual shares buyback pursuant to relevant laws and decrees, then it shall only be handled after the resolution by the last Shareholders' Meeting.

After public offering, pursuant to Article 56-1 of "Guidelines for Issuer to Raise and Issue Negotiable Securities", when the issuing subscription price of the Company is not restricted by the employee stock option certificate as stipulated in Article 53 of "Guidelines for Issuer to Raise and Issue Negotiable Securities", it shall only be handled after the resolution by the last Shareholders' Meeting.

If the Company intends to cancel public offering, it may only handle matters regarding cancellation of public offering according to Article 156 of Company Act.

The shares of the Company are registered shares signed or sealed by more than three directors, and they will be issued after certification by the competent authority or the issue registration agency approved by it. After public offering by the Company, the shares issued may be exempted from printing share certificate, but they shall be registered in centralized securities depository enterprise.

Provisions in preceding paragraph are applicable to the production and issue of corporate bonds.

Measures for handling stock affairs of the Company are subject to relevant laws and decrees and the regulations of competent authority.

Article 8: The registration of share transfer shall not be carried out within thirty days before General Meeting, within fifteen days before Interim Shareholders' Meeting, or within five days before the base date on which the Company decides to distribute dividend and bonus or other benefits. After public offering by the Company, the registration of share transfer as mentioned in preceding paragraph shall not be carried out within sixty days before General Meeting and within thirty days before Interim Shareholders' Meeting.

Chapter 3 Shareholders' Meeting

Article 9: Shareholders' Meeting is divided into general meeting and interim meeting, the general meeting shall be convene once a year and convened within six months after the end of every accounting year; and the interim meeting may be convened pursuant to relevant laws and decrees when necessary.

After public offering, the date, location and subject of convocation of the meeting shall be notified to each shareholder thirty days before convening General Meeting and fifteen days before convening Interim Shareholders' Meeting of the Company.

Article 10: When a shareholder cannot attend the Shareholders' Meeting for a reason, such shareholder may issue the power of attorney printed by the Company to specify the scope of authorization to appoint the proxy to attend.

Article 11: Apart from the shares without voting right as prescribed in Article 179 Company Act, shareholders of the Company have one voting right for each share.

Article 12: Unless otherwise prescribed by relevant laws and decrees, the resolution of Shareholders' Meeting shall be agreed by more than half of the voting rights of the shareholders attending in person or by proxy and representing more than half of the total shares issued.

According to the regulations of competent authority, shareholders of the Company may also exercise the voting right electronically, shareholders exercising the voting right electronically will be deemed as attending in person, and relevant matters thereof shall be carrying out self-assessment pursuant to laws and decrees.

Article 13: The Shareholders' Meeting shall be convened by the Chairman and the Chairman is the chairperson, when the Chairman is absent, the Chairman may designate one director as the proxy, if not, directors may elect one person as the proxy; if the Shareholders' Meeting is convened by other entitled convenor other than the Board of Directors, such entitled convenor shall act as the chairperson, when there are more than two entitled convenors, one of them shall be mutually designated to preside.

Article 14: All resolutions of a Shareholders' Meeting shall be recorded in the minutes signed or sealed by the chairperson of Shareholders' Meeting, and the minutes shall be distributed to the shareholders within twenty days after the meeting. After public offering by the Company, the distribution of minutes in preceding paragraph may be made by announcement.

Chapter 4 Directors and Supervisors

Article 15: The Company sets five to nine directors and two to three supervisors with three years of term of office, they will be elected by the Shareholders' Meeting from the persons with disposing capacity, and reappointment is acceptable if re-elected.

After public offering by the Company, among the aforesaid seats of directors, the number of independent director shall be at least two and no less than one fifth of the total seats of directors. The candidate nomination system as prescribed in 1 of Article 192 of Company Act will be adopted for the election of independent directors. Relevant matters regarding the acceptance and announcement etc. of the nomination of independent director candidates shall be handled pursuant to the Company Act, Securities Exchange Act and relevant laws and decrees. Independent directors and non-independent directors shall be elected concurrently, and election quota will be calculated separately.

After public offering by the Company, the total shareholding ratio of all directors and supervisors thereof are subject to the regulations of securities regulatory authority.

1 of Article 15: For the election of directors and supervisors, every share shall have the right to vote equivalent to the number of directors and supervisors should be elected, it may elect one person intensively or elect several persons respectively, and the ones representing votes will be elected.

Article 16: When the director's number of vacancies reaches to one third of the total number or all supervisors are removed, the Board of Directors shall convene the Interim Shareholders' Meeting within thirty days for by-election, and the term of office thereof is limited to make up the term of office of the original directors or supervisors. After public offering by the Company, Board of Directors shall convene the Interim Shareholders' Meeting within sixty days for by-election.

The Company may buy liability insurance for the directors and supervisors within their term of office for the compensation liability shall be borne within their scopes of business execution.

Article 17: Directors may establish the Board of Directors, and one Chairman and one Deputy Chairman may be mutually elected with the consent of the majority of attending directors in the meeting attended by more than two thirds of the directors, and the Chairman acts on behalf of the Company externally. When the Chairman cannot exercise its function and power when on leave or for a reason, its proxy shall be handled pursuant to Article 208 of Company Act.

Each director and supervisor may be notified in writing, by email or fax when convening the Board of Directors Meeting.

When a director cannot attend the Board of Directors Meeting for some reason, he/she may issue the proxy statement and list the authorization scope in the subject of convocation to appoint other director to attend, but one director can only represent one other director.

If a director attends the meeting via video, it shall be deemed as attending in person.

Article 18: Unless otherwise prescribed by Company Act, the resolution of Board of Directors shall be agreed by the majority of attending shareholders in a meeting attended by the majority of shareholders.

Article 19: The supervisor set by the Company is responsible for supervising all businesses of the Company pursuant to laws and decrees. But after public offering, when the Company is setting the "Audit Committee" pursuant to 4 of Article 14 of Securities Exchange Act, there is no need to set the supervisor; if the supervisor has been set, he/she will be removed certainly upon the establishment of "Audit Committee", and provisions on the supervisor hereof will also lose effect immediately.

Regarding the headcount, term of office, function and power, rules of procedure etc. of Audit Committee, it shall be otherwise formulated in the Audit Committee Organizational Regulations pursuant to the Public Company Audit Committee Authority Exercising Measures.

Functions and powers of the supervisor are as follows:

1. Supervise the execution of corporate business.
2. Investigate business and financial conditions of the company.
3. Audit all kinds of book of tables or forms prepared by Board of Directors and proposed to the Shareholders' Meeting.
4. Other functions and powers granted in accordance with the provisions of Company Act.

Article 20: For execution of duties of the Company by directors and supervisors of the Company, regardless of operating profit or loss, the Company shall pay regular compensations such as transportation allowance and remuneration etc., and Board of Directors is authorized to determine their remuneration based on their degree of participation in and value of contribution to the company operation and by referring to normal standard of the industry. When surplus is available, compensation will be otherwise distributed according to the provisions of Article 24 hereof.

Chapter 5 Managerial Officer

Article 21: The company may set the managerial officer, whose appointment, dismissal and remuneration will be subject to the regulations of Article 29 of Company Act.

Article 22: The Company may employ a consultant through board resolution.

Chapter 6 Accounting

Article 23: At the close of each fiscal year, the Board of Directors of the Company shall prepare the following book of tables or forms and forward the same to supervisors for auditing thirty days before convening the General Meeting, and submit the same to the General Meeting for acknowledgment.

- (1) Business report;
- (2) Financial statements; and
- (3) Surplus distribution or loss off-setting proposals.

Article 24: If profits are available upon final settlement every year, the Company shall allocate no less than five percent as employee's compensation and no more than five percent as director and supervisor's compensation, after distribution per resolution of the Board of Directors, taxes shall be paid pursuant to law, and then ten percent shall be allocated as the statutory surplus reserve, but it may be exempted if the statutory surplus reserve has already reached the total paid-up capital of the company; after the balance thereof has been allocated or revolved as special surplus reserve pursuant to laws and decrees or regulations of competent authority, then it will be accumulated into the undistributed surplus, and Board of Directors may prepare surplus distribution proposal to propose to Shareholders' Meeting for distribution of reservation per resolution.

If the Company had accumulated losses in previous year, if profits are available in the current year and before allocating employee's compensation and director and supervisor's compensation, the losses shall be covered first, and the balance thereof will be allocated according to the proportions mentioned in preceding paragraph; besides, when employee's compensation is distributed by stock or in cash, the objects of distribution include the employees of affiliated companies meeting certain conditions.

The dividend policy of the Company shall take shareholders' rights and interests as the biggest foundation, and give considerations to factors such as industry conditions faced by the company currently or in the future, stage of growth, future financial planning, capital needs and planning of satisfying shareholders in cash etc., under the principle of dividend equalization, shareholders' cash dividend shall not be lower than ten percent of total shareholders' dividend, and the actual distribution amount shall still be subject to the amount determined in the resolution of Shareholders' Meeting.

Chapter 7 Supplemental Provisions

- Article 25: The articles of organization and working rules of the Company shall be otherwise formulated by Board of Directors.
- Article 26: Matters not covered herein shall be handled pursuant to the Company Act and relevant laws and decrees.
- Article 27: The conclusion or amendment of these Articles of Association shall be carried out with the approval of competent authority.
- Article 28: These Articles of Association was concluded on August 21, 1996.
- The first amendment was made on December 9, 2002.
- The second amendment was made on December 24, 2002.
- The third amendment was made on June 30, 2003.
- The fourth amendment was made on June 30, 2004.
- The fifth amendment was made on August 1, 2005.
- The sixth amendment was made on September 3, 2007.
- The seventh amendment was made on November 15, 2012.
- The eighth amendment was made on December 7, 2012.
- The ninth amendment was made on May 13, 2013.
- The tenth amendment was made on May 15, 2015.
- The eleventh amendment was made on June 21, 2016.

