

Stock code: 6442



EZconn Corporation

2020 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 24, 2020 (Wednesday)

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
2020 Annual General Shareholders' Meeting

I. Opening Address

II. Chairman Address

III. Reporting Items

IV. Items for Acknowledgment

V. Items for Discussion and Election

VI. Ad Hoc Motion

VII. Adjournment

EZconn Corporation

Agenda

of

2020 Annual General Shareholders' Meeting

Meeting time: At 9:00 am, June 24, 2020 (Wednesday)
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) 2019 Business Report.
 - (II) 2019 Supervisor's Audit Report.
 - (III) 2019 Surplus Distribution in Cash Dividends Report.
 - (IV) Treasury Share Implementation Report.
 - (V) Amendments to the "Procedures for Share Buyback and Transfer to Employees."
- IV. Items for Acknowledgment
 - (I) 2019 Business Report, Individual Financial Statement, and Consolidated Financial Statement.
 - (II) 2019 Surplus Distribution.
- V. Items for Discussion and Election
 - (I) Amendments to the "Articles of Association."
 - (II) Amendments to the "Director and Supervisor Election Measures."
 - (III) Amendments to the "Rules of Procedure for Shareholders' Meetings."
 - (IV) Amendments to the "Procedures for Acquisition or Disposal of Assets."
 - (V) Amendments to the "Procedures for Making Endorsement and Guarantees."
 - (VI) Amendments to the "Procedures for Granting of Loans."
 - (VII) Proposal for a private placement of ordinary shares to increase cash capital
 - (VIII) Re- election of All Directors.
 - (IX) The Release of Non-competition Restrictions on Newly Elected Directors.
- VI. Ad Hoc Motion
- VII. Adjournment

Reports Items

(I) 2019 Business Report.

Explanation: Please refer to page 15 to 18 (Attachment 1) of this handbook for the 2019 Business Report.

(II) 2019 Supervisor's Audit Report.

Explanation: Please refer to page 20 (Attachment 2) of this handbook for the 2019 Supervisor's Audit Report.

(III) 2019 Surplus Distribution in Cash Dividends Report.

Explanation:

1. According to Articles 24 under the Articles of Association of the Company, the Board of Directors is authorized to pay the entire or partial dividends and bonus to be distributed in the form of cash by a resolution and shall report the same to the Shareholders' Meeting.
2. The Company has allocated a Shareholders' bonus of NT\$90,168,000 for the distribution of cash dividends of NT\$1.36 per share. 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 the decimal point will be adjusted in descending order, and the account number will be adjusted from the former to the later, until meeting the total distribution amount of cash dividend.
3. The surplus distribution of the Company has been passed by the resolution of the Board of Directors, and the Chairman is authorized to otherwise determine matters related to the ex-dividend base date. The surplus distribution is calculated based on 66,300,000 shares in the issue of the Company on the date of passing the resolution by the Board of Directors. Subsequently, in case of changes in the share capital of the Company and causing impacts on the number of outstanding shares, and thereby causing changes in yields of Shareholders that require amendments, the Chairman is fully authorized for such matters.

(IV) Treasury Share Implementation Report

Explanation: The buyback of the Company's shares is explained as follow:

Buyback Tranche	1 st
Purpose of the Buyback	To transfer shares to employees
Actual Buyback Period	February 3, 2020 to March 20, 2020
Estimated Number of Buyback	3,000,000 ordinary shares
Estimated Price Range for the Buyback	NT\$27 to NT\$55 per share
Actual Category and Number of Share Bought Back	3,000,000 ordinary shares
Actual Price of Bought Back Shares	NT\$110,852,705
Average Buyback Price Per Share	NT\$36.95
Number of Shares Cancelled and Transferred	0 share
Accumulated Number of Shareholding in the Company	3,000,000 ordinary shares
Percentage of Accumulated Number of Shareholding in the Company on Number of Total Issued Shares	4.33%

(V) Amendments to the "Procedures for Share Buyback and Transfer to Employees"

Explanation:

- 1、According to the requirements of the Securities and Futures Bureau, Financial Supervisory Commission, to accurately define other matters of rights and obligations related to the Company and employees, it is proposed to make amendments to the "Procedures for Share Buyback and Transfer to Employees" of the Company.
- 2、Please refer to page 68 to 69 (Attachment 11) of the Handbook for the "Procedures for Share Buyback and Transfer to Employees."

Items for Acknowledgment

The first case (Proposed by the Board of Directors)

Cause: 2019 Business Report, Individual Financial Statement, and Consolidated Financial Statement.

Explanation:

1. The 2019 individual financial statement and consolidated financial statement of the Company have been audited by JEFF CHEN and HUANG, HSIU-CHUN, accountants from Deloitte & Touche, and an unqualified opinion report has been issued for the record. And after the business report has also been audited by the supervisor, the written audit report has been issued.
2. Please refer to page 15 to 18 (Attachment 1), page 20 to 39 (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 the Board of Directors)

Cause: 2019 surplus distribution.

Explanation:

1. The 2019 surplus distribution of the Company has been passed by the resolution of the Board of Directors and audited by the supervisors; please refer to page 40 (Attachment 4) of this manual.
2. It is hereby proposed to shareholders for acknowledgment.
3. Resolution:

Items for Discussion and Election

The first case (Proposed by the Board of Directors)

Cause: Amendments to the “Articles of Association.”

Explanation:

1. It is planned to make amendments to the “Articles of Association” of the Company due to the relocation of the headquarters and the establishment of the Audit Committee.
2. Please refer to page 41 to 45 (Attachment 5) for the comparison table on amendments to the Articles of Association.
3. It is hereby proposed to shareholders_for making the decision.

Resolution:

The second case (Proposed by the Board of Directors)

Cause: Amendments to the “Director and Supervisor Election Measures.”

Explanation:

1. It is planned to make amendments to the “Director and Supervisor Election Measures” of the Company and changed the name into the “Director Election Measures” due to the establishment of the Audit Committee.
2. Please refer to page 46 to 48 (Attachment 6) for the comparison table on amendments to the “Director and Supervisor Election Measures.”
3. It is hereby proposed to shareholders for making the decision.

Resolution:

The third case (Proposed by the Board of Directors)

Cause: Amendments to the “Rules of Procedure for Shareholders' Meetings.”

Explanation:

1. It is planned to make amendments to the “Rules of Procedure for Shareholders' Meetings” of the Company due to the establishment of the Audit Committee, the amendments to the Company Act, and the adoption of e-voting for TWSE/TPEX listed companies.
2. Please refer to page 49 to 53 (Attachment 7) for the comparison table on amendments to the “Rules of Procedure for Shareholders' Meetings.”
3. It is hereby proposed to shareholders_for making the decision.

Resolution:

The fourth case (Proposed by the Board of Directors)

Cause: Amendments to the "Procedures for Acquisition or Disposal of Assets."

Explanation:

1. It is planned to make amendments to the "Procedures for Acquisition or Disposal of Assets" of the Company due to the establishment of the Audit Committee.
2. Please refer to page 54 to 63 (Attachment 8) for the comparison table on amendments to the "Procedures for Acquisition or Disposal of Assets."
3. It is hereby proposed to shareholders for making the decision.

Resolution:

The fifth case (Proposed by the Board of Directors)

Cause: Amendments to the "Procedures of Making Endorsement and Guarantee."

Explanation:

1. It is planned to make amendments to the "Procedures of Making Endorsement and Guarantee" of the Company due to the establishment of the Audit Committee.
2. Please refer to page 64 to 65 (Attachment 9) for the comparison table on amendments to the "Procedures of Making Endorsement and Guarantees."
3. It is hereby proposed to shareholders for making the decision.

Resolution:

The sixth case (Proposed by the Board of Directors)

Cause: Amendments to the "Procedures of Granting of Loans."

Explanation:

1. It is planned to make amendments to the "Procedures of Granting of Loans" of the Company due to the establishment of the Audit Committee.
2. Please refer to page 66 to 67 (Attachment 10) for the comparison table on amendments to the "Procedures of Granting of Loans."
3. It is hereby proposed to shareholders for making the decision.

Resolution:

The seventh case (Proposed by the Board of Directors)

Cause: Proposal for a capital increase in cash by a private placement of ordinary shares.

Explanation:

1. In response to the intense competition within the industry and to the Company's future development, the Company intends to improve the Company's operating performance and increase our working capital for the capital on a timely basis. The Company intends to propose at the shareholders' meeting to authorize the Board of Directors to carry out the capital increase in cash by way of a private placement of ordinary shares in due course subject to the market condition and the actual capital and operating requirements of the Company according to Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities." The explanations are as follows.
2. The basis and rationality of the pricing for the ordinary shares under the private placement
 - (1) The reference price shall be no less than the higher of the two following calculation bases:
 - (a) The simple average closing price of the ordinary shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - (b) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - (2) The issue price per share for the private placement shall be no less than 80% of the reference price. Upon the approval of the shareholders' meeting, the Board of Directors will be authorized to determine the actual price for the private placement, which shall be no less than 80% of the reference price.
 - (3) Rationality of the pricing: Except for considering the three-year transfer restriction for private placement under the Securities and Exchange Act, the determination of the abovementioned issue price is determined according to relevant laws and regulations and the closing price for ordinary shares, which shall be reasonable.
 - (4) The actual pricing date Upon the approval of the shareholders' meeting, the Directors are authorized to determine the actual pricing date, subject to the status of communication with specific persons in the future.
3. The method for selecting specific persons:
 - (1) The targets for the private placement and the selection of specific persons shall comply with Article 43-6 of the Securities and Exchange Act and the requirements under Letter (91) Tai-Cai-Zheng-(Yi)-Zi No. 0910003455 issued by the former Securities and Futures Supervisory Commission, Ministry of Finance issued on June 13, 2002.
 - (2) Selecting method and purpose for places, the necessity, and estimated effect:

- (a) Selecting method and purpose for places: The private placement of the resolution may introduce private funds to strengthen our capital structure. The introduction of strategic investors may help the Company to conduct diversified operations and may improve shareholders' interests effectively. Therefore, the introduction of strategic investors will help the Company reinforce its competitive strength or create shareholders' interests as the priority.
 - (b) Necessity: To take the initiative for creating profiting sources and competitive niche, the Company intends to proactively seek proper strategic investors to help the Company expand its existing product lines, develop new product lines, and conduct diversified operations. Therefore, for the benefit of the Company's sustainable operations and development, the private placement of the resolution for the introduction of strategic investors is necessary.
 - (c) Estimated effects: The Company intends to introduce strategic investors through the private placement, which facilitates the securing of long-term, stable funds, expansion of existing product lines, development of new product lines, and conducting diversified operations, and may effectively increase shareholders' interests. Therefore, helping the Company in reinforcing its competitive strength is the priority for introducing strategic investors. It is expected that, the experiences, technologies, knowledge, or channels of such investors, either individuals or legal persons, will help the Company in improving its technologies and quality, cost reduction, efficiency increase, market expansion, by way of vertical integration or horizontal integration within the industry, or cooperation in R&D for commodities or development of markets, so as to improve our shareholders' interests.
 - (d) Currently, there is no confirmed strategic investor.
4. The necessary reasons for conducting private placement:
- (1) Reasons for not adopting a public offering:

Considering the timeliness, convenience, issuing costs, feasibility, stability of equity, and uncertainties of the capital market, it may be difficult to obtain the required capital within a short period for fundraising by way of a public offering; therefore, the Company decided to conduct the capital increase in cash by way of a private placement of ordinary shares.
 - (2) Limit on private placement:

The private placement for ordinary shares shall be conducted with a limit of up to 20,000,000 ordinary shares within one year from the day of resolution made at the shareholders' meeting in one to three batches.
 - (3) Use of the funds raised by the private placement and the anticipated benefits:

The use of funds raised in batches and the anticipated benefits are for increasing the working capital and the repayment of bank borrowings, so as to respond to the changes in the industry and strengthen the operating condition and competitiveness of the

Company. It is estimated to improve our financial structure and allow the Company to record stable growth in its operations, rendering positive benefits on shareholders' interests.

