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股票代號:5478

智冠科技股份有限公司

SOFT-WORLD INTERNATIONAL CORPORATION

112年股東常會

Handbook for the 2023 Annual Meeting of Shareholders

議事手冊



●日期：中華民國112年6月26日 ●地點：寒軒國際大飯店-國際廳
(高雄市苓雅區四維三路33號B2)

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One. Meeting Procedures

Soft-World International Corporation 2023 Annual General Meeting Procedures

- I. Call the Meeting to Order**
- II. Chairperson Remarks**
- III. Company Reports**
- IV. Proposals**
- V. Discussion**
- VI. Election Matters**
- VII. Other Matters**
- VIII. Extempore Motions**
- IX. Adjournment**

Two. Meeting Agenda

Soft-World International Corporation

The 2023 Annual Meeting of Shareholders Agenda

Meeting method: Physical meetings

Time: 9:30 a.m. Monday, June 26, 2023

Location: Han-Hsien International Hotel - International Hall

(B2, No. 33, Siwei 3rd Rd., Lingya Dist., Kaohsiung City)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Company Reports

(I) The 2022 Business Report.

(II) The Audit Committee's Review Report on the 2022 Financial Statements.

(III) The 2022 employee and director remuneration report.

(IV) The 2022 director remuneration report.

(V) Reporting on the distribution of 2022 earnings as cash dividends.

(VI) Amendments to Ethical Corporate Management Best Practice Principles

IV. Proposals

(I) The Company's 2022 Business Report and Financial Statements.

V. Discussion

(I) Operational Procedures for Loaning Funds to Others

(II) Amendment to Endorsements and Guarantees.

(III) Proposal for the amendments to the financial derivatives trading.

VI. Election Matters

(I) Proposal for the election of additional independent directors of the company.

VII. Other Matters

(I) Motion of cancelling the non-compete restriction on the newly-elected independent directors

VIII. Extempore Motions

IX. Adjournment

Three. Report Items

I. The 2022 Business Report

Soft-World International Corporation

The 2022 Business Report

Due to the rapid changes in the global situation and environment over the past year, Soft-World group has adhered to a diversified business strategy by investing resources to deepen the integration of various related fields, with the goal of developing three core business groups: digital games, online marketing advertising, and financial technology. We establish mature and comprehensive services and progressively carve out operation niches, driving better performance in an industrial environment with many changes. Looking back at 2022, we have made consistent contributions in game distribution and marketing businesses, and formed partnerships with a diverse array of international-acclaimed game products. Meanwhile, the collection and payment business of the subsidiary Neweb Technologies Co., Ltd. has been steadily growing. These have substantially strengthened the overall operation and profitability of the entire company. In 2022, the Company consolidated revenue reached NT\$6.1 billion, net profit after tax for the owner's share was NT\$836 million and earnings per share were NT\$6.90.

Notching solid growth in digital games business and advancing one-stop services into overseas markets

Soft-World's MyCard digital points and integrated marketing services have been growing constantly, achieving the highest coverage rate among third-party cooperative games. In addition to actively integrating global game collaborations, we provide comprehensive game payment solutions and dense sales channels. Coupled with localized, customized marketing campaigns, we have effectively enhanced player engagement and promotional impact. Moving forward, we will leverage MyCard integrated marketing, IP development, publishing & operation, community customer service, financial payment, online advertising, cloud services, and other one-stop services to better meet the demands of the international market. Through Taiwan's flexible and creatively specialized online services, we foster global collaborations to provide a strong support for global digital content providers expanding into Taiwan, Hong Kong, Macao, and Southeast Asia.

In 2022, the game development subsidiary, Chinese Gamer International Corp. launched two mobile games: "Legend of Emperors S" and "TS Multiverse". "Legend of Emperors S," is based on well-known Hong Kong comics and is characterized by a distinctive, passionate style. "TS Multiverse" has revamped the quality of the original game content while also introducing several new gameplay elements, such as a soul system for generals and cross-server auction houses. Chinese Gamer also updated "Huang Yi Online" and "TS M" to re-engage its player base. Beyond self-developed products, Chinese Gamer has leveraged its IP resources for collaborations, launching the IP-licensed game "TS 3: Idle" in several regions. Moving forward, it will keep promoting IP

authorization, collaborative development, and indie games support, using flexible cooperation models to attract more players and align with market trends.

In terms of game agency, the subsidiary Game Flier International Corp. launched two new mobile games in 2022: “Eastward Legends: The Empyrean”, an ancient martial arts action game, and “White Chord”, a two-dimensional girl simulation game. “White Chord” received significant attention through an in-depth marketing campaign featuring VTubers and virtual singers. It became The Most Popular Download on its release day, receiving enthusiastic feedback from the 2D gaming community. For evergreen online games such as “Perfect World 2 Online”, “Tian Long Online”, “Nobunaga’s Ambition Online” and more, The Company continues to collaborate with the original manufactures to release updated content and enriching activities. Additionally, Game Flier introduced the “GFi Platform” last year, combining its classic games with Web 3.0 partners to bring players a unique digital marketing experience of “game X empowerment X services”. Opening up innovative service opportunities.