EZCONN CORPORATION
Chairman: Chen, Steve

Appendix 2:

EZCONN CORPORATION

Rules of Procedure for Shareholders' Meetings

- Article 1: In order to establish good Shareholders' Meeting governance system and sound supervision function of the Company, and strengthen management function, it is hereby formulated these Rules pursuant to Article 5 of Listed Company Governance Best Practice Principles of the Republic of China to comply with. The laws and decrees mentioned in these Rules are the laws and decrees of the Republic of China.
- Article 2: Unless otherwise prescribed by laws and decrees or regulations, the rules of procedure for Shareholders' Meetings of the Company shall be formulated according to these Rules.
- Article 3: Unless otherwise prescribed by laws and decrees, Shareholders' Meeting of the Company shall be convened by Board of Directors.
Upon convening the General Meeting, meeting handbook shall be prepared and each shareholder shall be informed thirty days in advance, shareholders holding less than one thousand registered shares may be informed by inputting the announcement at mops.twse.com.tw thirty days in advance; upon convening Interim Shareholders' Meeting, each shareholder shall be informed fifteen days in advance, and shareholders holding less than one thousand registered shares may be informed by inputting the announcement at mops.twse.com.tw fifteen days in advance.
Notice and announcement shall specify the subject of convocation; if agreed by the counterpart, the notice may be served in electronic way.
Appointment or dismissal of a director or supervisor; amendment to Articles of Association; company dissolution, merge or division; or matters prescribed in each subparagraph of Paragraph 1, Article 185 of Company Act; Article 26-1, Article 43-6 of Securities Exchange Act shall be listed in the subject of convocation; and shall not be proposed as an Ad Hoc Motion.
Shareholders holding more than one percent of total outstanding shares of the limited liability company may propose a General Meeting motion to the Company in writing. But the motion is limited to one, if there is more than one motion, all of them will not be included in the proposal. Besides, if the motion proposed by a shareholder has any one of the circumstances as prescribed in Paragraph 4, 1 of Article 172 of Company Act, Board of Directors will not include it in the proposal. The Company shall announce the accepted motion of shareholders, acceptance place and acceptance period before the book closure day before convening General Meeting; and the acceptance period thereof shall not be less than ten days. The motion proposed by a shareholder is limited to three hundred words, those exceeding three hundred words will not be included in proposal; the proposing shareholder shall personally or appoint other person to attend the General Meeting, and participate in the discussion of such motion.
The Company shall notify the proposing shareholder the handling result before the notice day of convening Shareholders' Meeting, and list the motion conforming to the provisions of this article in the meeting notice. For the shareholder's motion not listed in the proposal, Board of Directors shall describe the reasons therefor in the Shareholders' Meeting.

Article 4: Upon every General Meeting, a shareholder may issue the proxy statement printed by the Company to specify the scope of authorization, so as to entrust the proxy to attend the General Meeting.

A shareholder is limited to issue one proxy statement to appoint one proxy, and the proxy statement shall be served to the Company five days before convening Shareholders' Meeting, in case of repeated proxy statement, the one served first shall prevail. Except for announcing the cancellation of previous appointment.

After the proxy statement has been served to the Company, if a shareholder intends to attend the Shareholders' Meeting in person, such shareholder shall serve written notice on canceling the proxy statement to the Company one day before convening the Shareholders' Meeting; or voting right exercised by the attending entrusted proxy shall prevail.

Article 5: The convening place of Shareholders' Meeting shall be at the place where the Company locates in or convenient for shareholders to attend and suitable for convening Shareholders' Meeting, and the meeting start time shall not be earlier than 9:00am in the morning, nor later than 3:00pm in the afternoon; full consideration shall be given to the opinions of independent director regarding the convening place and time.

Article 6: The Company shall set autograph book for attending shareholder or the agent entrusted by shareholder (hereinafter referred to as shareholder) to sign in, or the attending shareholder may submit the sign card instead of sign in.

The said accepted shareholder's reporting time shall be at least thirty minutes before meeting start; the registration location shall be marked explicitly, and sufficient competent personnel shall be assigned for handling.

The Company shall deliver meeting handbook, annual report, certificate of attendance, speech note, vote and other meeting materials to the shareholders attending Shareholders' Meeting; in case of director or supervisor election, the ballot shall be attached otherwise.

Shareholders shall attend the Shareholders' Meeting with certificate of attendance, attendance sign card or other attendance certificates; solicitor of proxy solicitation shall bring identity supporting document for checking.

When a shareholder is the government or legal person, representative attending Shareholders' Meeting is not limited to one person. When a legal person is entrusted to attend Shareholders' Meeting, it may only assign one representative to attend.

Article 7: If the Shareholders' Meeting is convened by Board of Directors, the Chairman shall preside the meeting, and the Deputy Chairman shall preside the meeting when the Chairman is on leave or unable to preside. If there is no Deputy Chairman or the Deputy Chairman also is on leave or unable to preside, the Chairman shall designate one managing director to preside; if the managing director is not available, designate one director to preside, if the Chairman fails to designate the agent, the managing director or directors will mutually designate one person to preside.

If the chairperson mentioned in preceding paragraph is a managing director or director, such managing director or director shall have taken office for over six months and understand the financial and business condition of the company. The same shall apply if the chairperson is the representative of juridical person director.

It is better that the Shareholders' Meeting convened by the Board of Directors is attended by the majority of directors. If the Shareholders' Meeting is convened by other entitled convenor other than the Board of Directors, such entitled convenor shall preside the meeting, when there are more than two entitled convenors, one of them shall be mutually designated to preside.

The Company may assign the appointed lawyer, accounting or relevant personnel to attend the Shareholders' Meeting.

Article 8: Starting from accepting shareholders' registration, the Company shall take sound and video recording the whole course of shareholder's registration process, meeting process, voting and counting process, and keep them for at least one year. But if a shareholder files a lawsuit pursuant to Article 189 of Company Act, they shall be kept until the end of litigation.

Article 9: The attendance of Shareholders' Meeting shall be subject to the calculation of shares. The attending shares shall be calculated according to the autograph book or the sign card submitted, plus the shares exercising voting right in writing or electronic way. When it is time for meeting, the chairperson shall immediately make opening address, but if the attending shareholders are not representing the majority of total outstanding shares, the chairperson may announce to postpone the meeting, and its times of postponing is limited to two times, and the total time postponed shall not exceed one hour. If attending shareholders are still not representing more than one third of the total outstanding shares after postponing for two times, the chairperson will announce that the meeting fails to be convened for lack of a quorum.

If there is still lack of a quorum but attending shareholders are representing more than one third of the total outstanding shares after postponing for two times as stated in preceding paragraph, a tentative resolution may be made pursuant to Paragraph 1, Article 175 of Company Act, and the tentative resolution shall be notified to each shareholder to further convene Shareholders' Meeting within one month.

Before the end of the current meeting, if the attending shareholders are representing the majority of total outstanding shares, the chairperson will make a tentative resolution, and propose it again pursuant to Article 174 of Company Act to Shareholders' Meeting for voting.

Article 10: If the Shareholders' Meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors, the meeting shall be proceeded according to the scheduled agenda, and it shall not be changed unless by the resolution of Shareholders' Meeting.

If the Shareholders' Meeting is convened by other entitled convenor other than the Board of Directors, the provisions in preceding paragraph shall apply.

Before the end of official business discussion (including ad hoc motion) in the scheduled agenda as prescribed in preceding two paragraphs, the chairperson may not arbitrarily declare meeting adjournment without resolution; if the chairperson declares the meeting adjournment by violating procedures, other members of Board of Directors shall immediately assist attending shareholders to elect one person as the chairperson with the consent of majority attending shareholders with voting rights pursuant to legal procedure to continue the meeting.

For the motion and amendment or ad hoc motions proposed by shareholders, the chairperson shall give opportunity for sufficient description and discussion, when it is suitable for voting to decide, the chairperson may declare the stop of discussion and propose for voting to decide.

Article 11: Before giving a speech, an attending shareholder shall first fill in speech note to specify the speech topic, shareholder's account number (or certificate of attendance number) and account name, and the chairperson will decide its speech order.

If an attending shareholder only submits speech note but does not give a speech, it shall be deemed as unspoken. In case of any discrepancy between speech contents and the record in speech note, the speech contents shall prevail.

For the same motion, the speech of every shareholder shall not exceed two times and no longer than five minutes per time unless with the consent of the chairperson; if the speech of a shareholder violates the regulation or is beyond scope of motion, the chairperson may stop its speech.

When an attending shareholder is giving a speech, unless agreed by the chairperson and speaking shareholder, other shareholders shall not interrupt the speech, and violator shall be stopped by the chairperson.

When a legal person shareholder assigns more than two representatives to attend the Shareholders' Meeting, the same motion can only be spoken by one representative.

After the speech of an attending shareholder, the chairperson shall personally or designate relevant personnel to reply.

Article 12: The voting of Shareholders' Meeting shall be subject to the calculation of shares.

For the resolution of Shareholders' Meeting, the number of shares of shareholders without voting right will not be calculated into the total number of outstanding shares.

In respect of meeting matters, if a shareholder itself has interested relationship and thereby is suspected of damaging the interests of the Company, such shareholder shall not join in the voting, nor exercise voting right on behalf of other shareholders.

The number of shares cannot exercise voting right as prescribed in preceding paragraph will not be calculated into the number of voting rights of attending shareholders.

Except for trust enterprise or the stock affairs agency approved by competent authority in charge of securities, when one person is appointed by more than two shareholders, the agency voting right thereof shall not exceed three percent of the total outstanding shares with voting right, and the exceeding voting right will not be calculated.

Article 13: Every share of shareholders of the Company has one voting right, except for the voting right is restricted or voting right is not available pursuant to Paragraph 2, Article 179 of Company Act.

Upon convening Shareholders' Meeting, the Company may exercise its voting right in writing or electronic way; when exercising voting right in writing or electronic way, the exercising method thereof shall be specified in Shareholders' Meeting convening notice. Shareholders exercising voting right in writing or electronically shall be deemed as attending General Meeting in person. But it shall be deemed as waiver regarding the amendment of ad hoc motion and original proposals of such Shareholders' Meeting, hence the Company should avoid proposing the amendment of ad hoc motion and original proposals.

If the voting right in preceding paragraph is exercised in writing or electronic way, the declaration of intention thereof shall be served to the company two days before convening Shareholders' Meeting, in case of repeated declarations of intention, the one served first shall prevail. Except for announcing the cancellation of previous declaration of intention.

After a shareholder has exercised voting right in writing or electronic way, if intends to attend the Shareholders' Meeting in person, such shareholder shall cancel the preceding declaration of intention on exercising voting right in the same way as exercising voting right two days before convening Shareholders' Meeting, or the voting right exercised in writing or electronic way shall prevail. If a shareholder exercises voting right in writing or electronic way and entrusts a proxy through proxy statement to attend the Shareholders' Meeting, the voting right exercised by the attending entrusted proxy shall prevail.

Unless otherwise prescribed by Company Act or Articles of Association of the Company, the voting of proposal shall be agreed and passed by the majority attending shareholders with voting right. Upon voting, the chairperson or its designated personnel shall announce the total voting rights of attending shareholders case by case.

The proposal will be deemed as passed if agreed by all attending shareholders per the consultation of the chairperson, and the validity thereof shall be the same as voting table; in case of any disagreement, the voting method prescribed in preceding paragraph shall be adopted for voting to decide.