5. The Company estimates the cap for the private placement shall be 20,000,000 ordinary shares. It is proposed to the shareholders' meeting to authorize the Board for conducting the private placement within one year from the day of resolution made at the shareholders' meeting in one to three batches, which will also improve the mobility and flexibility for the fundraising of the Company effectively. Currently, the management team of the Company is holding the majority of its shares; therefore, the shareholding ratio of places after the private placement shall not cause any change in the right of management.
6. The rights and obligations of ordinary shares under the private placement shall be the same as the issued ordinary shares of the Company; however, according to the Securities and Exchange Act, apart from the transfer condition set out in Article 43-8 of the Securities and Exchange Act, within three years from the delivery date of the Company's share certificate for the private placement, the share certificate may not be re-sold. After three years from the delivery date of the Company's share certificate, the Board of Directors is authorized to determine whether to obtain a letter issued by the stock exchange acknowledging that the securities meet the standards for listing before it may file with the FSC for retroactive handling of public issuance procedures, and apply for the listing and dealings subject to the condition thereof.
7. For the primary content of the private placement, except for the pricing ratio of the private placement, it is proposed to the shareholders to authorize the Board of Directors to determine the number of shares issued under the private placement, the issue price, the issue conditions, the fundraising amount, or other unaddressed matters subject to the market conditions and the operating requirements of the Company according to relevant requirements of the competent authority. Subsequently, where any amendment is required due to the changes in laws and regulations, opinions from the competent authority, or the changes in the objective environment, it is proposed to the shareholders' meeting to authorize the Board of Directors the full discretion.
8. To accord with the private placement of ordinary shares, upon passing the proposal for the private placement, it is proposed to the shareholders' meeting to authorize the Chairman of the Company or personnel designated by the Chairman to manage matters related to the private placement of ordinary shares.
9. It is hereby proposed to shareholders for making the decision.

Resolution:

The eighth case (Proposed by Board of Directors)

Cause: Re-election of all Directors.

Explanation:

1. The term of the current Directors and Supervisors shall expire on June 21, 2020, and re-election of all Directors shall be carried out at the Shareholders' Meeting. The term of the current Directors and Supervisors shall end at the completion of the 2020 Shareholders' Meeting.
2. According to the requirements under the Letter Jin-Guan-Zheng-Fa-Zi No. 10703452331 issued by the Financial Supervisory Commission on December 19, 2018, and Article 14-4 of the Securities and Exchange Act, the Company established an Audit Committee instead of Supervisors. The Audit Committee comprises of all Independent Directors.
3. Pursuant to Article 15 of the Articles of Association, the candidate's nomination system will be adopted for the election of seven Directors (including 3 Independent Directors) shall be elected, for a term of three years, from June 24, 2020 to June 23, 2023.
4. The election of Directors shall be managed according to the requirements under Article 192-1 of the Company Act and Article 15 of the Articles of Association, and the candidate's nomination system shall be adopted. The list of Director Candidates has been reviewed and passed by the Board of Directors of the Company on May 12, 2020. It is hereby specified relevant information as follows:

Type of Nominee	Name of Nominee	Education	Experience	Current Title	Number of Shares Held (Unit: Share)
Director	EGTRAN CORPORATION Representative: CHEN, STEVE	LL.D., Law School, Harvard University	Chairman of eGtran Corp. Chairman of Gtran Inc. Director of FlipChip International Inc. Director of Spatial Digital Systems Inc. Director of SHC Consolidated Investors LLC Chairman of TriMax & Companies, LLC Chairman of DNA Asset Management LLC Director of StemBios Tech Independent Director of Sercomm Corporation	Chairman of Ezconn Corporation Chairman of eGtran Corp. Chairman of Gtran Inc. Director of FlipChip International Inc. Director of Spatial Digital Systems Inc. Director of SHC Consolidated Investors LLC Chairman of TriMax & Companies, LLC Chairman of Oak Analytics Inc. Director of StemBios Tech Independent Director of Sercomm Corporation	3,565,741
Director	SHC CONSOLIDATED INVESTORS LLC Representative: KO,	Department of Accountancy, National Cheng Kung University	Founder of Ernst & Young Director of eGtran Corp. Independent Director of Avermedia Technologies, Inc.	Supervisor of Ezconn Corporation Supervisor of Formosan United	2,175,812

	YUAN-YU		Supervisor of Tung Ho Steel Enterprise Corp. Supervisor of First Life Insurance Co., Ltd.	Corporation Supervisor of Knowledge Sharing Technology Inc.	
Director	TRANSNATIONAL INVESTMENT LIMITED Representative: LAN, CHING-YING	Photoelectric Industrial R&D Master's Program, National Taipei University of Technology	Chief of the R&D Engineering Division, Ezconn Corporation	Product Line Manager of Ezconn Corporation	1,562,602
Director	Jia Jiu Investment Co., Ltd. Representative: CHANG, YING-HUA	Department of Accountancy and Statistics, Hsing Wu Business School	Director and Executive Vice President of Ezconn (Ningbo) Corporation	President of Ezconn Corporation Director of Ezconn (Ningbo) Corporation	840,000
Independent Director	PENG, HSIEH-JU	EMBA, National Chiao Tung University	Chief Financial Officer of Entire Technology Co., Ltd.	Vice President of Enflex Corporation Independent Director of Eurocharm Holdings Co., Ltd. Independent Director of Ezconn Corporation Member of the Remuneration Committee, Ezconn Corporation	9,683
Independent Director	CHIU, ERH-TE	Ph.D. in Physics, California Institute of Technology	Professor at the Institute of Biophotonics and the Head of Biophotonics Interdisciplinary Research Center, National Yang-Ming University	Emeritus Professor and Adjunct Professor at National Yang-Ming University Adjunct Professor at National Cheng Kung University Adjunct Professor at National Taiwan Normal University	-
Independent Director	HUANG, HUI-WEN	EMBA, National Taiwan University	Dean of the Taipei Medical University Office of Business Development President of Taipei Medical International Biotechnology Co., Ltd. Ji Zhi Hospital Management Consultancy Co., Ltd. President of Lu Xing Business Co., Ltd.	President of Calgent Biotechnology Co., Ltd. Special Assistant for the President of Taipei Medical University President of Diligent Biotechnology Inc. President of Taipei Shi Da Pharmaceutical Biotechnology Co., Ltd.	-

5. It is hereby proposed to shareholders for making the decision.

Making The Election

Resolution:

The ninth case (Proposed by Board of Directors)

Cause: The release of non-competition restrictions on newly elected directors.

Explanation:

1. It is handled pursuant to Paragraph 1, Article 209 of Company Act, "For the behavior of Director conducted for himself/herself or other people within the business scope of the Company, important contents of such behavior shall be described to the Shareholders' Meeting to acquire the permission."
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:

Title	Name	Current Post in Other Companies
Director	CHEN, STEVE	Chairman of eGtran Corp. Chairman of Gtran Inc. Director of FlipChip International Inc. Director of Spatial Digital Systems Inc. Director of SHC Consolidated Investors LLC Chairman of TriMax & Companies, LLC Chairman of DNA Asset Management LLC Director of StemBios Tech Independent Director of Sercomm Corporation
Director	KO, YUAN-YU	Supervisor of Formosan United Corporation Supervisor of Knowledge Sharing Technology Inc.
Director	CHANG, YING-HUA	Director of Light Mater Technology (Ningbo) INC.
Independent Director	PENG, HSIEH-JU	Vice President of Enflex Corporation Independent Director of Eurocharm Holdings Co., Ltd. Supervisor of Entire Technology (Shenzhen) Co., Ltd. Director of ICometrue Company Limited. Independent Director of Wafer Works (Shanghai) Corporation.
Independent Director	HUANG, HUI-WEN	President of Calgent Biotechnology Co., Ltd. Special Assistant for the President of Taipei Medical University President of Diligent Biotechnology Inc. President of Taipei Shi Da Pharmaceutical Biotechnology Co., Ltd.

3. It is hereby proposed to shareholders for making the decision.

Resolution:

Ad Hoc Motion

Adjournment

Attachment 1

Business Report

I. Business conditions in 2019

(I) Results of implementing the business plan

In 2019, the consolidated net operating income is NT\$2,424,158 thousand, representing a year-on-year decrease of 14%, and the consolidated operating margin is 14.34%, representing a year-on-year decrease of 3%, the consolidated net operating loss is NT\$19,485 thousand, the consolidated net loss after tax is NT\$19,278 thousand, the consolidated losses per share after tax is NT\$0.28. The net value per share is NT\$28.21.

(II) Financial revenue and expenditure and profitability analysis

1. Financial revenue and expenditure

In 2019, the consolidated net operating income was NT\$2,424,15 thousand, reduced by NT\$380,948 thousand compared with the NT\$2,805,106 thousand in 2018. In the aspect of earnings, in 2019, the consolidated net loss after tax is NT\$19,278 thousand, reduced by NT\$173,673 thousand compared with the NT\$154,395 thousand in 2018.

2. Profitability analysis

Analysis item		2018	2019	
Profitability analysis	Return on assets (%)	4.99%	-0.52%	
	Return on equity (%)	7.35%	-0.95%	
	Proportion in paid-up capital (%)	Operating profit	18.71%	-2.81%
		Net profit before tax	31.20%	-0.90%
	Net profit ratio (%)	5.50%	-0.80%	
	Basic earnings per share (NT\$)	2.23	(0.28)	

Notes: It is calculated according to the consolidated financial statement in 2019.