The subsidiary Game First International Corp. focuses on the development of multilingual game customer service, integrated marketing, social media operations, and e-sports events organization while customizing marketing and distribution strategies for various markets. The Company collaborated with internationally renowned games in 2022, offering comprehensive operational support to game developers.

The Group also continues to promote Zealot Digital’s game art, Soft-World’s music production services, and Fast Distributed Cloud’s multi-cloud solutions in order to provide game manufacturers with the necessary resources and to establish a comprehensive service chain of gaming industry.

Online marketing advertising business: precision marketing to facilitate brand expansion

Efun International Corp., a subsidiary, is heavily focused on MarTech (Marketing and Technology) application, follows the trend of online new media, develops and expands the most cutting-edge advertising technology and marketing tools, and assists brands in global market promotion. Efun has extensive advertising experience, worked with over 700 international game operators, e-commerce platforms, 3C, and other brands, and has been certified by Google, Meta, and LINE core partners to provide global online advertising planning. In addition to continuously strengthening service differentiation in materials and creativity, the Company is also promoting cooperation in various areas, such as LINE accounts, KOL collaboration, social media planning, and regional potential media.

Financial Technology Business: continuously expanding multiple payment applications

Neweb Technologies, a financial technology subsidiary, is committed to developing third-party payment and electronic payment, offering a full spectrum of digital financial services from online to offline. The Company continued to accelerate the scale of online collection and payment transactions in 2022,

increasing the overall volume of transactions by double digits year after year. The promotion of offline multiple payment application scene setups will be accelerated this year.

“NewebPay” utilizes a comprehensive payment instrument to connect stores and consumer needs, and is continuously to improve platform-side application services. In order to provide greater store convenience, logistic services have become increasingly available over the past few years, including store-to-store pickup and bulk warehouse delivery for convenience stores. In the future, more convenience store logistics, home delivery and international cross-border logistics services will be introduced to meet store requirements.

ezPay Co., Ltd. focuses on parallel offline business development. Last year, a new generation of “ezAIO” equipment for collecting multiple payments has been progressively introduced to physical stores. Now, it has integrated over 19 payment tools and value-added applications and concurrently wireless networking models, extending to mobile billing, tableside service, and other physical payment scenarios, thereby shifting from payment integration to service integration. Besides offering domestic and international collection services, the Company’s e-wallet “ezPay” joined the “inter-institutional electronic payment institutions platform” in 2021 to facilitate cross-institutional transfer services. This year, the platform will allow the services of cross-institutional shopping, enabling our affiliated merchants to accept transactions from e-wallets managed by other e-payment or financial institutions.

Moreover, Neweb group’s value-added applications, including donation platforms, e-invoices, and collection and transfer of e-receipts of the travel industry, also experienced significant growth in business volume last year, driven by the increased demand for elections and charitable fundraising, online shopping and online services, and the lifting of travel restrictions.

Soft-World is actively deploying a variety of internet-related services and strengthening its connections with customers and consumers. In addition to intensively cultivating domestic market operations, we are gradually strengthening the group’s one-stop service implementation in overseas markets and continue to expand the market coverage and service reach.=

We would like to thank all employees for their countless efforts and the full support from our shareholders, directors, and supervisors; hereby, the operating results of 2022 is as follows:

(I) 2022 Business Plan Result

The 2022 final account book was audited by Deloitte Taiwan. In 2022, the net consolidated revenue was NT\$6.1 billion; the net consolidated profit after tax attributed to owners of this parent was NT\$836 million; and the EPS was NT\$6.90.

(II) Budget execution in 2022

We did not disclose any financial forecast for 2022, and there is thus no

budget performance.

(III) Financial income and expenditure, and profitability analysis in 2022

1. Financial Revenue and Expenditure

Unit: NTD thousands

Item	2022	2021	Increase (decrease) in amount	increase / decrease %
Operating revenue	6, 098, 078	6, 601, 378	(503, 300)	(8)
Gross profit	3, 286, 953	3, 315, 627	(28, 674)	(1)
Operating expenses	2, 305, 184	2, 261, 971	43, 213	2
Net income	981, 769	1, 053, 656	(71, 887)	(7)
Net profit before taxation	1, 107, 711	1, 108, 942	(1, 231)	-
Net income in current year	881, 707	873, 329	8, 378	1
Net profit attributable to the Company	836, 417	829, 934	6, 483	1
Net gain attributable to non-controlling interest	45, 290	43, 395	1, 895	4

2. Profitability analysis

Item	2022	2021
Return on assets %	5. 48	6. 00
Return on shareholders' equity (%)	11. 25	11. 54
As a percentage of paid up capital (%)	Net income	76. 88
	Net profit before taxation	86. 90
Net profit margin (%)	14. 46	13. 23
After tax EPS (NT\$)	6. 90	6. 84

(IV) Research and development

Soft-World Group has consistently focused on gaming field, including game development, music and sound production, as well as platform system applications. As stated in the consolidated financial statements, the total R&D expenses for 2022 amounted to NT\$292,344 thousand.