When there is an amendment or replacement for the same proposal, the chairperson will decide its voting order together with the original proposal. If one of the proposals has been passed, the other proposals will be deemed as overruled, and voting therefor will no longer be necessary.

The scrutinizing and counting personnel of proposal voting will be designated by the chairperson, but the scrutinizing personnel shall be of shareholder identity.

The vote counting for the voting or election proposal in Shareholders' Meeting shall be carried out openly in the site of Shareholders' Meeting, and after the completion of vote counting, the voting right results including statistical weight shall be announced on the spot, and records shall be kept.

Article 14: In case of director or supervisor election in Shareholders' Meeting, it shall be handled according to relevant election procedures stipulated by the Company, and the election results shall be announced on the spot, including the list of elected directors and supervisors and their weight in election.

The ballot of election matters mentioned in preceding paragraph shall be kept properly after sealed and signed by scrutinizing personnel, and it shall be kept for at least one year. But if the General Meeting files a lawsuit pursuant to Article 189 of Company Act, they shall be kept until the end of litigation.

Article 15: All resolutions of a Shareholders' Meeting shall be recorded in the minutes signed or sealed by the chairperson of the meeting, and the minutes shall be distributed to the shareholders within twenty days after the meeting. The record and distribution of minutes may be made in an electronic file.

The distribution of minutes mentioned in preceding paragraph may be announced by inputting it at mops.twse.com.tw.

The minutes shall be recorded actually according to the meeting date, location, name of chairperson, resolution method, essentials of discussion process and its results, during the duration of the Company, it shall be kept permanently.

For the resolution method mentioned in preceding paragraph, the chairperson has consulted with shareholders for opinions, if shareholders have no objection to the proposal, "Passed upon the agreement by all attending shareholders per the consultation of the chairperson" shall be recorded; but if shareholders have any disagreement with the proposal, the voting method, the number of pass voting right and the proportion thereof shall be specified.

Article 16: For the number of shares obtained by solicitor and the number of shares represented by entrusted proxy, the Company shall prepare statistical table according to the prescribed form on the date of convening Shareholders' Meeting, and it shall be clearly revealed in the place of Shareholders' Meeting.

For the resolution matter of Shareholders' Meeting, if it is significant information pursuant to the provisions of laws and decrees and the provisions of Taiwan Stock Exchange Corporation (Juridical ROC GreTai Securities Market), the Company shall transmit the contents to mops.twse.com.tw within the specified time.

Article 17: Meeting affairs personnel handling Shareholders' Meeting shall wear ID or arm-badge.

The chairperson may command picketer or security guard to assist to maintain meeting place order. When assisting in maintaining order on the spot, picketer or security guard shall wear the arm-badge with "Picketer" character or ID.

If the meeting place is equipped with amplification system, when a shareholder does not use the equipment configured by the Company to give a speech, the chairperson may be stop it.

If a shareholder violates rules of procedure and disobeys the correction by chairperson, interrupting the proceeding of meeting and disobeying after being stopped, the chairperson may command picketer or security guard to ask such shareholder to leave the meeting place.

Article 18: During the meeting, the chairperson may announce the rest at appropriate time, in case of force majeure circumstance, the chairperson may judge to temporarily stop the meeting, and announce the time for meeting continuation as the case may be.

Before the end of official business discussion (including ad hoc motion) in the agenda scheduled by Shareholders' Meeting, if the meeting place is not available for continuous use at that time, Shareholders' Meeting may make a resolution to find another place to continue the meeting.

Shareholders' Meeting may make a resolution to postpone or continue the assembly within five days pursuant to Article 182 of Company Act.

Article 19: These Rules will be implemented after the approval of Shareholders' Meeting, and the same shall apply upon amendment.

Article 20: Amendment dates of these Rules of Procedure:

These Rules of Procedure were formulated on June 24, 2012.

The first amendment was made on June 30, 2014.

Appendix 3:

EZCONN CORPORATION

Director and Supervisor Election Measures

Passed in Shareholders' Meeting on November 15, 2012

Article 1: Unless otherwise prescribed by laws and decrees or Articles of Association, the election of directors and supervisors of the Company be handled according to these Measures.

Article 2: The election of director of the Company shall give consideration to the overall allocation of Board of Directors. Members of Board of Directors shall generally possess the knowledge, skills and accomplishments necessary for duty execution, overall abilities shall be possessed by them are as follows:

1. Operation judgment ability.
2. Accounting and financial analysis ability.
3. Operating management ability.
4. Crisis management ability.
5. Industry knowledge.
6. International market opinion.
7. Leadership.
8. Decision-making ability.

Article 3: The supervisor of the Company shall meet the following conditions:

1. Integrity and dependability.
2. Unbiased judgment.
3. Professional knowledge.
4. Rich experience.
5. Ability of reading financial statements.

Apart from meeting the conditions mentioned in preceding paragraph, among all supervisors of the Company, there shall be at least one supervisor is the professional accounting or financial personnel.

Article 4: Qualifications and election of independent directors of the Company shall comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Listed Companies" and relevant laws and decrees.

Article 5: After public offering, among the seats of directors, the Company shall set the independent directors and specify them in the Articles of Association,

and the shareholders will elect the independent directors according to the List of Independent Director Candidates.

Before convening the Shareholders' Meeting, the Company shall announce the accepted nomination period of independent director candidates, quota of independent director, place of acceptance and other necessary matters before the book closure day; and the acceptance period shall not be less than ten days.

Board of Directors of the Company or the shareholders holding more than one percent of total outstanding shares may recommend the list of independent directors for the next session as the reference for electing independent directors. But the number of nominations shall not exceed the quota of independent directors; and the same shall apply for the number of independent director candidates nominated by Board of Directors.

Independent directors and non-independent directors shall be elected concurrently, and votes will be counted separately, and appointment shall be made separately.

When recommending the list of independent directors as stated in preceding paragraph, Board of Directors may also provide relevant materials such as the candidate's education background, experience, number of shareholding, the name of representing government or legal person, and independence compliance etc. for the sake of reference by shareholders.

Article 6: The election of directors and supervisors of the Company adopts the single ballot cumulative election method, the name of elector is replaced by the shareholders' account number, unless otherwise prescribed by Articles of Association, every share has the election right of electing the same number of directors or supervisors, it may elect one person intensively, or elect several persons separately. Board of Directors shall prepare the number of ballots equivalent to the number of directors or supervisors shall be elected, and fill in the weight number according to the number of certificate of attendance, distribute them to shareholders attending Shareholders' Meeting.

Article 7: According to the quota specified in Articles of Association, directors and supervisors of the Company will be elected successively and respectively based on those who have won ballots representing more election rights, if more than two candidates are getting the same weight number and exceeding the specified quota, candidates getting the same weight number will be decided by drawing, and the chairperson will make the draw on behalf of those who fail to attend.

Article 8: Before the start of election, the chairperson shall designate several

scrutinizing and counting personnel of shareholders identity to execute all kinds of relevant duties. The ballot box shall be prepared by Board of Directors and opened by scrutinizing personnel for verification in public before voting.

Article 9: If the candidate of the election is of shareholder identity, elector shall fill in the account name and shareholder's account number of such candidate in the candidate column in ballot; if it is not of shareholder identity, the name and ID document number of the candidate shall be filled in. But when the candidate is government or legal person shareholder, the candidate name column in ballot shall be filled in the name of such government and legal person, or the name of representative of such government or legal person; when there are several representatives, the names of representatives shall be filled in respectively.

Article 10: The ballot will be invalid in case of any one of the following circumstances:

1. Not use the ballot prepared by Board of Directors;
2. Input the blank ballot into ballot box.
3. The handwriting is illegible and unidentifiable or has been altered.
4. If the filled in candidate is of shareholder identity, and its account name and shareholder's account number is not consistent with those in shareholders list; if the filled in candidate is not of shareholder identity, its name, ID document number is not conforming per checking.
5. Apart from filling in the account name (name) or shareholder's account number (ID document number) of the candidate and the allocated election weight number, other texts are written.
6. The name of the filled in candidate is the same as other shareholders' name, but the shareholder account name or ID document number has not been filled in for identification.

Article 11: After voting, the ballot box shall be opened and ballots shall be counted on the spot, and the chairperson or the host shall announce the list of elected directors and supervisors on the spot.

Article 12: Board of Directors of the Company will issue the notice of election to the elected directors and supervisors.

Article 13: These Measures will be implemented after the approval of Shareholders' Meeting, and the same shall apply upon amendment.

Appendix 4:

EZCONN CORPORATION Operational procedures for Acquisition and Disposal of Assets

Article 1: Purpose:

The acquisition or disposal of assets by the Company shall be handled according to the provisions of these Procedures or “Regulations Governing the Acquisition and Disposal of Assets by Listed Company”. Other matters not covered herein shall be subject to relevant laws and decrees.

Article 2: Application scope of assets:

- (I) Investment in stock, government bonds, corporate bonds, financial bonds, negotiable securities in recognition of funds, depository receipt, call (put) warrant, beneficial securities and asset-backed securities etc.
- (II) Real estate (including land, house and building, investment property, land use right, inventory in construction industry) and equipment.
- (III) Membership certificate.
- (IV) Intangible assets such as patent right, copyright, trademark right and chartered right etc.
- (V) Creditor's rights to financial institution (including receivables, negotiations and discounts, loan, overdue receivables).
- (VI) Derivatives.
- (VII) Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law.
- (VIII) Other important assets.

Article 3: Terms definitions:

- (I) Derivatives: means the forward contract, option contract, futures contract, leverage contract, exchange contract, and the compound contract composing the preceding instruments etc., whose values are derived from assets, interest rate, exchange rate, index or other interests etc. The so-called forward contract excludes the insurance contract, performance contract, after-sales service contract, long-term lease contract and long-term purchase (sales) contract.
- (II) Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law: means the assets acquired or disposed through merger, division or acquisition pursuant to Enterprises Mergers and Acquisitions Act, Financial Holding Company Act, Law Governing the Mergers of Financial Institutions or other laws, or assignment of share of other company (hereinafter referred to as assignment of share) by issuing new shares pursuant to Paragraph 8, Article 156 of Company Act.
- (III) Related party, subsidiaries: shall be determined according to the provisions of Securities Issuer Financial Report Preparation Standards.