(III) R&D status

A. 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 responding 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 product's 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.

B. Optical Communications Business Group

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, the products developed include the XG-PON BOSA onboard 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 the data center application, there are QSFP-SR4 AOC and transceiver modules 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 a single long-distance 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 2020 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 costs.

(II) Business target

1. High-frequency Connector Business Group

The target of the expected business sales volume is 210,873,558 items.

2. Optical Communications Business Group

The target of the expected business sales volume is 33,051,057 items.

(III) Important production and sales policies

1. Production policy: continuous optimization of the 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 effort 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 Business Group

It is set with a 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 Communications Business Group

In the long-term development strategy, the Company will improve internal technical competence towards the extension of vertical integration and develop products towards market diversification according to market and technology trends. The Company will keep up with the driving factors for the market, such as the effect of the application of 5G wireless internet, data center, cloud, and edge computing on demand for high-speed transceivers. Furthermore, the Company would extend the opportunities of photoelectric fabrication technologies in other application markets, such as laser scanning and medical fields. The cultivation and acquisition of new technologies will be made through technical cooperation with domestic and overseas customers and domestic research institutions in relevant industries. The Company will establish stable and competitive product technologies. Regarding

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.

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

Due to the continual trade war between China and the U.S. 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 effort 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 ZHANG, YING-HUA

Accounting Supervisor CHUANG, KUO-AN

Attachment 2

EZconn Corporation 2019 Supervisor's Audit Report

Among the 2019 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 the consolidated financial statement has been jointly audited by JEFF CHEN and HUANG, HSIU-CHUN, 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 2020 General Meeting

Supervisor: KO, YUAN-YU (Signature)

Supervisor: CHIEN, CHIH-CHENG (Signature)

Supervisor: LAI, WEN-HSIEN (Signature)

March 20, 2020

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, 2019 and 2018, 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, 2019 and 2018, 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 audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing, and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the financial statements for the year ended December 31, 2018 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, 2019. 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 of the Company's financial statements for the year ended December 31, 2019 are stated as follows:

Impairment of Trade Receivables

As of December 31, 2019, the Company's trade receivables, which are presented in New Taiwan dollars ("NT\$"), amounted to NT\$392,086 thousand (net of allowance for impairment loss of NT\$132,904 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 9 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, 2019, the Company's inventories amounted to NT\$309,682 thousand (net of provision for inventory value decline of NT\$94,896 thousand). Please refer to Notes 4, 5 and 10 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, due to 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, 2019 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 Chun-Hung Chen and Hsiu-Chun Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 20, 2020

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, 2019 AND 2018

(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 745,091	25	\$ 880,592	27
Financial assets at amortized cost - current (Notes 4 and 8)	12,892	1	13,426	-
Notes receivable from unrelated parties (Notes 4, 5 and 9)	1,455	-	2,109	-
Trade receivables from unrelated parties (Notes 4, 5 and 9)	392,086	13	557,015	17
Trade receivables from related parties (Notes 4, 5, 9 and 27)	57	-	7	-
Other receivables (Notes 4, 5 and 9)	12,323	-	13,921	1
Current tax assets (Notes 4 and 23)	-	-	1,690	-
Inventories (Notes 4, 5 and 10)	309,682	10	407,290	12
Prepayments and other current assets	<u>2,786</u>	-	<u>1,814</u>	-
Total current assets	<u>1,476,372</u>	<u>49</u>	<u>1,877,864</u>	<u>57</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	37,715	1	42,018	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 28)	2,225	-	2,202	-
Investments accounted for using equity method (Notes 4 and 11)	941,519	32	1,167,077	35
Property, plant and equipment (Notes 4, 12 and 27)	393,593	13	121,173	4
Right-of-use assets (Notes 3, 4 and 13)	43,036	2	-	-
Intangible assets (Notes 4 and 14)	4,035	-	6,957	-
Deferred tax assets (Notes 4, 5 and 23)	89,804	3	79,992	3
Prepayments for equipment	9,596	-	2,122	-
Refundable deposits	<u>3,206</u>	-	<u>3,038</u>	-
Total non-current assets	<u>1,524,729</u>	<u>51</u>	<u>1,424,579</u>	<u>43</u>
TOTAL	<u>\$ 3,001,101</u>	<u>100</u>	<u>\$ 3,302,443</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	\$ 390,000	13	\$ 220,000	7
Notes payable (Note 16)	324	-	379	-
Trade payables to unrelated parties (Note 16)	183,575	6	342,122	10
Trade payables to related parties (Notes 16 and 27)	158,912	5	291,155	9
Other payables (Notes 17 and 27)	79,329	3	118,992	4
Current tax liabilities (Notes 4 and 23)	16,741	1	-	-
Provisions - current (Notes 4 and 18)	8,055	-	8,055	-
Lease liabilities - current (Notes 3, 4, 13 and 27)	11,424	-	-	-
Other current liabilities (Notes 4 and 21)	<u>56,618</u>	<u>2</u>	<u>44,810</u>	<u>1</u>
Total current liabilities	<u>904,978</u>	<u>30</u>	<u>1,025,513</u>	<u>31</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 23)	47,604	2	86,597	3
Lease liabilities - non-current (Notes 3, 4, 13 and 27)	31,783	1	-	-
Net defined benefit liabilities (Notes 4 and 19)	61,411	2	71,566	2
Guarantee deposits received	<u>400</u>	-	<u>400</u>	-
Total non-current liabilities	<u>141,198</u>	<u>5</u>	<u>158,563</u>	<u>5</u>
Total liabilities	<u>1,046,176</u>	<u>35</u>	<u>1,184,076</u>	<u>36</u>
EQUITY (Notes 4 and 20)				
Ordinary shares	693,000	23	660,000	20
Capital surplus	234,872	8	234,872	7
Legal reserve	233,370	8	217,931	7
Special reserve	64,280	2	50,573	1
Unappropriated earnings	832,383	28	1,019,271	31
Other equity	<u>(102,980)</u>	<u>(4)</u>	<u>(64,280)</u>	<u>(2)</u>
Total equity	<u>1,954,925</u>	<u>65</u>	<u>2,118,367</u>	<u>64</u>
TOTAL	<u>\$ 3,001,101</u>	<u>100</u>	<u>\$ 3,302,443</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, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings/(Loss) Per Share)

	2019		2018	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 5, 21 and 27)	\$ 2,173,335	100	\$ 2,494,537	100
COST OF REVENUE (Notes 10, 19, 22 and 27)	<u>1,941,986</u>	<u>89</u>	<u>2,160,471</u>	<u>87</u>
GROSS PROFIT	<u>231,349</u>	<u>11</u>	<u>334,066</u>	<u>13</u>
OPERATING EXPENSES (Notes 9, 19, 22 and 27)				
Selling and marketing expenses	58,452	3	57,273	2
General and administrative expenses	92,104	4	144,804	6
Research and development expenses	<u>108,161</u>	<u>5</u>	<u>110,005</u>	<u>5</u>
Total operating expenses	<u>258,717</u>	<u>12</u>	<u>312,082</u>	<u>13</u>
OTHER OPERATING INCOME AND EXPENSES (Note 9)	<u>-</u>	<u>-</u>	<u>64,841</u>	<u>3</u>
(LOSS)/PROFIT FROM OPERATIONS	<u>(27,368)</u>	<u>(1)</u>	<u>86,825</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11 and 22)				
Other income	11,163	-	10,923	-
Other gains and losses	(11,091)	(1)	40,477	2
Share of profit or loss of subsidiaries	18,695	1	52,258	2
Finance costs	<u>(3,586)</u>	<u>-</u>	<u>(2,262)</u>	<u>-</u>
Total non-operating income and expenses	<u>15,181</u>	<u>-</u>	<u>101,396</u>	<u>4</u>
(LOSS)/PROFIT BEFORE INCOME TAX	(12,187)	(1)	188,221	7
INCOME TAX EXPENSE (Notes 4, 5 and 23)	<u>7,091</u>	<u>-</u>	<u>33,826</u>	<u>1</u>
NET (LOSS)/PROFIT FOR THE YEAR	<u>(19,278)</u>	<u>(1)</u>	<u>154,395</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME /(LOSS) (Notes 4, 7, 19 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(8,080)	-	3,332	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(4,303)	-	(3)	-

(Continued)

EZCONN CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings/(Loss) Per Share)

	2019		2018	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>2,476</u>	<u>-</u>	<u>(400)</u>	<u>-</u>
	<u>(9,907)</u>	<u>-</u>	<u>2,929</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(44,072)	(2)	(20,731)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>8,815</u>	<u>-</u>	<u>3,980</u>	<u>-</u>
	<u>(35,257)</u>	<u>(2)</u>	<u>(16,751)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(45,164)</u>	<u>(2)</u>	<u>(13,822)</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<u>\$ (64,442)</u>	<u>(3)</u>	<u>\$ 140,573</u>	<u>6</u>
(LOSS)/EARNINGS PER SHARE (Note 24)				
Basic	<u>(\$ 0.28)</u>		<u>\$ 2.23</u>	
Diluted	<u>(\$ 0.28)</u>		<u>\$ 2.22</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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	Share Capital (Note 20)		Capital Surplus (Note 20)	Retained Earnings (Notes 20)			Other Equity (Notes 4 and 20)		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, 2018	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 AS RESTATED	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
Appropriation of 2018 earnings											
Legal reserve	-	-	-	15,439	-	(15,439)	-	-	-	-	-
Special reserve	-	-	-	-	13,707	(13,707)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(99,000)	(99,000)	-	-	-	(99,000)
Share distributed by the Company	3,300	33,000	-	-	-	(33,000)	(33,000)	-	-	-	-
Net loss for the year ended December 31, 2019	-	-	-	-	-	(19,278)	(19,278)	-	-	-	(19,278)
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(6,464)	(6,464)	(35,257)	(3,443)	(38,700)	(45,164)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	(25,742)	(25,742)	(35,257)	(3,443)	(38,700)	(64,442)
BALANCE AT DECEMBER 31, 2019	69,300	\$ 693,000	\$ 234,872	\$ 233,370	\$ 64,280	\$ 832,383	\$ 1,130,033	\$ (102,581)	\$ (399)	\$ (102,980)	\$ 1,954,925