- (IV) Professional appraiser: means the real estate appraiser or other practitioners engaged in the appraisal of real estate and equipment pursuant to law.
- (V) Date of event: means the transaction signature date, payment date, commission date, date of transfer, date of board resolution or other dates sufficiently confirming the transaction object and transaction amount etc., whichever is earlier. But if the investment needs to be approved by competent authority, it means the aforesaid days or the day of receiving approval from competent authority, whichever is earlier.
- (VI) Laws and decrees or competent authority: means the laws and decrees of the Republic of China or the government agency of the Republic of China.
- (VII) The so-called “recent financial statement” in these Procedures: means the financial statement audited certified or approved by the accountant publicly pursuant to law before the company's acquisition or disposal of assets.
- (VIII) Net value: means the shareholders' equity certified or approved by the accountant in recent financial report of the Company. If the financial report of the Company is prepared according to International Financial Reporting Standards, the so-called net value means the equity attributable to owners of parent company recorded in the balance sheet as stipulated in the Securities Issuer Financial Report Preparation Standards.
- (IX) Regarding the stipulation of ten percent of total assets, it shall be calculated according to the total assets amount in the recent individual financial report as stipulated in the Securities Issuer Financial Report Preparation Standards.

Article 4: Procedures for assessment on the acquisition or disposal of assets:

- (I) For the acquisition or disposal of real estate or equipment, apart from those transacted with government agency, built on private land or leased land, or acquired or disposed for business use, if the transaction amount thereof reaches to twenty percent of paid-up capital of the Company or over NT\$300 million, the appraisal report issued by professional appraiser shall be first acquired before the date of event, and shall comply with the following rules:
 1. When the limited price, specified price or special price is taken as reference for the transaction price due to special reasons, such transaction shall first be proposed to and passed by board resolution, in case of change of transaction conditions in the future, the foregoing procedures shall also apply accordingly.
 2. Appraisals by at least 2 professional appraisers shall be required for transaction with amount in excess of NT\$1 billion.
 3. If the appraisal results of professional appraiser have any one of the following circumstances, except that all appraisal results of acquired assets are higher than the transaction amount, or all appraisal results of disposed assets are lower than the transaction amount, accountants shall be appointed to handle according to No. 20 regulations of the Statement of Auditing Standards issued by the Accounting Research and Development Foundation of the Republic of China, and express specific opinions on the reasons for difference and the appropriateness of transaction price:

- (1) The difference between appraisal results and transaction amount reaches to over twenty percent of the transaction amount.
 - (2) The difference between the appraisal results of two or more professional appraisers reaches to over ten percent of the transaction amount.
 4. The date of report issuing by professional appraiser shall not be over three months later than the contract date. However, the opinion of the original appraiser may be acceptable when the opinion is based on the same officially value published within 6 months.
- (II) For the acquisition or disposal of negotiable securities, before the date of event, the subject company's recent financial statement audited, certified or approved by the accountant shall be obtained as the reference for appraising transaction price, furthermore, if the transaction amount reaches to twenty percent of the paid-up capital of the company or over NT\$300 million, the accountant shall be appointed to give opinion on the rationality of transaction price prior to the date of event, if expert's report is adopted, the accountant shall handle pursuant to No. 20 regulations of the Statement on Auditing Standards issued by the Accounting Research and Development Foundation. However, the above-mentioned requirements do not apply to transactions of negotiable securities transacted actively on the open market, or those regulated by the Financial Supervisory Commission.
 - (III) If the transaction amount of acquisition or disposal of membership certificate or intangible assets reaches to twenty percent of paid-up capital of the company or over NT\$300 Million, except for the transaction with government agency, the accountant shall be appointed to give opinions on the rationality of transaction price before date of event, and the said accountant shall handle pursuant to No. 20 regulations of the Statement on Auditing Standards issued by the Accounting Research and Development Foundation of the Republic of China.
 - (IV) The calculation of the transaction amounts mentioned in preceding 3 subparagraphs shall be subject to the provisions of Article 11, and the so-called "one year" period is defined to be counting back for one year from the date of event of such transaction, but the part for which the appraisal report issued by professional appraiser or the accountant's opinion has been obtained pursuant to these Procedures may be excluded.
 - (V) For the acquisition or disposal of assets through the auction procedures of the court, the appraisal report or accountant's opinion may be replaced by the supporting documents issued by the court.
 - (VI) For the obtained appraisal report or opinion of accountant, lawyer or securities underwriter, the concerned professional appraiser and its appraising personnel, accountant, lawyer or securities underwriter shall not be the related party to the transaction party.
 - (VII) For assets acquisition or disposal between the related party, apart from going through relevant resolution procedures as stipulated in this article and Article 9 and assessment on the rationality of transaction conditions etc., if the transaction amount thereof in excess of twenty percent of total assets of the company, appraisal report issued by professional appraiser or accountant's opinion shall

also be obtained pursuant to this article. The calculation of so-called transaction amount shall be subject to the provisions in Subparagraph 4 of this article.

Article 5: Procedures for acquisition or disposal of negotiable securities and authorization:

- (I) The acquisition or disposal of negotiable securities shall be handled according to “investment cycle”.
- (II) Total investment amount and individual limitation of the negotiable securities of the Company and each subsidiaries:

Item	Upper limit, subject to the ratio of net value in recent financial statement	
	Individual investment	Lump sum investment
Equity investment by adopting equity method evaluation	100%	100%
Investment in other negotiable securities	20%	50%

- (III) Decision-making and authorization hierarchy

Item	Delegation of authority		
	President	Chairman	Board of Directors
Acquisition or disposal of equity investment by adopting equity method evaluation			●
Acquisition or disposal of other negotiable securities - negotiable securities traded in the centralized trading market or business place of securities dealer.	Below NT\$20 million (inclusive)	●	
	From NT\$20 million (exclusive) to NT\$50 million (inclusive)		●
	Over NT\$50 million (exclusive)		●
Acquisition or disposal of other negotiable securities - negotiable securities not traded in the centralized trading market or business place of securities dealer.	Below NT\$2 million (inclusive)	●	
	From NT\$2 million (exclusive) to NT\$5 million (inclusive)		●
	Over NT\$5 million (exclusive)		●

●: means decision-making, similarly hereinafter.

Article 6: Procedures for acquisition or disposal of real estate and equipment:

- (I) Acquisition or disposal of real estate:
 1. The acquisition or disposal of real estate shall be assessed by the execution unit and agreed by the President, and then submitted to the Board of Directors for approval.
 2. The real estate of the Company and each subsidiaries used not for business purpose shall not exceed 20% of the net value in the last financial statement.
- (II) Decision-making and authorization hierarchy

Item	Delegation of authority		
	President	Chairman	Board of Directors
Acquisition or disposal of real estate			●
Acquisition or disposal of the equipment - below NT\$20 million (inclusive)	●		
Acquisition or disposal of the equipment - from NT\$20 million (exclusive) ~ NT\$50 million (inclusive)		●	
Acquisition or disposal of the equipment - over NT\$50 million (exclusive)			●

Procedures for acquisition or disposal of membership certificate, copyright, trademark right and franchise:

- (I) The acquisition or disposal of membership certificate, copyright, trademark right and franchise shall be assessed by the execution unit and agreed by the President, and then the execution unit will handle matters regarding signing contracts according to the procedure.
- (II) Decision-making and authorization hierarchy

Item	Delegation of authority		
	President	Chairman	Board of Directors
Acquisition or disposal of membership certificate, copyright, trademark right and franchise - below NT\$5 million (inclusive)	•		
Acquisition or disposal of membership certificate, copyright, trademark right and franchise - from NT\$5 million (exclusive) to NT\$10 million (inclusive)		•	
Acquisition or disposal of membership certificate, copyright, trademark right and franchise - over NT\$10 million (exclusive)			•

Article 7: Procedures for acquisition or disposal of derivatives:

- (I) Transaction type:
 - 1. Non-transactional: the hedge-purposed transaction not for the purpose of transaction.
 - 2. Transactional: non-hedge-purposed transaction for the purpose of transaction. The Company does not engage in transactional operation.
- (II) Operating or risk strategy:

The Company takes risk averse as the principle for engaging in derivatives transaction, and takes the receivables and payables generated from company businesses, or the net position offsetting the date, amount and currency in balance sheet for risk averse. It must be confirmed as the hedge-purposed operation before transaction.
- (III) Power and responsibility division:
 - 1. The transaction personnel and affirmation personnel will be designated by the President.
 - 2. No one can concurrently act as the transaction personnel, affirmation personnel and delivery personnel.
 - 3. Written notice shall be served to the transaction object for the assignment or dismissal of transaction personnel and affirmation personnel.
- (IV) Transaction amount and loss ceiling of all and individual contracts:
 - 1. The overall hedging contract of the Company takes the receivables and payables generated from company businesses within six months, or the net position offsetting the date, amount and currency in balance sheet as the limit for risk averse.

2. The loss ceiling of contract shall not exceed 20% of the contract amount, which is applicable to individual contract and all contracts.
- (V) Performance evaluation: it will be measured and evaluated based on the hedging strategy, and it will be approved by the President every month.
- (VI) Operating procedure:
1. Approve the responsible transaction personnel.
 2. After transaction personnel have been approved for making transaction, it shall be submitted to the affirmation personnel immediately for handling affirmation matters regarding derivatives transaction.
 3. Relevant documents on the completed transaction will be submitted to the delivery personnel for archiving for future reference.
 4. Decision-making and authorization hierarchy (non-transactional): handle according to the following table, if approved by the President or Chairman, thereafter, it shall be proposed to the most recent Board of Directors Meeting.

Item	President	Chairman	Board of Directors
Total accumulated amount is below USD15 million (inclusive)	•		
Total accumulated amount is over USD15 million (exclusive) and below USD25 million (inclusive)		•	
Total accumulated amount is over USD25 million (exclusive)			•

- (VII) Risk management measure:
1. Credit risk management - in principle, the transaction object shall be the domestic or foreign financial institution with good credit record, and is capable of providing professional information.
 2. Market risk management - select the market which can sufficiently disclose the quotation information.
 3. Liquidity risk management - in order to ensure liquidity, the transacting financial institution must possess sufficient equipment, information and transaction ability, and is capable of making transaction in any market.
 4. Cash flow risk management - the Company shall maintain sufficient quick assets and financing limit in respond to the needs in delivery of funds.
 5. Operating risk management - the authorized limit, operating procedure and other regulations stipulated by the Company shall be actually complied with, so as to avoid operating risk.
 6. Legal risk management - any document signing with the financial institution must go through internal contract signing procedures before signing it officially, so as to avoid the legal risk.

(VIII) Regular evaluation method, abnormal situation handling and supervision:

1. The hedge-purposed transaction shall be evaluated at least twice a month, and the evaluation shall be submitted to the President.
2. Board of Directors shall designate the President to supervise and evaluate whether the risk management measure currently used is appropriate, whether the engagement in derivatives transaction is handled as required, whether the performance of engagement in derivatives transaction is confirming to the existing operating strategy, and whether the risk borne is within the scope tolerated by the company. If any abnormal circumstance is found in transaction or profit and loss, necessary solutions shall be taken, and it shall be reported to the Board of Directors immediately.
3. The evaluation report on hedge-purposed transaction shall be proposed upon Board of Directors Meeting. If any abnormal circumstance is found in transaction or profit and loss, when the independent director has already been set, the independent director shall attend the Board of Directors Meeting to express opinions.