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

EZCONN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/income before income tax	\$ (12,187)	\$ 188,221
Adjustments for:		
Depreciation expenses	50,175	32,033
Amortization expenses	5,239	6,778
Expected credit loss reversed on trade receivables	(949)	(65,772)
Finance costs	3,586	2,262
Interest income	(11,091)	(10,396)
Share of profit of subsidiaries	(18,695)	(52,258)
(Gain)/loss on disposal of property, plant and equipment	(115)	709
Write-downs of inventories	2,912	2,255
Changes in operating assets and liabilities		
Notes receivable	654	1,760
Trade receivables from unrelated parties	165,878	(53,274)
Trade receivables from related parties	(50)	33
Other receivables	887	(2,222)
Inventories	94,696	(103,462)
Prepayments and other current assets	(972)	846
Notes payable	(55)	(131,548)
Trade payables to unrelated parties	(158,547)	243,602
Trade payables to related parties	(132,243)	(11,987)
Other payables	(38,955)	25,026
Other current liabilities	11,808	(30,186)
Net defined benefit liability	(18,235)	(1,774)
Cash (used in)/generated from operations	(56,259)	40,646
Interest received	11,802	10,005
Interest paid	(3,512)	(2,316)
Income tax paid	(26,174)	(970)
Net cash (used in)/generated from operating activities	<u>(74,143)</u>	<u>47,365</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(16,298)	(33,042)
Proceeds from sale of financial assets at amortized cost	16,809	40,089
Proceeds from disposal of property, plant and equipment	13	-
Payments for property, plant and equipment	(316,744)	(30,088)
(Increase)/decrease in refundable deposits	(168)	150
Payments for intangible assets	(2,037)	(7,354)
Dividends received from subsidiaries	<u>200,302</u>	<u>-</u>
Net cash used in investing activities	<u>(118,123)</u>	<u>(30,245)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,500,000	2,410,000
Repayments of short-term borrowings	(2,330,000)	(2,410,000)

(Continued)

EZCONN CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Repayment of the principal of lease liabilities	\$ (14,235)	\$ -
Dividends paid to owners of the Company	<u>(99,000)</u>	<u>(132,000)</u>
Net cash generated from (used in) financing activities	<u>56,765</u>	<u>(132,000)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(135,501)	(114,880)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>880,592</u>	<u>995,472</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 745,091</u>	<u>\$ 880,592</u>

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

(Conclude)

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, 2019 and 2018, 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, 2019 and 2018, 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 audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing, and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 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.

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Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Impairment of Trade Receivables

As of December 31, 2019, the Group's trade receivables, which are presented in New Taiwan dollars ("NT\$"), amounted to NT\$456,436 thousand (net of allowance for impairment loss of NT\$133,220 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 9 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, 2019, the Group's inventories amounted to NT\$460,526 thousand (net of provision for inventory value decline of NT\$142,043 thousand). Please refer to Notes 4, 5 and 10 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, due to 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, 2019 and 2018 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, 2019 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 Chun-Hung Chen and Hsiu-Chun Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 20, 2020

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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,095,468	37	\$ 1,225,360	38
Financial assets at amortized cost - current (Notes 4 and 8)	59,606	2	61,357	2
Notes receivable (Notes 4, 5 and 9)	11,248	-	16,879	-
Trade receivables from unrelated parties (Notes 4, 5 and 9)	456,436	15	632,666	19
Trade receivables from related parties (Notes 4, 5, 9 and 28)	57	-	7	-
Other receivables (Notes 4, 5 and 9)	16,154	1	18,516	1
Current tax assets (Notes 4 and 24)	3,893	-	1,690	-
Inventories (Notes 4, 5 and 10)	460,526	15	695,272	21
Prepayments and other current assets (Note 3, 13, and 15)	<u>12,201</u>	<u>1</u>	<u>19,140</u>	<u>1</u>
Total current assets	<u>2,115,589</u>	<u>71</u>	<u>2,670,887</u>	<u>82</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	37,715	1	42,018	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	2,225	-	2,202	-
Property, plant and equipment (Notes 4, 12 and 28)	637,785	21	395,581	12
Right-of-use assets (Note 3, 4 and 13)	66,809	2	-	-
Intangible assets (Notes 4 and 14)	8,743	-	10,532	1
Deferred tax assets (Notes 4, 5 and 24)	103,585	4	91,549	3
Prepayments for equipment	13,305	1	3,997	-
Refundable deposits	3,326	-	3,163	-
Long-term prepayments for leases (Note 3, 13 and 15)	<u>-</u>	<u>-</u>	<u>23,353</u>	<u>1</u>
Total non-current assets	<u>873,493</u>	<u>29</u>	<u>572,395</u>	<u>18</u>
TOTAL	<u>\$ 2,989,082</u>	<u>100</u>	<u>\$ 3,243,282</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 390,000	13	\$ 220,000	7
Notes payable (Note 17)	324	-	379	-
Trade payables (Note 17)	252,267	9	483,545	15
Other payables (Note 18)	135,814	5	183,703	6
Current tax liabilities (Notes 4 and 24)	17,519	1	6,060	-
Provisions - current (Notes 4 and 19)	8,055	-	8,055	-
Lease liabilities - current (Note 3, 4 and 13)	12,364	-	-	-
Other current liabilities (Notes 4 and 22)	<u>68,668</u>	<u>2</u>	<u>56,551</u>	<u>2</u>
Total current liabilities	<u>885,011</u>	<u>30</u>	<u>958,293</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	47,604	2	86,597	3
Lease liabilities - non-current (Note 3, 4 and 13)	32,215	1	-	-
Net defined benefit liabilities (Notes 4 and 20)	61,411	2	71,566	2
Other non-current liabilities	<u>7,916</u>	<u>-</u>	<u>8,459</u>	<u>-</u>
Total non-current liabilities	<u>149,146</u>	<u>5</u>	<u>166,622</u>	<u>5</u>
Total liabilities	<u>1,034,157</u>	<u>35</u>	<u>1,124,915</u>	<u>35</u>
EQUITY (Notes 4 and 21)				
Ordinary shares	693,000	23	660,000	20
Capital surplus	234,872	8	234,872	7
Legal reserve	233,370	8	217,931	7
Special reserve	64,280	2	50,573	2
Unappropriated earnings	832,383	28	1,019,271	31
Other equity	<u>(102,980)</u>	<u>(4)</u>	<u>(64,280)</u>	<u>(2)</u>
Total equity	<u>1,954,925</u>	<u>65</u>	<u>2,118,367</u>	<u>65</u>
TOTAL	<u>\$ 2,989,082</u>	<u>100</u>	<u>\$ 3,243,282</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, 2019 AND 2018

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

	2019		2018	
	Amount	%	Amount	%
NET REVENUE (Notes 4, 5, 22 and 28)	\$ 2,424,158	100	\$ 2,805,106	100
COST OF REVENUE (Notes 10, 20 and 23)	<u>2,076,513</u>	<u>86</u>	<u>2,326,365</u>	<u>83</u>
GROSS PROFIT	<u>347,645</u>	<u>14</u>	<u>478,741</u>	<u>17</u>
OPERATING EXPENSES (Notes 9, 20, 23 and 28)				
Selling and marketing expenses	73,467	3	73,260	3
General and administrative expenses	167,725	7	218,398	8
Research and development expenses	<u>125,938</u>	<u>5</u>	<u>122,297</u>	<u>4</u>
Total operating expenses	<u>367,130</u>	<u>15</u>	<u>413,955</u>	<u>15</u>
OTHER OPERATING INCOME AND EXPENSES (Note 9)	<u>-</u>	<u>-</u>	<u>64,841</u>	<u>2</u>
(LOSS)/PROFIT FROM OPERATIONS	<u>(19,485)</u>	<u>(1)</u>	<u>129,627</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13 and 23)				
Other income	18,304	1	14,993	1
Other gains and losses	(1,295)	-	63,688	2
Finance costs	<u>(3,738)</u>	<u>-</u>	<u>(2,416)</u>	<u>-</u>
Total non-operating income and expenses	<u>13,271</u>	<u>1</u>	<u>76,265</u>	<u>3</u>
(LOSS)/PROFIT BEFORE INCOME TAX	(6,214)	-	205,892	7
INCOME TAX EXPENSE (Notes 4, 5 and 24)	<u>13,064</u>	<u>1</u>	<u>51,497</u>	<u>2</u>
NET (LOSS)/PROFIT FOR THE YEAR	<u>(19,278)</u>	<u>(1)</u>	<u>154,395</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 7, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(8,080)	-	3,332	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(4,303)	-	(3)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>2,476</u>	<u>-</u>	<u>(400)</u>	<u>-</u>

(Continued)

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

	2019		2018	
	Amount	%	Amount	%
	<u>(9,907)</u>	-	<u>2,929</u>	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(44,072)	(2)	(20,731)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>8,815</u>	-	<u>3,980</u>	-
	<u>(35,257)</u>	<u>(2)</u>	<u>(16,751)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(45,164)</u>	<u>(2)</u>	<u>(13,822)</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<u><u>\$ (64,442)</u></u>	<u>(3)</u>	<u><u>\$ 140,573</u></u>	<u>5</u>
(LOSS)/EARNINGS PER SHARE (Note 25)				
Basic	<u><u>\$ (0.28)</u></u>		<u><u>\$ 2.34</u></u>	
Diluted	<u><u>\$ (0.28)</u></u>		<u><u>\$ 2.33</u></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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

	Share Capital (Note 21)		Capital Surplus (Note 22)	Retained Earnings (Notes 21)			Other Equity (Notes 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 Comprehen- sive Income
BALANCE AT JANUARY 1, 2018	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 RESTATE	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 loss 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 AS RESTATE	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
Appropriation of 2018 earnings											
Legal reserve	-	-	-	15,439	-	(15,439)	-	-	-	-	-
Special reserve	-	-	-	-	13,707	(13,707)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(99,000)	(99,000)	-	-	-	(99,000)
Share dividends distributed by the Company	3,300	33,000	-	-	-	(33,000)	(33,000)	-	-	-	-
Net loss for the year ended December 31, 2019	-	-	-	-	-	(19,278)	(19,278)	-	-	-	(19,278)
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(6,464)	(6,464)	(35,257)	(3,443)	(38,700)	(45,164)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	(25,742)	(25,742)	(35,257)	(3,443)	(38,700)	(64,442)
BALANCE AT DECEMBER 31, 2019	69,300	\$ 693,000	\$ 234,872	\$ 233,370	\$ 64,280	\$ 832,383	\$ 1,130,033	\$ (102,581)	\$ (399)	\$ (102,980)	\$ 1,954,925