(IX) For the engagement in derivatives transaction, the Company shall record in detail the type and amount of derivatives transaction, the date passed by Board of Directors, matters shall be evaluated prudently as stated in Paragraph (VIII) of this article, and whether it is handled pursuant to these Procedures and “Regulations Governing the Acquisition and Disposal of Assets by Listed Company” in the archive of derivatives transaction for future reference, unless otherwise prescribed by other laws, the transaction certification shall be kept for at least 5 years.

(X) Internal auditors of the company shall regularly learn about the adequacy of internal control of derivatives transaction, audit the compliance of transaction department in engaging in the procedures for derivatives transaction on a monthly basis, and prepare the audit report; and written notice shall be served to each supervisor in case of major violation is found.

Article 8: Procedures for related party transaction:

- (I) For assets acquisition or disposal between the Company and the related party, relevant resolution procedures shall be handled pursuant to this article and Article 4, and matters such as the rationality of transaction conditions etc. shall be evaluated. When judging whether the transaction object is the related party, apart from paying attention to its legal form, its substantial relationship shall also be considered.
- (II) For the Company's acquisition or disposal of real estate from the related party, or the acquisition or disposal of other assets other than real estate with the related party, if the transaction amount is in excess of twenty percent of paid-up capital of the company, ten percent of total assets or NT\$300 million, except for transactions of purchase or sale of government bonds or bonds with repurchase/reverse repo agreement or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise, the documents mentioned below shall be presented to the Board of Directors for approval and to the supervisor for ratification before signing transaction contract and making payments:

1. The purpose and necessity of, and expected benefit from the acquisition or disposal of such assets.
2. The reason for selecting the related party as transaction object.
3. For the acquisition of real estate from the related party, assess relevant materials on the rationality of expected transaction conditions pursuant to the provisions of Paragraph (III) and (IV) of this article.
4. Related party's original acquisition date and price, transaction object, and relations between the company and related party etc.
5. The cash flow forecast of the next twelve months after the month when the contract is expected to be signed, as well as assessment on the necessity of transaction and rationality of funds utilization.
6. The appraisal report issued by professional appraiser or opinion of accountant obtained in accordance with the previous paragraph.
7. Restrictions and other important terms of the transaction.

The calculation of the transaction amount in this paragraphs shall be subject to the provisions of Article 11, and the so-called "one year" period is defined to be counting back for one year from the date of event of such transaction, but the part that has been passed by Board of Directors and acknowledged by supervisor pursuant to these Procedures may be excluded.

For acquisition or disposal of equipment for business use between the Company and parent company or subsidiaries, Board of Directors may authorize the Chairman to make a decision in advance within a certain quota, and then propose to the most recent Board of Directors Meeting for subsequent recognition.

When the Company has set the independent director and proposed to Board of Directors for discussion pursuant to provisions of this article, opinions of each independent director shall be fully considered, and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.

When the Company has set the Audit Committee, matters shall be acknowledged by the supervisor according to the provisions of this paragraph shall be agreed by more than one second of all members of Audit Committee, if not, it may be agreed by more than two thirds of all directors, and the resolution of the Audit Committee shall be specified in the Minute Book of Board of Directors Meeting. All members of Audit Committee and all directors referred to in preceding paragraph are calculated based on the actual appointment.

- (III) For acquisition of real estate from the related party, the Company shall assess the rationality of transaction cost according to the following methods:
1. Related party's transaction price plus necessary funds interest and the cost borne by the buyer pursuant to law. The so-called necessary funds interest cost is calculated according to the weighted average interest rate for the money borrowed by the company in the year of assets acquisition, but it shall not be higher than the highest lending rate for non-financial enterprises announced by the Ministry of Finance.

2. If the related party once used such subject matter to set mortgage for borrowing from a financial institution, the total value in loan evaluation conducted by the financial institution on such subject matter, but the financial institution's actual accumulated loan value for such subject matter shall reach to over seventy percent of the total value in loan evaluation and the period of loan has been more than one year. However, such stipulations shall not apply if the financial institution is the related party to a transaction party.

For combined purchase of land and house of the same subject matter, assessment on transaction cost may be conducted according to any method listed in preceding paragraphs for the land and house respectively.

For acquisition of real estate from the related party, apart from assessing on the real estate cost according to the provisions of this paragraph, the Company shall also appoint the accountant to review and give specific opinions.

Provided any one of the following circumstances, for acquisition of real estate from the related party, the Company shall handle according to preceding paragraphs, and provisions of preceding subparagraphs of this paragraph shall not apply:

1. The related party acquires real estate due to inheritance or bestowal.
2. The related party has acquired the real estate by contract conclusion for over five years according to the contract date of this transaction.
3. Sign joint construction contract with the related party, or acquire the real estate by appointing the related party for real estate construction by means of consigned construction on the owned land or consigned construction on the leased land etc.

(IV) If the results of appraisal as stipulated in preceding paragraph are lower than the transaction price, the Company shall handle pursuant to Paragraph (V). Except for under the following circumstances, and objective evidences have been proposed and specific rational opinions of professional real estate appraiser and accountant have been obtained:

1. If the related party acquires the raw land or leases the land for construction, it shall prove the conformance to any one of the following conditions:
 - (1) The raw land is assessed according to the method stipulated in preceding paragraph, and the related party's total construction cost plus reasonable construction profit of the house exceeds the actual transaction price. The so-called reasonable construction profit shall be the average operating margin of the related party's construction department in the last three years or the most recent gross margin in construction industry published by the Ministry of Finance, whichever is lower.
 - (2) The transaction cases of other non-related parties on other floors of the same real estate or in adjacent regions within one year, with similar area and equivalent conditions after assessment according to the due reasonable floors or regional price differences in real estate transaction practice.

- (3) The lease cases of other non-related parties on other floors of the same real estate within one year, with equivalent transaction conditions after estimation according to the due reasonable floor price differences in real estate lease practice.
2. For the real estate purchased from the related party as proved by the Company, its transaction conditions are equivalent to the transaction cases with other non-related parties in adjacent regions within one year and the area is similar.

In principle, the transaction cases in adjacent regions mentioned in this paragraph take the cases transacted in the same or adjacent street and within 500 meters away from the transaction object or those cases with similar announced present value; the so-called similar area means the area in transaction case of other non-related party is not lower than fifty percent of the area of transaction object; and the so-called within one year is defined to be counting back for one year from the date of real estate acquisition this time.

- (V) For the Company's acquisition of real estate from the related party, if the results of assessment as prescribed in Paragraph (III) and (IV) are lower than the transaction price, the following matters shall be handled:
 1. For the price difference between real estate transaction price and assessment cost, allocate special surplus reserve pursuant to Paragraph 1, Article 41 of Securities Exchange Act, and it shall not be distributed or transferred to capital increase and shares allotment.
 2. Supervisor shall handle pursuant to Article 218 of Company Act.
 3. Handling circumstances pursuant to Item 1 and 2 shall be reported to Shareholders' Meeting, and detailed transaction contents shall be disclosed in the annual report and public prospectus.

If special surplus reserve is allocated pursuant to this paragraph, the Company shall wait until the assets purchased at a high price has been recognized in the loss from failing price, or is disposed or properly compensated or reinstated, or if it is not unreasonable as confirmed by other evidences, such special surplus reserve may only be employed with the consent of competent authority.

For the Company's acquisition of real estate from the related party, if there are other evidences indicating that the transaction is not conforming to regular business practice; it shall also be handled pursuant to this paragraph.

Article 9: Procedures for enterprise merger, division, acquisition and assignment of share:

- (I) For handling of merger, division, acquisition or assignment of share, before convening the Board of Directors Meeting for resolution, the Company shall appoint accountant, lawyer or securities underwriter to give opinions on the rationality of equity swap proportion, acquisition price or the cash or other properties of shareholders distributed to, and propose it to the Board of Directors for discussion and approval. But for the Company's merger of subsidiaries in which it directly or indirectly holds one hundred percent of outstanding shares or capital sum, or the merger between the subsidiaries in which it directly or indirectly holds one hundred percent of outstanding shares or capital sum, the rationality opinions issued by the foregoing experts may be exempted.

- (II) For the participation in merger, division or acquisition, regarding important agreement contents and relevant matters of merger, division or acquisition, the Company shall prepare open documents to the shareholders before convening the Shareholders' Meeting, and deliver them to shareholders together with the expert's opinion as mentioned in preceding paragraph and meeting notice of Shareholders' Meeting, and they will be taken as the reference for whether or not to agree on such merger, division or acquisition case. Except that the matters of merger, division or acquisition may be exempted from the resolution of Shareholders' Meeting pursuant to the regulations of other laws.

When the Company participates in the merger, division or acquisition of a company, if the Shareholders' Meeting of either party cannot be convened for resolution due to short of attendance or voting rights or other legal restriction, or the motion is denied by Shareholders' Meeting, the Company shall immediately explain the reason for occurrence, subsequent handling operation and expected date of convening Shareholders' Meeting to the public.

- (III) For the Company's participation in merger, division or acquisition, unless otherwise prescribed by law or it must be reported to competent authority for approval in advance due to a special factor, the Company shall convene the Board of Directors Meeting and Shareholders' Meeting on the same day to resolve matters related to merger, division or acquisition.

For the Company's participation in assignment of share, unless otherwise prescribed by law or it must be reported to competent authority for approval in advance due to a special factor, the Company shall convene the Board of Directors Meeting on the same day.

When the stock of the Company is traded in stock market, OTC, or business place of securities dealer, in case of participation in merger, division, acquisition or assignment of share, the Company shall make the following materials into complete written records and keep them for five years for future reference:

1. Personnel basic information: including all persons participated in the plan of merger, division, acquisition or assignment of share, or the plan executor before disclosing the information, and their title, name, ID Card No. (Passport No. if such person is a foreigner).
2. Date of important event: including the date of signing letter of intent or memorandum, date of appointing financial or legal adviser, date of signing contract, and date of Board of Directors Meeting etc.
3. Important documents and minute book: including the plan of merger, division, acquisition or assignment of share; letter of intent or memorandum, important contracts, and minute book of Board of Directors Meeting etc.

When the stock of the Company is traded in stock market, OTC, or business place of securities dealer, in case of participation in merger, division, acquisition or assignment of share, within two days after the date of resolution in Board of Directors Meeting, the Company shall report the personnel basic information and date of important event as required in this paragraph for future reference to the Internet information system in a prescribed form to report to the competent authority for future reference.