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

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/income before income tax	\$ (6,214)	\$ 205,892
Adjustments for:		
Depreciation expenses	87,789	67,170
Amortization expenses	5,658	7,158
Expected credit loss reversed on trade receivables	(949)	(65,772)
Amortization of prepayments for leases	-	707
Finance costs	3,738	2,416
Interest income	(16,701)	(13,710)
Loss on disposal of property, plant and equipment	195	1,736
Write-downs of inventories	14,053	2,255
Changes in operating assets and liabilities		
Notes receivable	5,631	12,660
Trade receivables from unrelated parties	180,474	(60,952)
Trade receivables from related parties	(50)	33
Other receivables	2,182	(3,500)
Inventories	222,607	(174,562)
Prepayments and other current assets	6,245	(7,525)
Notes payable	(55)	(131,548)
Trade payables	(231,278)	305,934
Other payables	(46,919)	21,416
Other current liabilities	12,117	(31,364)
Net defined benefit liability	(18,235)	(1,774)
Cash generated from operations	<u>220,288</u>	<u>136,670</u>
Interest received	16,881	13,320
Interest paid	(3,664)	(2,470)
Income tax paid	<u>(44,284)</u>	<u>(1,635)</u>
Net cash generated from operating activities	<u>189,221</u>	<u>145,885</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(79,686)	(97,929)
Proceeds from sale of financial assets at amortized cost	79,873	104,025
Payments for property, plant and equipment	(334,749)	(63,186)
Proceeds from disposal of property, plant and equipment	13	1,060
(Increase)/decrease in refundable deposits	(168)	160
Payments for intangible assets	<u>(3,753)</u>	<u>(9,185)</u>
Net cash used in investing activities	<u>(338,470)</u>	<u>(65,055)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,500,000	2,410,000
Repayments of short-term borrowings	(2,330,000)	(2,410,000)
Repayment of the principal portion of lease liabilities	(15,177)	-
Decrease in other non-current liabilities	(543)	(380)

(Continued)

EZCONN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Dividends paid to owners of the Company	<u>\$ (99,000)</u>	<u>\$ (132,000)</u>
Net cash generated from (used in) financing activities	<u>55,280</u>	<u>(132,380)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(35,923)</u>	<u>(11,467)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(129,892)	(63,017)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,225,360</u>	<u>1,288,377</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,095,468</u>	<u>\$ 1,225,360</u>

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

Attachment 4

EZconn Corporation /with stamp/ Surplus Distribution Statement 2019

Opening undistributed surplus	858,123,862
Actuarial gains (losses) listed into reserved surplus	(6,464,161)
Undistributed surplus after adjustment	<hr/> 851,659,701
Net loss of the term	(19,277,804)
Allocation of special surplus reserve pursuant to law	(38,700,513)
Distributable surplus of the term	<hr/> 793,681,384
Distribution item	
Cash dividend	(90,168,000)
Ending undistributed surplus	<hr/> <hr/> 703,513,384

Chairman: CHEN, STEVE
(seal)

Managerial officer: ZHANG,
YING-HUA (seal)

Accounting Supervisor:
CHUANG, KUO-AN (seal)

Attachment 5

EZconn Corporation Comparison Table on Amendments to the “Articles of Association”

Before amendment		After amendment	Basis of amendment
Article 3	The company sets the parent company in Taipei City, when necessary; the branch may be incorporated both at home and abroad with the board resolution and approval of the competent authority.	The company sets the parent company in New Taipei City, when necessary; the branch may be incorporated both at home and abroad with the board resolution and approval of the competent authority.	According to the reallocation of the parent company.
Chapter 4	Directors and Supervisors	Directors and Supervisors the Audit Committee	Deleted the term “supervisors” according to the establishment of the Audit Committee.
Article 15	<p>The Company sets five to nine directors and two to three supervisors with three years of the 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>Among the aforesaid seats of directors, the number of independent directors 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.</p> <p>Independent directors and non-independent directors shall be elected concurrently, and election quota will be calculated separately. The total shareholding ratio of all directors and supervisors of the Company 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 the 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>Among the aforesaid seats of directors, the number of independent directors 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>The total shareholding ratio of all directors and supervisors of the Company are subject to the regulations of securities regulatory authority.</p>	Deleted the term “supervisors” and relevant wordings according to the establishment of the Audit Committee.
Article 15-1	For the election of directors and supervisors, every share shall have the right to vote equivalent to the number	For the election of directors and supervisors , every share shall have the right to vote equivalent to the number of directors.	Deleted the term “supervisors”

	Before amendment	After amendment	Basis of amendment
	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.	and supervisors should be elected, it may elect one person intensively or elect several persons respectively, and the ones representing votes will be elected.	according to the establishment of the Audit Committee.
Article 16	<p>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 the 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, the Board of Directors shall convene the Interim Shareholders' Meeting within sixty days for the by-election.</p> <p>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.</p>	<p>When the director's number of vacancies reaches to one-third of the total number or all supervisors independent directors are removed, the Board of Directors shall convene the Interim Shareholders' Meeting within thirty days for the 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, the Board of Directors shall convene the Interim Shareholders' Meeting within sixty days for the by-election.</p> <p>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.</p> <p>When the term of the directors expire and by-election may be arranged in time, extend the directors' term of office until the assuming of office by the re-elected directors.</p>	Deleted the term "supervisors" and relevant wordings according to the establishment of the Audit Committee.
Article 17	<p>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.</p> <p>Each director and supervisor may be notified in writing, by email or fax when convening the Board of Directors Meeting.</p> <p>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 directors to attend, but one director can only represent one</p>	<p>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.</p> <p>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 directors to attend, but one director can only represent one other director.</p> <p>If a director attends the meeting via video, it shall be deemed as attending in person.</p>	Deleted the term "supervisors" according to the establishment of the Audit Committee.

	Before amendment	After amendment	Basis of amendment
	<p>other director. If a director attends the meeting via video, it shall be deemed as attending in person.</p>		
Article 19	<p>The supervisor set by the Company is responsible for supervising all businesses of the Company pursuant to laws and decrees. But after the 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.</p> <p>Regarding the headcount, the term of office, function, and power, rules of procedure, etc. of the Audit Committee, it shall be otherwise formulated in the Audit Committee Organizational Regulations pursuant to the Public Company Audit Committee Authority Exercising Measures.</p> <p>Functions and powers of the supervisor are as follows:</p> <ol style="list-style-type: none"> 1. Supervise the execution of corporate business. 2. Investigate the business and financial conditions of the company. 3. Audit all kinds of the book of tables or forms prepared by the Board of Directors and proposed to the Shareholders' Meeting. 4. Other functions and powers granted in accordance with the provisions of the Company Act. 	<p>The supervisor set by the Company is responsible for supervising all businesses of the Company pursuant to laws and decrees. But after the 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.</p> <p>Regarding the headcount, the term of office, function, and power, rules of procedure, etc. of the Audit Committee, it shall be otherwise formulated in the Audit Committee Organizational Regulations pursuant to the Public Company Audit Committee Authority Exercising Measures.</p> <p>Functions and powers of the supervisor are as follows:</p> <ol style="list-style-type: none"> 1. Supervise the execution of corporate business. 2. Investigate the business and financial conditions of the company. 3. Audit all kinds of the book of tables or forms prepared by the Board of Directors and proposed to the Shareholders' Meeting. 4. Other functions and powers granted in accordance with the provisions of the Company Act. <p>The Company established its Audit Committee according to Article 14-4 of the Securities and Exchange Act, which comprised of all Independent Directors.</p> <p>The Committee is responsible for executing the function of supervisors required by the Company Act, the Securities and Exchange Act, and other laws and regulations. Members, the exercise of functions, and other matters of the Audit Committee to be observed shall comply with relevant laws and regulations, and the organization regulation shall be otherwise formulated</p>	State the composition of the Company’s Audit Committee.

Before amendment		After amendment	Basis of amendment
		<p>by the Board of Directors. To strengthen the supervisory function and reinforce the management mechanisms, other functional committees may be established in due course according to the requirements of the Company.</p>	
Article 20	For the 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 the contribution to the company operation and by referring to the normal standard of the industry. When surplus is available, compensation will be otherwise distributed according to the provisions of Article 24 hereof.	For the 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 the contribution to the company operation and by referring to the normal standard of the industry. When surplus is available, compensation will be otherwise distributed according to the provisions of Article 24 hereof.	Deleted the term “supervisors” according to the establishment of the Audit Committee.
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 according to the legal process. (1) Business report; (2) Financial statements; and (3) Surplus distribution or loss off-setting proposals.	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 according to the legal process. (1) Business report; (2) Financial statements; and (3) Surplus distribution or loss off-setting	Deleted the term “supervisors” according to the establishment of the Audit Committee.
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	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 the competent authority, then it will be accumulated into the	Deleted the term “supervisors” according to the establishment of the Audit Committee.

	Before amendment	After amendment	Basis of amendment
	<p>pursuant to laws and decrees or regulations of the 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.</p> <p>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.</p>	<p>undistributed surplus, and Board of Directors may prepare surplus distribution proposal to propose to Shareholders' Meeting for distribution of reservation per resolution.</p> <p>If the Company had accumulated losses in the 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.</p>	
Article 28	<p>These Articles of Association was concluded on August 21, 1996.</p> <p>The first amendment was made on December 9, 2002.</p> <p>The second amendment was made on December 24, 2002.</p> <p>The third amendment was made on June 30, 2003.</p> <p>The fourth amendment was made on June 30, 2004.</p> <p>The fifth amendment was made on August 1, 2005.</p> <p>The sixth amendment was made on September 3, 2007.</p> <p>The seventh amendment was made on November 15, 2012.</p> <p>The eighth amendment was made on December 7, 2012.</p> <p>The ninth amendment was made on May 13, 2013.</p> <p>The tenth amendment was made on May 15, 2015.</p> <p>The eleventh amendment was made on June 21, 2016.</p>	<p>These Articles of Association was concluded on August 21, 1996.</p> <p>The first amendment was made on December 9, 2002.</p> <p>The second amendment was made on December 24, 2002.</p> <p>The third amendment was made on June 30, 2003.</p> <p>The fourth amendment was made on June 30, 2004.</p> <p>The fifth amendment was made on August 1, 2005.</p> <p>The sixth amendment was made on September 3, 2007.</p> <p>The seventh amendment was made on November 15, 2012.</p> <p>The eighth amendment was made on December 7, 2012.</p> <p>The ninth amendment was made on May 13, 2013.</p> <p>The tenth amendment was made on May 15, 2015.</p> <p>The eleventh amendment was made on June 21, 2016.</p> <p>The twelfth amendment was made on June 10, 2019.</p> <p>The thirteenth amendment was made on June 24, 2020.</p>	<p>Added the date and times of amendment.</p>

Attachment 6

EZconn Corporation

Comparison Table on Amendments to the “Director and Supervisor Election Measures”

Before amendment	After amendment	Basis of amendment
Director and Supervisor Election Measures	Director and Supervisor Election Measures	The Company has established the Audit Committee to replace the function of supervisors.
<p>Article 1</p> <p>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.</p>	<p>Article 1</p> <p>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.</p>	The Company has established the Audit Committee to replace the function of supervisors.
<p>Article 3</p> <p>The supervisor of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1. Integrity and dependability. 2. Unbiased judgment. 3. Professional knowledge. 4. Rich experience. 5. Ability to read financial statements. <p>Apart from meeting the conditions mentioned in the preceding paragraph, among all supervisors of the Company, there shall be at least one supervisor is the professional accounting or financial personnel.</p>	<p>Article 3</p> <p>The supervisor of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1. Integrity and dependability. 2. Unbiased judgment. 3. Professional knowledge. 4. Rich experience. 5. Ability to read financial statements. <p>Apart from meeting the conditions mentioned in the preceding paragraph, among all supervisors of the Company, there shall be at least one supervisor is the professional accounting or financial personnel.</p>	Deleted
<p>Article 4</p> <p>Qualifications and the 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.</p>	<p>Article 4</p> <p>Qualifications and the 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. Among all independent directors of the Company, there shall be at least one independent director is the professional accounting or financial personnel.</p>	In accordance with the qualification stated in the organization regulations of the Audit Committee established by the Company.
<p>Article 5</p> <p>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</p>	<p>Article 5</p> <p>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</p>	Wording adjustment made according to the candidate nomination system adopted for the election system of the Company.

<p>will elect the independent directors according to the List of Independent Director Candidates.</p>	<p>will elect the independent directors according to the List of Independent Director Candidates. The Company adopted a candidate nomination system for the election of its Directors, and the directors shall be elected from the List of Director Candidates at the shareholders' meeting according to the Articles of Association.</p>	
<p style="text-align: center;">Article 6</p> <p>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 certificates of attendance, distribute them to shareholders attending Shareholders' Meeting.</p>	<p style="text-align: center;">Article 6</p> <p>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 certificates of attendance, distribute them to shareholders attending Shareholders' Meeting.</p>	<p>The Company adopts the candidate nomination system stated in Article 192-1 of the Company Act for the election of directors.</p> <p>The Company has established the Audit Committee to replace the function of supervisors.</p>
<p style="text-align: center;">Article 7</p> <p>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.</p>	<p style="text-align: center;">Article 7</p> <p>According to the quota specified in Articles of Association for directors and supervisors of the Company, the election rights for independent directors and non-independent directors shall be calculated separately, and they 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.</p>	<p>The Company has established the Audit Committee to replace the function of supervisors.</p>

<p style="text-align: center;">Article 11</p> <p>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.</p>	<p style="text-align: center;">Article 11</p> <p>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 and their weight in the election on the spot.</p>	<p>The Company has established the Audit Committee to replace the function of supervisors.</p>
<p style="text-align: center;">Article 12</p> <p>Board of Directors of the Company will issue the notice of election to the elected directors and supervisors.</p>	<p style="text-align: center;">Article 12</p> <p>Board of Directors of the Company will issue the notice of election to the elected directors and supervisors.</p>	<p>The Company has established the Audit Committee to replace the function of supervisors.</p>
	<p style="text-align: center;">Article 14:</p> <p style="text-align: center;">These Measures will be implemented after the approval of Shareholders' Meeting, and the same shall apply upon amendment. The first amendment was made on June 24, 2020.</p>	<p style="text-align: center;">Added the date and times of amendment.</p>

Attachment 7

EZconn Corporation

Comparison Table on Amendments to the “Rules of Procedure for Shareholders' Meetings”

Before amendment	After amendment	Basis of amendment
<p style="text-align: center;">Article 3</p> <p>Unless otherwise prescribed by laws and decrees, Shareholders' Meeting of the Company shall be convened by the Board of Directors.</p> <p>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.</p> <p>Notice and announcement shall specify the subject of convocation; if agreed by the counterpart, the notice may be served in electronic way.</p> <p>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.</p> <p>Shareholders holding more than one percent of the 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, the 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</p>	<p style="text-align: center;">Article 3</p> <p>Unless otherwise prescribed by laws and decrees, Shareholders' Meeting of the Company shall be convened by the Board of Directors.</p> <p>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.</p> <p>Notice and announcement shall specify the subject of convocation; if agreed by the counterpart, the notice may be served in electronic way.</p> <p>Appointment or dismissal of a director or supervisor; amendment to Articles of Association; capital decrease; application for the suspension of the public offering; permission for the competition in the business of Directors; surplus capitalization, reserve capitalization; company dissolution, merge or division; or matters prescribed in each subparagraph of Paragraph 1, Article 185 of Company Act; matters in Article 26-1, Article 43-6 of Securities Exchange Act shall be listed in the subject of convocation; a summary shall be provided; and shall not be proposed as an Ad Hoc Motion. The summary may be uploaded to the websites designated by the competent authority for securities affairs or by the Company, and the link to the website shall be set out in the notice. The reason for convening the shareholders' meeting has set out the full re-election of Directors and the date of assuming office. After the completion of re-election at the shareholders' meeting, the date of</p>	<p style="text-align: center;">Amended paragraph 3 according to the amendments to paragraph 5, Article 172 of the Company Act.</p>

<p>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.</p> <p>The Company shall notify the proposing shareholder the handling results 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, the Board of Directors shall describe the reasons therefor in the Shareholders' Meeting.</p>	<p>assuming office may not be changed through Ad Hoc Motion or in other manners at the same meeting.</p> <p>Shareholders holding more than one percent of the 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. However, where the recommendation provided by the shareholder is to promote the public benefits or fulfill the social responsibility, the Board of Directors may include the recommendation 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, the Board of Directors will not include it in the proposal.</p> <p>The Company shall announce the accepted motion of shareholders, acceptance manner in writing or electronically, 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.</p> <p>The Company shall notify the proposing shareholder the handling results 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, the Board of Directors shall describe the reasons therefor in the Shareholders' Meeting.</p>	
<p style="text-align: center;">Article 6</p> <p>The Company shall set an autograph book for attending shareholder or the agent entrusted by shareholders (hereinafter referred to as shareholder) to sign in, or the attending shareholder may submit the sign card instead of sign in. The attending shares shall be calculated according to the autograph book or the sign card submitted, plus the shares exercising the voting right in writing or electronic way.</p>	<p style="text-align: center;">Article 6</p> <p>The Company shall set an autograph book for attending shareholder or the agent entrusted by shareholders (hereinafter referred to as shareholder) to sign in, or the attending shareholder may submit the sign card instead of sign in. The attending shares shall be calculated according to the autograph book or the sign card submitted, plus the shares exercising the voting right in writing or electronic way.</p>	<p>Deleted the term “supervisors” according to the establishment of the Audit Committee.</p>

<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>The Company shall set out the time for accepting sign-in for shareholders, venue for sign-in, and other matters for notice in the meeting notice. The accepted shareholder's reporting time in the previous paragraph 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.</p> <p>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.</p> <p>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.</p> <p>When a shareholder is the government or legal person, representative attending Shareholders' Meeting is not limited to one person.</p> <p>When a legal person is entrusted to attend Shareholders' Meeting, it may only assign one representative to attend.</p>	
<p style="text-align: center;">Article 10</p> <p>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.</p> <p>If the Shareholders' Meeting is convened by other entitled convenor other than the Board of Directors, the provisions in preceding paragraph shall apply.</p> <p>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</p>	<p style="text-align: center;">Article 10</p> <p>If the Shareholders' Meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors, the relevant proposal (including ad hoc motion and amendments to the original proposals) shall be determined by vote on a case-by-case basis, the meeting shall be proceeded according to the scheduled agenda, and it shall not be changed unless by the resolution of Shareholders' Meeting.</p> <p>If the Shareholders' Meeting is convened by other entitled convenor other than the Board of Directors, the provisions in preceding paragraph shall apply.</p> <p>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</p>	<p>To accord with the e-voting adopted for all listed companies from 2018 and implement the spirit of voting on a case-by-case basis.</p> <p>To avoid the convenor of the shareholders' meeting overly limited the voting time for shareholders, affecting shareholders' right to vote due to not being able</p>

<p>pursuant to legal procedure to continue the meeting.</p> <p>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.</p>	<p>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.</p> <p>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, and sufficient time shall be arranged for voting.</p>	<p>to vote in time.</p>
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Omitted below.</p>	<p>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.</p> <p>Upon convening Shareholders' Meeting, the Company shall may exercise its voting right in electronic way, and 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.</p> <p>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.</p> <p>Omitted below.</p>	<p>To accord with the e-voting adopted for all listed companies from 2018.</p>
<p>Article 14</p> <p>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</p>	<p>Article 14</p> <p>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</p>	<p>Deleted the term "supervisors" according to the establishment of the Audit Committee.</p>

<p>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.</p>	<p>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.</p>	
<p style="text-align: center;">Article 15</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p style="text-align: center;">Article 15</p> <p>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.</p> <p>The minutes shall be recorded actually according to the meeting date, location, name of chairperson, resolution method, essentials of discussion process and its voting results (including statistical weight); where there is a director election, it shall also set out the weight of the receiving vote. During the duration of the Company, it shall be kept permanently</p> <p>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.</p>	<p>To implement the spirit of voting on a case-by-case basis, with reference to the recommendation from ACGA.</p>
<p>Article 20: Amendment dates of these Rules of Procedure:</p> <p>These Rules of Procedure 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 22, 2017.</p>	<p>Article 20: Amendment dates of these Rules of Procedure:</p> <p>These Rules of Procedure 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 22, 2017.</p> <p>The third amendment was made on June 24, 2020.</p>	<p>Added the date and times of amendment.</p>

Attachment 8

EZconn Corporation

Comparison Table on Amendments to the “Procedures for Acquisition or Disposal of Assets”

Article/Chapter	Before amendment	After amendment	Basis of amendment
Article 8	<p>Procedures for related party transaction: (Omitted below)</p> <p>(VIII) Regular evaluation method, abnormal situation handling and supervision:</p> <p>1. The hedge-purposed transaction shall be evaluated at least twice a month, and the evaluation shall be submitted to the President.</p> <p>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.</p> <p>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, <u>when the independent director has already been set</u>, the independent director shall attend the Board of Directors Meeting to express opinions.</p> <p>(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</p>	<p>Procedures for related party transaction: (Omitted below)</p> <p>(VIII) Regular evaluation method, abnormal situation handling and supervision:</p> <p>1. The hedge-purposed transaction shall be evaluated at least twice a month, and the evaluation shall be submitted to the President.</p> <p>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.</p> <p>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, the independent director shall attend the Board of Directors Meeting to express opinions.</p> <p>(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</p>	<p>Amended according to the establishment of the Audit Committee.</p>

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p>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.</p> <p>(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><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></p> <p><u>If the Audit Committee has been set pursuant to Securities Exchange Act, the provisions on the supervisor in paragraph 1 shall apply to the Audit Committee.</u></p>	<p>reference, unless otherwise prescribed by other laws, the transaction certification shall be kept for at least 5 years.</p> <p>(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 <u>the Audit Committee</u> in case of major violation is found.</p>	
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 or its right-of-use assets from the related party, or the acquisition or disposal of other assets other than real estate or its right-of-use assets 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</p>	<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 or its right-of-use assets from the related party, or the acquisition or disposal of other assets other than real estate or its right-of-use assets 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</p>	Amended according to the establishment of the Audit Committee.