When the stock of the Company is traded in stock market, OTC, or business place of securities dealer, if the company participated in merger, division, acquisition or assignment of share is not a listed company or its stock is not traded in the business place of securities dealer, the Company shall sign an agreement with it and handle according to the provisions of this paragraph.

- (IV) All personnel participated in or know about the plan of company merger, division, acquisition or assignment of share shall issue written confidentiality undertaking, before information disclosure, they shall not disclose the plan contents to the public, nor voluntarily buy or sell the stock and other negotiable securities of equity nature of all companies related to the case of merger, division, acquisition or assignment of share, nor doing so in the name of others.
- (V) For the Company's participation in merger, division, acquisition or assignment of share, except for the following circumstances, the equity swap proportion or acquisition price shall not be changed arbitrarily, and their change circumstances shall be stipulated in the merger, division, acquisition or assignment of share contract:
 - 1. Handling cash capital increase, issuing convertible bonds, stock grants, issuing warrant bonds, preferred shares with warrants, stock option certificate and other negotiable securities of equity nature.
 - 2. Disposal of major company assets or other actions affecting financial business of the company etc.
 - 3. Occurrence of major disaster, major technical change etc. that affecting the shareholders' equity of company or security price.
 - 4. For the companies participated in merger, division, acquisition or assignment of share, either party adjust the buyback of treasury share pursuant to law.
 - 5. Change in the subject of merger, division, acquisition or assignment of share, or change in the number of participants.
 - 6. Other conditions for the change as stipulated in the contract, and such conditions have been disclosed to the public.
- (VI) For the Company's participation in merger, division, acquisition or assignment of share, the rights and obligations of the companies participated in merger, division, acquisition or assignment of share shall be specified in the contract, and the following matters shall also be specified:
 - 1. Handling for breach of contract.
 - 2. Principle of handling the outstanding negotiable securities of equity nature or the treasury share already bought back before the company is eliminated or divided due to merger.
 - 3. After calculating the base date for equity swap proportion, the quantity of treasury share may be bought back by the participating company pursuant to law and the handling principle thereof.
 - 4. Handling method for the change in the subject or the number of participants.
 - 5. Expected plan implementation progress and expected completion date.
 - 6. When the plan fails to be completed in due time, relevant handling procedures such as the expected convention date of Shareholders' Meeting shall be convened pursuant to law etc.

- (VII) For the Company's participation in merger, division, acquisition or assignment of share, after the information has been disclosed to the public, if either party plans to carry out merger, division, acquisition or assignment of share with other company, except that the number of participants is reduced, and Shareholders' Meeting has resolved and authorized Board of Directors to change the authority, the Company may be exempted from convening Shareholders' Meeting for resolution again, in the original case of merger, division, acquisition or assignment of share, the completed procedures or legal actions shall be carried out again.
- (VIII) If there is a non-public company participated in the merger, division, acquisition or assignment of share, the Company shall sign an agreement with it and handle according to the provisions of Paragraph (III), Paragraph (IV) and Paragraph (VII).

Article 10: Announcement and declaration procedures (applicable when the Company is a public company pursuant to the laws of the Republic of China):

- (I) If the acquisition or disposal of assets is under the following circumstances, the Company shall announce and declare relevant information at the website designated by Financial Supervisory Commission within two days as of the date of event:
 1. Acquire or dispose real estate from interested party, or acquire or dispose other assets other than real estate from interested party and the transaction amount thereof reaches to twenty percent of company paid-up capital, ten percent of total assets, or over NT\$300 Million. However, the transactions of the purchases or sales of government bonds, or bonds with repurchase/reverse repo agreement, or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise are excluded.
 2. Merger, division, acquisition or assignment of share.
 3. The loss in derivatives transactions reaches to the amount of loss ceiling of all or individual contract as stipulated in handling procedures.
 4. The type of assets in acquisition or disposal is the equipment for business use, and the transaction object thereof is a non-related party, and the transaction amount meets one of the following provisions:
 - (1) If the paid-up capital of the Company is less than NT\$10 billion, the transaction amount is in excess of NT\$500 million.
 - (2) If the paid-up capital of the Company is in excess of NT\$10 billion, the transaction amount is in excess of NT\$1 billion.
 5. The Company acquires or disposes the real estate for construction use by running construction business and the transaction object thereof is a non-related party, and the transaction amount is not in excess of NT\$500 million.
 6. For the real estate acquired by means of construction on private or leased land, or house distribution, sharing or sales in joint construction, the transaction amount expected to be input by the Company is not in excess of NT\$500 million.
 7. For the assets transaction other than those mentioned from Item 1 to Item 6, or disposal of creditor's rights by a financial institution or the investment in

Mainland China, the transaction amount thereof is in excess of twenty percent of paid-up capital of the company or NT\$300 million. Except for the following circumstances:

- (1) Purchase or sale of government bonds.
 - (2) For professional investors, the transaction of negotiable securities in foreign and domestic stock exchange or business place of securities dealer; or the ordinary corporate bonds subscribed, raised or issued in domestic primary market and the general financial bonds not involved in stock right; or the negotiable securities subscribed according to the regulations of Taipei Exchange as recommended by a securities dealer acting as the adviser of public company due to underwriting business needs.
 - (3) Purchase or sale of bonds with repurchase or reverse repo agreement, or subscription or repurchase of money market fund issued by domestic securities investment trust enterprise.
- (II) The transaction amounts stated in Paragraph (I) shall be calculated according to the following methods:
1. The amount of each transaction.
 2. The cumulative amount of acquisition or disposal of similar assets with the same counterparty within one year.
 3. The cumulative amount of acquisition or disposal (separately for the acquisition and disposal) of real estate under the same development plan within one year.
 4. The cumulative amount of acquisition or disposal (separately for the acquisition and disposal) of the same negotiable securities within one year.
 5. The so-called “one year” period is defined to be counting back for one year from the date of transaction. However, the part that has been announced pursuant to these Procedures or relevant laws and decrees may be excluded.
- (III) The Company shall declare the derivatives transacted by the Company and its domestic non-public subsidiaries as at the end of previous month on a monthly basis, and such declaration shall be input at the information declaration website designated by Financial Supervisory Commission in a specific form before the 10th day of every calendar month.
- (IV) When the items due to be announced by the Company as required should be supplemented and corrected due to the mistake or omission upon announcement, all items shall be announced and declared again within two days as of the day of knowing such mistake or omission.
- (V) In case of acquisition or disposal of assets by the domestic non-public subsidiaries of the Company, and it shall be announced and declared pursuant to the provisions of Article 11, the Company shall make announcement and declaration instead; for the required announcement and declaration standards applicable to the subsidiaries as stipulated in Paragraph (I) of Article 11, regarding the stipulations on reaching to twenty percent of paid-up capital or ten percent of total assets, it shall be subject to the paid-up capital or total assets of the Company.

Article 11: The Company shall retain the relevant contracts, minutes, memoranda, appraisal reports, and opinions from CPA/attorney/securities broker related to the acquisition or disposal of assets for at least 5 years, unless otherwise prescribed by other laws.

Article 12: After the Company has announced and declared the transaction according to the provisions of Article 11, provided any one of the following circumstances, the Company shall announce and declare relevant information at the website designated by this Financial Supervisory Commission within two days as of the date of event:

- (I) The changes, termination or rescission of the original transaction contracts.
- (II) The merger, division, acquisition, or assignment of share is not completed according to the schedule specified in contracts.
- (III) The changes in contents of the previous announcement and declaration.

Article 13: Where managerial officer or undertaker violates the regulations of these Procedures, it shall be handled according to relevant punishment and reward measures of the company.

Article 14: Procedures for controlling the acquisition or disposal of assets of subsidiaries

- (I) The Company shall urge subsidiaries to formulate the Procedures for Acquisition or Disposal of Assets pursuant to the “Regulations Governing the Acquisition and Disposal of Assets by Listed Company”.
- (II) For acquisition or disposal of assets, subsidiaries of the Company shall formulate “internal control system” and “Measures for Acquisition or Disposal of Assets” respectively for handling, and shall make a written summary and report to the Company on the single acquisition or disposal of assets or the cumulative amount of transaction of the same nature is in excess of NT\$10 million, as well as the derivatives transaction engaged as at the end of last month before the fifth day of every calendar month. Audit Department of the Company shall list the acquisition or disposal of assets by subsidiaries as one of the monthly audit items, and the auditing circumstances thereof shall be listed as the necessary item for reporting audit business to Board of Directors and supervisors.
- (III) If the subsidiaries of the Company are a non-public company, and its acquisition or disposal of assets meets the standards required to be announced and declared, it shall notify the Company on the date of event, and the Company will make an announcement pursuant to Article 11.

Article 15: Amendment to procedures:

Upon formulating these Procedures, after it is passed by Board of Directors, it shall be sent to each supervisor and submitted to Shareholders' Meeting for approval; if any director raises objection and with record or written statement, the Company shall also submit its objection to each supervisor and submit to Shareholders' Meeting for discussion, and the same shall apply upon amendment. When the Company has set the independent director and when submitting these Procedures to Board of Directors Meeting for discussion, opinions of each independent director shall be fully considered, and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.

Article 16: Amendment dates of these Procedures:

These Procedures were formulated on June 24, 2012.

The first amendment was made on June 30, 2014.

The second amendment was made on May 29, 2018.

Appendix 5:

EZCONN CORPORATION

Operational Procedures for Loaning of Company Funds

Article 1: Purpose:

These Procedures are formulated pursuant to the regulations of “Guidelines for Public Companies’ Granting of Loans and Making Endorsement and Guarantee”.

Article 2: Object of granting of loans:

I. Except for under the following circumstances, no loans shall be granted to shareholders or any other person:

(I) Has business contact with the Company.

(II) With short-term (means one year, but if the company's operating cycle is longer than one year, subject to the operating cycle) needs in financing. The financing amount shall not exceed forty percent of the net value of the company.

The financing amount stated in Subparagraph (II), Paragraph I means the cumulative balances of short-term financing of the Company. For the Company’s granting of loans to the foreign company in which directly and indirectly holding one hundred percent of voting shares, the amount of loan thereof is limited to fifty percent of the net value.

(III) The loan period is limited to one year or the operating cycle, whichever is longer, in case of granting of loans due to the relationship of business contract, the period of granting of loans may be extended if passed by the resolution of Board of Directors, but every extension is limited to one year.

Article 3: Limit of granting of loans:

Object	Limit - company net value %
Total	40%
Individual	20%
Individual - company with direct business relationship	20% (limited to 100% of total sales or purchase amount in the business contract in previous year, if the transaction is less than one year, calculate according to the cumulative amount of previous month)

Notes: Net value means the net value in the Company's most recent financial statement audited, certified or approved by the accountant.

Article 4: Decision-making and authorization hierarchy, terms definition:

I. The Company’s granting of loans shall be handled after it is passed by the resolution of Board of Directors, except for the parent company and subsidiaries of the Company, it is not allowed to authorize other person to make a decision.

- II. For the Company's granting of loans to parent company or subsidiaries, according to the resolution of Board of Directors, the Company may authorize the Chairman to grant a certain limit (no more than 10% of company net value) to the same granting object and separate loan appropriation or circulated employment within the period less than one year.
- III. When the Company has set the independent director, opinions of each independent director shall be fully considered upon discussion in Board of Directors Meeting, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.
- IV. The so-called subsidiaries and parent company in these Procedures shall be determined according to the provisions of Securities Issuer Financial Report Preparation Standards.
- V. The so-called net value means the shareholders' equity in the Company's most recent financial report audited, certified or approved by the accountant. If the financial report of the Company is prepared according to International Financial Reporting Standards, the so-called net value means the equity attributable to owners of parent company recorded in the balance sheet as stipulated in the Securities Issuer Financial Report Preparation Standards.

Article 5: Procedures of handling granting of loans:

- I. Application:
 - (I) When the Company is handling granting of loans matters, the application unit shall propose the "Application for Granting of Loans" to the Finance Department to propose application, the Finance Department shall evaluate the risks and make records, and submit it to the Chairman for approval after passing the examination, and then submit it to Board of Directors for approval and determination, and it shall be handled according to the resolution of Board of Directors.
 - (II) Contents of evaluation for examining granting of loans by the undertaker of Finance Department shall include the following:
 - 1. Necessity and rationality of granting of loans.
 - 2. Credit and risk assessment on the object of granting of loans.
 - 3. The impact on company's operating risk, financial condition and shareholders' equity.
 - 4. Whether the collateral is acquired and the evaluated value of collateral.
- II. Sign loan contract, collateral or guarantee:
 - (I) Contract shall be signed for granting of loans, and the interest rate shall not be lower than the maximum interest rate for the Company to borrow short-term borrowing from the financial institution.
 - (II) When the Company is granting of loans to others, per evaluation or if the Board of Directors thinks it is necessary, the financing object shall provide the collateral of equivalent financing limit or ask a guarantor to provide guarantee, and guarantee the completeness of its rights.

III. Appropriation

- (I) After the applicant has filled in the Request Payout Form attached with the copy of loan contract and submitted them for approval, they will be submitted to the accounting unit to confirm the correct entry, and then forward them to the finance unit for appropriation.
- (II) Undertaker of the finance unit shall register the matters of granting of loans into the log book for granting of loans, and record the name of enterprise in granting of loans, the object of granting of loans, amount, the date passed by Board of Directors, the date of loan appropriation, and the matters shall be assessed prudently pursuant to laws and decrees and these Procedures in detail for future reference.

IV. Extension:

Before the maturity of loan case, notify the borrower to make repayment according to the contract, in case of engagement in granting of loans due to business contract relationship, if it is still needed, its period of granting of loans may be extended if passed by the resolution of Board of Directors, but every extension is limited to one year.

V. Repayment:

- (I) After loan appropriation, the finance unit shall always pay attention to the financial, business and credit conditions etc. of the borrower and guarantor, if collateral is provided, the changes in its collateral value shall also be paid attention to, three before the maturity of loan, the company shall notify the borrower to repay the principle and interest upon maturity or go through extension formalities.
- (II) Upon repayment when the loan becomes mature, the borrower shall first calculate the accrued interest, after it is repaid together with the principal; the promissory note may be canceled and returned to the borrower. Upon the borrower's application for cancellation of mortgage right, the finance unit shall first find out whether there is any loan balance, and then decide whether or not to agree upon cancellation of mortgage right.
- (III) Undertaker of the finance unit shall register the matters of loan repayment into the log book for granting of loans for future reference.

VI. Bad debt assessment:

Pursuant to the provisions of generally accepted accounting principles, the accounting unit shall assess the circumstances of granting of loans and allocate sufficient allowance for bad debts, and properly disclose relevant information in financial report, and provide relevant materials to the certified public accountant to carry out necessary audit procedures.

VII. When the loan object is not conforming to the regulations of these Procedures or laws and decrees or the balance exceeds the limit due to the change of circumstances, the Company shall make improvement plans and submit relevant improvement plans to each supervisor, and complete the improvement according to the planned schedule.

VIII. Internal audit personnel of the Company shall audit the Procedures of Granting of Loans and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to each supervisor immediately.

IX. Procedures of controlling subsidiaries' granting of loans to others:

- (I) If the subsidiaries of the Company plans to grant loans to others, the Company shall order such subsidiaries to formulate the Procedures of Granting of Loans according to the regulations of "Guidelines for Public Companies' Granting of Loans and Making Endorsement and Guarantee" promulgated by Financial Supervisory Commission, and handle according to the formulated procedures.
- (II) When the subsidiaries of the Company plans to grant loans to others, it may only be proceeded with the approval of the Company; finance unit of the Company and designated dedicated personnel shall specifically assess the necessity, rationality and risk of such granting of loans to others, the operating risk to the parent company and subsidiaries, as well as the impact on the financial condition and shareholders' equity, and submit to the President and Chairman for approval.
- (III) At the beginning of every month, finance unit shall acquire each subsidiary's balance statement on granting of loans to others of the last month.
- (IV) Finance unit of the Company shall regularly assess whether each subsidiaries' subsequent control measures for the loans already granted and the procedures for handling overdue loans are appropriate.
- (V) Internal audit personnel of subsidiaries shall also audit the Procedures of Granting of Loans and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to the audit unit of the Company immediately, and audit unit of the Company shall submit written materials to each supervisor.
- (VI) Internal audit personnel shall regularly audit each subsidiary's compliance with "Procedures of Granting of Loans" and prepare an audit report; after submitting the findings and suggestions of audit report for approval, internal audit personnel shall notify the audited subsidiaries to make improvement, and regularly prepare tracking report, so as to confirm they have taken appropriate improvement measures in time.

Article 6: Declaration and announcement (applicable when the Company is a public company):

- (I) The Company shall announce and declare the balance of granting of loans of the Company and subsidiaries in the last month before the tenth day of each calendar month.
- (II) If the granting of loans meet any one of the following standards, it shall be announced and declared within two days as of the date of event:
 1. The balance of granting of loans to others of the Company and subsidiaries reaches to over twenty percent of the net value in the most recent financial statement of the Company.

2. The balance of granting of loans of the Company and subsidiaries to a single enterprise reaches to over ten percent of the net value in the most recent financial statement of the Company.
3. The newly added amount of granting of loans of the Company or subsidiaries reaches to over NT\$10 million and over two percent of the net value in the most recent financial statement of the Company.

(III) If the subsidiaries of the Company is a not a domestic public company, and such subsidiaries has the matters shall be announced and declared as stipulated in Subparagraph 3 of preceding paragraph, the Company shall make the announcement and declaration instead.

Article 7: Punishment principle:

Where company personnel violate the regulations of these Procedures or laws and decrees, it shall be handled according to pursuant punishment and reward measures of the company.

Article 8: Amendment:

Upon formulating these Procedures, after it is passed by Board of Directors, it shall be sent to each supervisor and submitted to Shareholders' Meeting for approval; if any director raises objection and with record or written statement, the Company shall also submit its objection to each supervisor and submit to Shareholders' Meeting for discussion, and the same shall apply upon amendment. When the Company has set the independent director and when submitting these Procedures to Board of Directors Meeting for discussion, opinions of each independent director shall be fully considered, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.

Article 9: Amendment dates of these Procedures:

These Procedures were formulated on June 24, 2012.

The first amendment was made on June 30, 2014.

The second amendment was made on June 21, 2016.

Appendix 6:

EZCONN CORPORATION

Operational Procedures for Endorsements and Guarantees

Article 1: Purpose:

These Procedures are formulated pursuant to the regulations of “Guidelines for Public Companies’ Granting of Loans and Making Endorsement and Guarantee”.

Article 2: In order to strengthen financial management on making endorsement and guarantee and reduce operating risk, it is hereby formulated these Procedures.

Article 3: Scope of endorsement and guarantee:

(I) Endorsement and guarantee for financing:

1. Ticket discount financing.
2. Make endorsement or guarantee for the purpose of financing for other company.
3. Otherwise issue the notes to the non-financial enterprise as the guarantee for the purpose of financing for other company.

(II) Customs duties endorsement and guarantee mean the endorsement or guarantee made for the Company or other company regarding the matters of customs duties.

(III) Other endorsement and guarantee mean the endorsement or guarantee matters cannot be classified in to the previous two paragraphs.

If the Company provides movable property or immovable property to set pledge right or mortgage right as the guarantee for other company’s borrowing, it shall also be handled according to the regulations of these Procedures.

Article 4: Objects the Company may make endorsement and guarantee for:

(I) The company with business contact.

(II) The company in which the Company directly and indirectly holds more than fifty percent of the voting shares.

(III) The company directly and indirectly holds more than fifty percent of the voting shares of the Company.

Among the companies in which the Company directly and indirectly holds more than ninety percent of voting shares, endorsement and guarantee may be made, and the amount thereof shall not exceed ten percent of net value of the Company. But for the endorsement and guarantee between and among the companies in which the Company directly and indirectly holds one hundred percent of voting shares, the amount of thereof is limited to fifty percent of net value of the Company.

Mutual guarantee between and among the Company and the enterprise of the same business due to the needs of engineering contracting, or the mutual guarantee between and among the Company and the joint constructors according to contract provisions, or making endorsement and guarantee for the invested company by all contributing shareholders according to their shareholding ratio due to joint investment relationship, endorsement and guarantee may be made without being restricted by the provisions in preceding two paragraphs. The so-called contribution in preceding paragraph means the

contribution directly made by the Company or the contribution made via the company in which the Company holds one hundred percent of the voting shares.

The so-called subsidiaries and parent company in these Procedures shall be determined according to the provisions of Securities Issuer Financial Report Preparation Standards.

The so-called net value means the shareholders' equity in the Company's most recent financial report audited, certified or approved by the accountant. If the financial report of the Company is prepared according to International Financial Reporting Standards, the so-called net value in these Procedures means the equity attributable to owners of parent company recorded in the balance sheet as stipulated in the Securities Issuer Financial Report Preparation Standards.

Article 5: Limit of external endorsement and guarantee of the Company and subsidiaries:

Object of endorsement and guarantee	Ratio of upper limit - subject to the percentage of current net value
Total	40%
Single enterprise	20%
Single enterprise - company with direct business relationship	20% of net value or the amount of business contact in the last year, whichever is lower

Notes: Net value is subject to the one recorded in most recent financial statement audited or approved by the accountant.