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p>for transactions of purchase or sale of domestic 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 <u>for approval and to the supervisor for ratification</u> 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 or its right-of-use assets 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. <p>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 <u>passed by Board of Directors and acknowledged by supervisor</u> pursuant to these Procedures may be excluded.</p> <p>For the following transactions engaged between the Company and</p>	<p>for transactions of purchase or sale of domestic 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 <u>the Audit Committee for approval and submitted to the Board of Directors for resolution</u> 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 or its right-of-use assets 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. <p>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 agreed by the Audit Committee and submitted to the Board of Directors <u>for resolution</u> pursuant to these Procedures may be excluded.</p>	

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p>parent company, subsidiaries, or the subsidiaries in which the Company directly or indirectly holds one hundred percent of outstanding shares or total capital, 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) Acquisition or disposal of equipment or its right-of-use assets for business use.</p> <p>(2) Acquisition or disposal of real estate right-of-use assets for business use.</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 <u>shall be acknowledged by the supervisor according to the provisions of this paragraph</u> 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 or its right-of-use assets 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</p>	<p>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, 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) Acquisition or disposal of equipment or its right-of-use assets for business use.</p> <p>(2) Acquisition or disposal of real estate right-of-use assets for business use.</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 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 or its right-of-use assets 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</p>	

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p>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 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 or lease 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 or its right-of-use assets from the related party, apart from assessing on the real estate or its right-of-use assets 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 or its right-of-use assets 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 or its right-of-use assets due to inheritance or bestowal. 2. The related party has acquired the real estate or its right-of-use assets by contract conclusion for over five years according to the contract date of this transaction. 	<p>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 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 or lease 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. Provided any one of the following circumstances, for acquisition of real estate or its right-of-use assets 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 or its right-of-use assets due to inheritance or bestowal. 2. The related party has acquired the real estate or its right-of-use assets 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. The acquisition of real estate right-of-use assets for business use 	

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p>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> <p>4. 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.</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</p>	<p>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.</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 or lease practice.</p> <p>2. For the real estate purchased from the related party or the real estate right-of-use assets acquired by lease as proved by the Company, its transaction conditions are equivalent to the transaction cases with other non-related parties in adjacent regions</p>	

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p>differences in real estate transaction or lease practice.</p> <p>2. For the real estate purchased from the related party or the real estate right-of-use assets acquired by lease 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 acquiring real estate or its right-of-use assets this time.</p> <p>(V) For the Company's acquisition of real estate or its right-of-use assets 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 or its right-of-use assets 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. 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.</p> <p>2. Supervisor shall handle pursuant to Article 218 of Company Act. <u>If Audit Committee has been set pursuant to Securities Exchange Act, the</u></p>	<p>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 acquiring real estate or its right-of-use assets this time.</p> <p>(V) For the Company's acquisition of real estate or its right-of-use assets 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 or its right-of-use assets 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. 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.</p> <p>2. <u>Independent Directors who are members of the Audit Committee</u> shall handle pursuant to Article 218 of Company Act.</p> <p>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> <p>If special surplus reserve is allocated pursuant to this paragraph, the</p>	

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p><u>preceding paragraph of this item applies to independent director members of Audit Committee.</u></p> <p>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> <p>If special surplus reserve is allocated pursuant to this paragraph, the Company shall wait until the assets purchased or leased at a high price has been recognized in the loss from failing price, or is disposed or terminated of lease contract 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 or its right-of-use assets 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>Company shall wait until the assets purchased or leased at a high price has been recognized in the loss from failing price, or is disposed or terminated of lease contract 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 or its right-of-use assets 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>(Omitted below)</p>	<p><u>Information disclosure</u> procedures:</p> <p>(Omitted below)</p>	Amended wordings.
Article 15	<p>Procedures for controlling the acquisition or disposal of assets of subsidiaries</p> <p>(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".</p> <p>(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</p>	<p>Procedures for controlling the acquisition or disposal of assets of subsidiaries</p> <p>(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".</p> <p>(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</p>	Amended according to the establishment of the Audit Committee.

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p>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 <u>supervisors</u>.</p> <p>(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.</p>	<p>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 <u>independent directors</u>.</p> <p>(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.</p>	
Article 16	<p>Amendment to procedures: Upon formulating these Procedures, after it is passed by Board of Directors, <u>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</u>, and the same shall apply upon amendment. <u>When the Company has set the independent director and when submitting these Procedures to Board of Directors Meeting for discussion</u>, 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>Amendment to procedures: Upon formulating these Procedures, after <u>being resolved by the Audit Committee and the Board of Directors</u>, it shall be implemented upon being submitted to Shareholders' Meeting for approval, and the same shall apply upon amendment. Opinions of each independent director shall be fully considered during the discussion, and any adverse opinion or qualified opinion <u>shall be specified in the Minute Book of Board of Directors Meeting. 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.</u></p>	Amended according to the establishment of the Audit Committee.
Article 17	<p>Amendment dates of these Procedures: These Procedures were formulated on June 24, 2012. The first amendment was made on</p>	<p>Amendment dates of these Procedures: These Procedures were formulated on June 24, 2012. The first amendment was made on</p>	Added the date and times of amendment.

Article/Chapter	Before amendment	After amendment	Basis of amendment
	<p style="text-align: center;">June 30, 2014.</p> <p>The second amendment was made on May 29, 2018.</p> <p>The third amendment was made on June 10, 2019.</p>	<p style="text-align: center;">June 30, 2014.</p> <p>The second amendment was made on May 29, 2018.</p> <p>The third amendment was made on June 10, 2019.</p> <p><u>The fourth amendment was made on June 24, 2020.</u></p>	

Attachment 9

EZconn Corporation

Comparison Table on Amendments to the “Procedures of Making Endorsement and Guarantee”

Before amendment	After amendment	Basis of amendment
<p style="text-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. Written notice served to each supervisor shall be served to the independent director as well.</p> <p style="text-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 independent director, and eliminate all of it within a certain period and report to the Board of Directors.</p> <p>If the Company has set the Audit Committee, the provisions on the supervisor in preceding paragraph shall apply to the Audit Committee.</p>	<p style="text-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 <u>the Audit Committee</u> immediately. Written notice served to <u>the Audit Committee</u> shall be served to the independent director as well.</p> <p style="text-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 <u>the Audit Committee</u> and independent director, and eliminate all of it within a certain period and report to the Board of Directors.</p> <p style="text-align: center;"><u>Deleted the paragraph.</u></p>	<p>The Company has established its Audit Committee.</p>
<p style="text-align: center;">Article 12</p> <p>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.</p> <p>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</p>	<p style="text-align: center;">Article 12</p> <p>Upon formulating <u>or amending</u> these Procedures, <u>it shall receive the consent from the majority of the members of the Audit Committee and submitted to the Board of Directors for resolution</u>, after it is passed by Board of Directors, it shall be sent to each supervisor and submitted to Shareholders' Meeting for approval before implementation. <u>In the absence of the consent from the majority of the members of the Audit Committee, it may proceed subject to the consent from more the two-thirds of the directors, and the resolution of the Audit Committee shall be specified in the Minute Book of Board of Directors Meeting.</u></p> <p style="text-align: center;"><u>Deleted the paragraph.</u></p>	<p>The Company has established its Audit Committee.</p>

<p>provisions in Paragraph II shall not apply. 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.</p>	<p><u>Deleted the paragraph.</u></p> <p><u>Deleted the paragraph.</u></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. The third amendment was made on June 10, 2019.</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. The third amendment was made on June 10, 2019. <u>The fourth amendment was made on June 24, 2020.</u></p>	<p>Added the date and times of amendment.</p>

Attachment 10

EZconn Corporation

Comparison Table on Amendments to the “Procedures of Granting of Loans”

Before amendment	After amendment	Basis of amendment
<p style="text-align: center;">Article 5</p> <p style="text-align: center;">VII.</p> <p>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.</p> <p style="text-align: center;">VIII.</p> <p>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 and independent director immediately.</p> <p style="text-align: center;">IX.</p> <p>(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 and independent director.</p> <p>If the Company has set the Audit Committee, the provisions on the supervisor in preceding paragraph shall apply to the Audit Committee.</p>	<p style="text-align: center;">Article 5</p> <p style="text-align: center;">VII.</p> <p>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 <u>the Audit Committee</u>, and complete the improvement according to the planned schedule.</p> <p style="text-align: center;">VIII.</p> <p>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 <u>the Audit Committee</u> and independent director immediately.</p> <p style="text-align: center;">IX.</p> <p>(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 <u>the Audit Committee</u> and independent director.</p> <p style="text-align: center;"><u>Deleted the paragraph.</u></p>	<p style="text-align: center;">The Company has established its Audit Committee.</p>
<p style="text-align: center;">Article 8</p> <p>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.</p>	<p style="text-align: center;">Article 8</p> <p>Upon formulating <u>or amending</u> these Procedures, <u>it shall receive the consent from the majority of the members of the Audit Committee and submitted to the Board of Directors for resolution</u>, after it is passed by Board of Directors, it shall be sent to each supervisor and submitted to Shareholders' Meeting for approval before implementation. <u>In the absence of the consent from the majority of the members of the Audit Committee, it may proceed subject to the consent from more the two-thirds of the directors, and the resolution of the Audit Committee shall be</u></p>	<p style="text-align: center;">The Company has established its Audit Committee.</p>

<p>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.</p> <p>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.</p> <p>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.</p>	<p><u>specified in the Minute Book of Board of Directors Meeting.</u></p> <p><u>Deleted the paragraph.</u></p> <p><u>Deleted the paragraph.</u></p> <p><u>Deleted the paragraph.</u></p>	
<p>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>The third amendment was made on June 10, 2019.</p>	<p>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>The third amendment was made on June 10, 2019.</p> <p><u>The fourth amendment was made on June 24, 2020.</u></p>	<p>Added the date and times of amendment.</p>

Attachment 11

EZconn Corporation

Procedures for Share Buyback and Transfer to Employees

Formulated on March 20, 2020

Article 1 To motivate employees and improve and employee's cohesion, the Company formulated the Procedures for Share Buyback and Transfer to Employees (the "Procedures") of the Company according to the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies and relevant requirements promulgated by the Financial Supervisory Commission. Except for otherwise required by laws and regulations, the share buyback and transfer to employees made by the Company shall comply with the Procedures.

Article 2 Type, content of rights and the restriction on rights for the transferred shares

The shares transfer to employees are ordinary shares. Except for otherwise required by relevant laws and regulations and the Procedures, its rights and obligations are the same as the other outstanding ordinary shares.