Article 6: Decision-making and authorization hierarchy:

- (I) When handling endorsement and guarantee, it shall be passed by the resolution of Board of Directors first. But Board of Directors may authorize the Chairman to make a decision within a certain amount, and report to Board of Directors for subsequent recognition thereafter.
- (II) When the Company is handling endorsement and guarantee, when it is necessary to exceed the limit stipulated in these Procedures due to business needs and it is conforming to the conditions stipulated in these Procedures, it shall be agreed by Board of Directors, and the majority of directors shall affix their names for joint guarantee for the loss of the Company might be generated from exceeding the limit, and make amendments to these Procedures and propose to Shareholders' Meeting for subsequent recognition; when the Shareholders' Meeting disagrees, a plan shall be made to eliminate the exceeding part within a certain period.
- (III) If the object of endorsement and guarantee is the subsidiaries whose net value is lower than one second of the paid-up capital, apart from detailed examination according to the provisions of Article 7 hereof, subsidiaries shall also be asked to provide sufficient collateral. Finance unit and dedicated personnel designated by the Chairman shall specifically assess the impact degree of such endorsement and guarantee on the operating risk, financial condition and shareholders' equity of the Company and subsidiaries, after it is submitted to the President and Chairman for approval, it shall be first passed by the resolution of Board of Directors before execution, and propose to the Shareholders' Meeting for future reference thereafter. If the stock of the subsidiaries has no par value or the par value is not NT\$10 per share, the amount of paid-up capital calculated according to the provisions of this paragraph shall be the total of share capital plus capital reserve - issuing premium.

- (IV) Opinions of each independent director shall be fully considered when making endorsement and guarantee for others, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.

Article 7: Procedures of the Company for handling endorsement and guarantee are as follows:

- I. When handling endorsement and guarantee, based on the application of the object of endorsement and guarantee, finance unit shall examine its qualifications one by one, whether the limit is conforming to the regulations of these Procedures, and whether there is any circumstances shall be announced and declared, and analyze the operating, financial and credit conditions etc. of the object of endorsement and guarantee, so as to assess the risks of endorsement and guarantee and make records, and collateral shall be acquired when necessary. After specifying the contents, reasons and results of risk assessment of relevant endorsement and guarantee, it shall be preceded after it is submitted to the Chairman for approval or agreed by the resolution of Board of Directors according to the provisions of Article 6.

- II. Finance unit shall establish the register book regarding the matters of endorsement and guarantee. After the endorsement and guarantee have been approved by the Chairman or agreed by the resolution of Board of Directors, apart from applying for the seal according to the required procedures, matters such as the date passed by Board of Directors or decided by the Chairman, matters of guarantee, name of enterprise for endorsement and guarantee, risk assessment results, amount of endorsement and guarantee, contents of collateral acquisition and the conditions of releasing endorsement and guarantee responsibility etc. shall be recorded in detail for future reference, and documents such as relevant notes and agreements etc. shall also be photocopied and kept properly.

Internal audit personnel shall audit the Procedures of Making Endorsement and Guarantee and its execution situation at least every quarter, and make a written record, in case of any signification violation is found, written notice shall be served to each supervisor immediately.

- III. Finance unit shall prepare the detailed statement regarding the occurrence and cancellation of guarantee matters in every month for the sake of tracking control and making announcement and declaration according to the required standards, periods and contents, and shall assess and recognize the possible loss of endorsement and guarantee on a quarterly basis according to the regulations of Securities Issuer Financial Report Preparation Standards, and shall disclose endorsement and guarantee information in the financial report and provide relevant materials to the certified public accountant to carry out necessary auditing procedures.

- IV. If the object of endorsement and guarantee meets the requirement originally but fails to meet the requirement subsequently, or the amount of endorsement and guarantee exceeds the stipulated limit due to the change in the base for limit calculation, the amount of endorsement and guarantee to such object or the exceeding part shall be eliminated upon the expiry of period stipulated in relevant contract, or the financial unit shall make a plan and have it approved by the President, and then send the improvement plan to each supervisor, and eliminate all of it within a certain period and report to the Board of Directors.

- V. Before the expiry of endorsement and guarantee period, finance unit shall take the initiative to notify the guaranteed enterprise to take back the guaranteed notes kept by the bank or creditor's institution, and cancel the deeds related to endorsement and guarantee.

Article 8: Custody of special seal used for endorsement and guarantee of the Company and procedures of seal using are as follows:

- I. The Company shall apply to the Ministry of Economic Affairs to register the company seal as the special seal for endorsement and guarantee, the custodian of such seal shall be agreed by Board of Directors, and list the seal under custody in handover.
- II. After the endorsement and guarantee have been approved by the Chairman or agreed by the resolution of Board of Directors, finance unit's "**seal approval**" shall be approved by the President along with seal using documents such as the approval records, contracts related to endorsement and guarantee or guaranteed notes etc., and then go to the place of seal custodian for seal using.
- III. Upon seal using, seal custodian may only use the seal after checking whether there is any approval record, whether the "**seal approval**" is approved by the President and whether the seal using application documents are consistent.
- IV. Upon making guarantee for a foreign company, the letter of guarantee or guarantee related contract issued by the company shall be signed by the Chairman with the authorization from Board of Directors.

Article 9: Announcement and declaration procedures:

- (I) The balance of endorsement and guarantee of the Company and subsidiaries reaches to over fifty percent of the net value in the most recent financial statement of the Company.
- (II) The balance of endorsement and guarantee of the Company and subsidiaries to a single enterprise reaches to over twenty percent of the net value in the most recent financial statement of the Company.
- (III) The balance of endorsement and guarantee of the Company and subsidiaries to a single enterprise reaches to over NT\$10 million, and the total balance of endorsement and guarantee, long-term investment and granting of loans to such enterprise reaches to over thirty percent of the net value in the most recent financial statement of the Company.
- (IV) The newly added amount of endorsement and guarantee of the Company or subsidiaries reaches to NT\$30 million and over five percent of the net value in the most recent financial statement of the Company.
- (V) If the subsidiaries of the Company is not a domestic public company and there are matters shall be announced and declared by such subsidiaries pursuant to laws and decrees or the provisions of the preceding four paragraphs of these Procedures, the Company shall make the announcement and declaration instead.
- (VI) Contents of announcement and declaration are subject to the regulations of relevant laws and decrees or government department.

Article 10: If subsidiaries of the Company plans to make endorsement and guarantee for others, it shall formulate the measures for making endorsement and guarantee for others pursuant to “Guidelines for Public Companies’ Granting of Loans and Making Endorsement and Guarantee” before making endorsement and guarantee for others. Subsidiaries of the Company shall submit the detail of endorsement and guarantee to the Company every month, and the Company will carry out relevant audit on the execution situation of handling endorsement and guarantee.

Among the companies in which the Company directly and indirectly holds more than ninety percent of voting shares, endorsement and guarantee may be made, and the amount thereof shall not exceed ten percent of net value of the Company. Except for the endorsement and guarantee between and among the companies in which the Company directly and indirectly holds one hundred percent of voting shares.

Article 11: Where managerial officer or undertaker of the Company violates the regulations of these Procedures, it shall be handled according to relevant punishment and reward measures of the company.

Article 12: Upon formulating these Procedures, after it is passed by Board of Directors, it shall be sent to each supervisor and submitted to Shareholders' Meeting for approval before implementation; if any director raises objection and with record or written statement, the objection thereof shall be sent to each supervisor and submitted to Shareholders' Meeting, and the same shall apply upon amendment.

When the Company has set the independent director and when submitting the Procedures of Making Endorsement and Guarantee to Board of Directors Meeting for discussion pursuant to the provisions of preceding paragraph, opinions of each independent director shall be fully considered, and their specific opinions on consent or objection as well as the reasons for objection shall be listed in the record of Board of Directors Meeting.

Article 13: Amendment dates of these Procedures:

These Procedures were formulated on June 24, 2012.

The first amendment was made on May 13, 2013.

The second amendment was made on June 30, 2014.

Appendix 7:

EZCONN CORPORATION

Shareholdings of All Directors and Supervisors

- As at April 12, 2019, total outstanding shares of the Company is 66,000,000 shares, pursuant to the regulations of “Implementation Rules for Equity Percentage of Directors and Supervisors of Public Companies and Auditing”, the statutory number of shares held by all directors is 6,600,000 shares, and the statutory number of shares held by all supervisors is 660,000 shares.
- As at the book closure day of this General Meeting, the shareholdings of individual and all directors and supervisors recorded in the register of shareholders are as follows.

Book closure day: April 12, 2019

Title	Name	Date of appointment	Term of office	Shareholdings upon appointment		Shareholdings in register of shareholders as at the book closure day	
				Number of shares	Proportion (%)	Number of shares	Proportion (%)
Chairman	SHC CONSOLIDATED INVESTORS LLC Representative: CHEN, STEVE	June 22, 2017	Three years	2,072,202	3.14	2,072,202	3.14
Director	DURAL HOLDINGS LIMITED Representative: LEE SHIH-CHING	June 22, 2017	Three years	1,246,382	1.89	1,246,382	1.89
Director	Jia Jiu Investment Co., Ltd. Representative: CHANG, YIN-HUA	June 22, 2017	Three years	800,000	1.21	800,000	1.21
Director	TRANSNATIONAL INVESTMENT LIMITED Representative: CHOU, WAN-SUN (Notes 1)	June 22, 2017	Three years	1,488,193	2.25	1,488,193	2.25
Director	CHEN, HSIAO-YUN	June 22, 2017	Three years	3,111	0	3,111	0
Independent Director	LEE, CHIEN-PING	June 22, 2017	Three years	0	0	0	0
Independent Director	HSIAO, CHUNG-CHIANG (Notes 2)	June 22, 2017	Three years	0	0	0	0
Total shareholdings of all directors				5,609,888	8.49	5,609,888	8.49
Supervisor	KO, YUAN-I	June 22, 2017	Three years	14,222	0.02	14,222	0.02
Supervisor	LAI, WEN-HSIEN	June 22, 2017	Three years	0	0	0	0
Supervisor	EGTRAN CORPORATION Representative: CHIEN, CHIH-CHENG	June 22, 2017	Three years	3,395,944	5.15	3,395,944	5.15
Total shareholdings of all supervisors				3,410,166	5.17	3,410,166	5.17

Notes 1: TRANSNATIONAL INVESTMENT LIMITED (original representative is CHEN, HO-FENG), and CHOU, WAN-SUN was assigned as the representative on August 8, 2018.

Notes 2: Independent Director Mr. HSIAO, CHUNG-CHIANG was removed on August 10, 2018.