Article 3 Transfer period

The Chairman is authorized to transfer the shares bought back to employees at once or in batches within three years from the date of share buyback according to the requirements of the Procedures.

Article 4 Qualification of transferees

The full-time employee of the Company took office before the basis date for the share subscription or employees of the Company who had special contribution to the Company and have been reported to the Chairman and received consents are entitled to the subscription according to the number of subscription stipulated in Article 5 of the Procedures.

Article 5 Stipulation for the number of shares to be subscribed by employees

The number of shares may be subscribed by employees shall be subject to the weighting factor of transferred shares for employees determined by the Company with reference to the years of experience, duty, level of duty, performance, overall contribution, special achievement of the employees or other conditions required for management, as well as the considerations to the total number of buyback shares held by the Company and the maximum number of shares may be subscribed by a single employee on the basis date of share subscription, and shall be submitted to the Chairman for approval. Any employee who failed to pay the fees for subscription at the expiry of the payment term shall be deemed as abstention. The Chairman is authorized to communicate with other employees for the subscription of the remaining balances of the undersubscription.

Article 6 Procedures for buyback and transfer to employees

- I. Carry out the buyback of the Company's shares within the execution period according to the resolution, announcement, and report of the Board of Directors.
- II. The Board of Directors authorized the Chairman to announce and determine matters regarding the number of shares being transferred in batches, the basis date for employees' subscription, the standards for number of shares available for subscription, the period of subscription payment, the content of rights, and the restrictions according to the Procedures.

- III. The Company shall calculate the actual number of subscriptions paid and carry out the transfer registration for the share certificates.

Article 7 Agreed transfer price per share

For the shares buyback and transfers to employees, the transfer price is the average price of the actual buyback price, and the transfer price is unconditionally rounded up to NT\$0.1. However, before the transfer, where there is any increase or decrease in the number of issued ordinary shares of the Company, or any adjustment made according to the increase/decrease ratio of the issued shares, or the shares may be transferred to employees at a price lower than the average price of the actual buyback according to the requirements of the Articles of Association of the Company, the Company shall propose such matters at the most recent shareholders' meeting with shareholders representing the majority of the total issued shares attending and receive the consent from more the two-thirds of the attending shareholders, and the process of such matters shall also be subject to the Company for setting out the reason stated in Article 10-1 under the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies in the convening reason for the shareholders' meeting.

Transfer price adjusting formula:

Transfer price after adjustment = average price for actual buyback shares x (total number of issued shares when reporting the buyback of shares/total number of issued ordinary shares before transfer the buyback shares to employees)

Article 8 Rights and obligations after the transfer

After the share buyback and transfer to employees and the transfer registration, except for otherwise required, the remaining rights and obligations shall be the same as the original shares.

Article 9 Other obligations related to the Company and employees

- I. The taxes and expense incurred due to the shares transferred according to the Procedures shall be subject to the laws and regulations and the relevant procedures of the Company at the time of transfer.
- II. The Company reserves the right to adjust or suspend the implementation according to the overall operations and profiting, and the receiving employees shall be responsible for the confidentiality.

Article 10 The Procedures become effective upon passing the resolution at the Board meeting, and may be amended after being reported to and resolved by the Board meeting.

Article 11 The procedures shall be submitted to the Shareholders' Meeting, and the same shall apply upon amendment.

Appendix 1

Articles of Association 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 batches.

Article 7: 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.

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.

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.

The shares of the Company are registered shares signed or sealed by 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. The shares issued by the Company 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.

Chapter 3 Shareholders' Meeting

Article 9: Shareholders' Meeting is divided into general meeting and interim meeting, the general meeting shall be convened 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. 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, 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.

Among the aforesaid seats of directors, the number of independent directors shall be at least two and no less than one fifth of the total seats of directors. 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.

The total shareholding ratio of all directors and supervisors of the Company are subject to the regulations of securities regulatory authority.

Article 15-1:

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 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.

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 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 the 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.

第 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.

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.

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.

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.

The twelfth amendment was made on June 10, 2019.

EZconn Corporation
Chairman: Chen, Steve

Appendix 2

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 shareholdings, 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 certificates 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 3

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 results 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 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.

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. Afterwards, the shareholders shall vote on a case-by case basis. The results for the consent, objection, and abstention of shareholders of shareholders shall be uploaded to the MOPS on the date after the shareholders' meeting. 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 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.

The second amendment was made on June 22, 2017.

Appendix 4

EZconn Corporation

Procedures for Acquisition or 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) Right-of-use assets.
- (VI) Creditor's rights to financial institution (including receivables, negotiations and discounts, loan, overdue receivables).
- (VII) Derivatives.
- (VIII) Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law.
- (IX) Other important assets.

Article 3: Terms definitions:

- (I) Derivatives: means the forward contract, option contract, futures contract, leverage contract and exchange contract whose values are derived from 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. 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 3 of 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 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.

- (VI) 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.
- (VII) 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.
- (VIII) 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.
- (IX) 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.
- (X) 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.
- (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.
- (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.
- (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.

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

- (I) For the acquisition or disposal of real estate, equipment or its right-of-use assets, apart from those transacted with domestic government agency, built on private land or leased land, or acquisition or disposal of equipment or its right-of-use assets 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; thereafter, the same shall apply in case of change of transaction conditions.
 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 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 intangible assets or its right-of-use assets or membership certificate reaches to twenty percent of paid-up capital of the company or over NT\$300 million, except for the transaction with domestic 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 comply with the following rules:
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.
 2. Must not be the related party or substantial related party to the transaction party.
 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.

(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 subsidiary:

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 subsidiary 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)			●
Acquisition or disposal of right-of-use assets	●		

Article 7: 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 8: 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.

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.

If the Audit Committee has been set pursuant to Securities Exchange Act, the provisions on the supervisor in paragraph 1 shall apply to the Audit Committee.

Article 9: Procedures for related party transaction:

- (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.
- (II) For the Company's acquisition or disposal of real estate or its right-of-use assets from the related party, or the acquisition or disposal of other assets other than real estate or its right-of-use assets 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 domestic 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 or its right-of-use assets 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 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, 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:

- (1) Acquisition or disposal of equipment or its right-of-use assets for business use.
- (2) Acquisition or disposal of real estate right-of-use assets for business use.

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 or its right-of-use assets 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 or lease 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 or its right-of-use assets from the related party, apart from assessing on the real estate or its right-of-use assets 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 or its right-of-use assets 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 or its right-of-use assets due to inheritance or bestowal.
2. The related party has acquired the real estate or its right-of-use assets 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. 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.

(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 or lease practice.
2. For the real estate purchased from the related party or the real estate right-of-use assets acquired by lease 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 acquiring real estate or its right-of-use assets this time.

- (V) For the Company's acquisition of real estate or its right-of-use assets 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 or its right-of-use assets 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. 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.
 2. Supervisor shall handle pursuant to Article 218 of Company Act. 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.
 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 or leased at a high price has been recognized in the loss from failing price, or is disposed or terminated of lease contract 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 or its right-of-use assets 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 10: 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 11: 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 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 domestic 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, split, 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 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:
 - (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 or its right-of-use assets 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; 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.
 6. For the real estate acquired by means of construction on private or leased land, or house distribution, sharing or sales in joint construction, and the transaction object is a non-related party, 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 domestic 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 (subordinated bonds excluded); or subscription or repurchase of securities investment trust funds or futures trust funds, 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 or its right-of-use assets 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 paid-up capital or total assets, it shall be subject to the paid-up capital or total assets of the Company. °

Article 12: 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 13: 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:

- (I) The changes, termination or release of the original contracts.
- (II) The merger, split, acquisition, or assignment of share are not completed according to the

schedule specified in contracts.

(III) The changes in contents of the previous announcement and declaration.

Article 14: 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 15: 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 16: 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 17: 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.

The third amendment was made on June 10, 2019.

Appendix 5

EZconn Corporation **Procedures of Making Endorsement and Guarantee**

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 guarantees for others, and any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book 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 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. Written notice served to each supervisor shall be served to the independent director as well.

- 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 independent director, 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.

If the Company has set the Audit Committee, the provisions on the supervisor in preceding paragraph shall apply to the Audit Committee.

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 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.
- (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:
 - 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, book amount of investment by adopting Equity Method 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.
- (III) If the subsidiaries of the Company are 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.
- (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.

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 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 any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.

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.

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.

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.

The third amendment was made on June 10, 2019.

Appendix 6

EZconn Corporation **Procedures of Granting of Loans**

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 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, or such foreign company’s granting of loans to the Company, 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.

(IV) 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.

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 any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book 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 and independent director 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 and independent director.
- (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.
- (VII) If the Company has set the Audit Committee, the provisions on the supervisor in preceding paragraph shall apply to the Audit Committee.

Article 6: Declaration and announcement

- (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 meets 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 are 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.
- (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.

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 any adverse opinion or qualified opinion of the independent director shall be specified in the Minute Book of Board of Directors Meeting.

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.

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.

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.

The third amendment was made on June 10, 2019.

Appendix 7

EZconn Corporation

Shareholdings of All Directors and Supervisors

- As at April 26, 2020, total outstanding shares of the Company is 69,300,000 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 5,544,000 shares, and the statutory number of shares held by all supervisors is 554,400 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 26, 2020

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	106.06.22	Three years	2,072,202	3.14	2,175,812	3.14
Director	DURAL HOLDINGS LIMITED Representative: LI, SHIH-CHENG	106.06.22	Three years	1,246,382	1.89	1,308,701	1.89
Director	Jia Jiu Investment Co., Ltd. Representative: CHANG, YING-HUA	106.06.22	Three years	800,000	1.21	840,000	1.21
Director	TRANSNATIONAL INVESTMENT LIMITED Representative: CHOU, WAN-SHUN (Notes 1)	106.06.22	Three years	1,488,193	2.25	1,562,602	2.25
Director	CHEN, HSIAO-YUN	106.06.22	Three years	3,111	0	3,266	0
Independent Director	LI, CHIEN-PING	106.06.22	Three years	0	0	0	0
Independent Director	PENG, XIE-RU	108.06.10	Three years	9,222	0.01	9,683	0.01
Total shareholdings of all directors				5,619,110	8.50	5,900,064	8.50
Supervisor	KO, YUAN-YU	106.06.22	Three years	14,222	0.02	14,933	0.02
Supervisor	LAI, WEN-HSIEN	106.06.22	Three years	0	0	0	0
Supervisor	EGTRAN CORPORATION Representative: CHIEN, CHIH-CHENG	106.06.22	Three years	3,395,944	5.15	3,565,741	5.15
Total shareholdings of all supervisors				3,410,166	5.17	3,580,674	5.17