We wish you all shareholders,

Health and prosperity in the future.

Chairman : WANG, CHIN-PO
 Manager : WANG, CHIN-PO
 Chief accountant : HUANG, YA-CHUAN

2. The Audit Committee's Review Report on the 2022 Financial Statements.

Soft-World International Corporation
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 business report, individual financial statements and consolidated financial statements and the earnings distribution proposal, of which, the individual financial statements and consolidated financial statements have been duly audited by CPA Chen-Li Chen and CPA Kai-Ning Hsu of "Deloitte & Touche" and an audit report relating thereto has been issued. The aforementioned business report, individual financial statements and consolidated financial statements and earnings distribution proposal have been reviewed by the Audit Committee without any inconsistencies found. The report is hereby prepared for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, please approve.

To:

2023 Annual General Meeting

Soft-World International Corporation

Convener of the Auditing Committee

March 15, 2023

3. The 2022 employee and director remuneration distribution report
 - (1) By Company Rules Article 22, shall allocate no less than 2% for employee recompense and no more than 2% for Directors.
 - (2) The Company proposed to appropriate 5% of the net pre-tax profit as employees' compensation in 2022, NT\$53,992,000 in total; and 1% as directors' remuneration, NT\$10,798,396 in total. The payments will be made in cash.
 - (3) Employee recompense is limited to full-time employees in the corporation and subsidiaries. The amount will be based on length of service, job grade, performance, overall contribution or special achievement, confirmation of employee qualification and so on.
4. The 2022 director remuneration report
 - (1) According to Article 10-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed, the TWSE/TPEX Listed Companies should report the remuneration received by directors in the regular shareholders meeting, including the remuneration policy, the content and amount of remuneration for each director, and the correlation with the performance evaluation results.
 - (2) The company's director remuneration policy is in accordance with the provision of Article 22 of the company's Articles of Incorporation. An amount equivalent to no less than 2% of the annual profits, if any, should be appropriated as employee remuneration, and an amount equivalent to no more than 2% of the annual profits, if any, should be appropriated as director remuneration. The proposal for the distribution of remuneration to employees and directors should be reported in the shareholders meeting.
 - (3) Please refer to Attachment 1 on page 11 of the Agenda Handbook for the content and amount of remuneration paid to directors by the company in 2022.
5. Reporting on the distribution of 2022 earnings as cash dividends.
 - (1) The Company distributes cash dividends from the earnings in 2022. The earnings of the first three quarters will not be distributed. The Board of Directors has resolved to have a cash dividend for an amount of NT\$888,393,324, or NT\$7 per share, distributed in the 4th quarter in accordance with the Company's Articles of Incorporation.
 - (2) Cash dividends are distributed with a rounded-up amount (rounded up to dollar). The fractional share with cash dividends for less than NT\$1 should be booked in the Company's "Other income" account.
6. Amendments to Ethical Corporate Management Best Practice Principles
 - (1) As required for the company's operation and since the audit committee is set up, certain provisions of the "Ethical Corporate Management Best Practice Principles" shall be amended.
 - (2) Please refer to page 12 ~ 19 of Attachment 2 of this Handbook for the amendments to the aforementioned "Ethical Corporate Management Best Principles" before and after.

Four. Acknowledgments

No. 1: Proposed by the Board

Subject: Acknowledging the Company's 2022 Business Report and Financial Statements.

Description: 1. The Company's 2022 individual financial statements and consolidated financial statements have been duly audited by CPA Chen-Li Chen and CPA Kai-Ning Hsu of "Deloitte & Touche."
2. Please refer to Attachment 3 on Page 20 to 40 of the Agenda Handbooks for the 2022 Individual Financial Statements, Consolidated Financial Statements and Independent Auditor's Report.
3. Please refer to Attachment 4 on Pages 3 to 6 and Page 41 of the Agenda Handbooks for the aforementioned reports, together with the business report and the earnings distribution proposal, that have been reviewed by the Audit Committee and are submitted to the shareholders' meeting for approval.

Resolutions:

Five. Discussions

No. 1: Proposed by the Board

Subject: Operational Procedures for Loaning Funds to Others. Please proceed to discuss.

Description: 1. As required for the company's operation and since the audit committee is set up, certain provisions of the "Operational Procedures for Loaning Funds to Others" shall be amended.
2. Please refer to page 42 ~ 42 of Attachment 5 of the aforementioned "Operational Procedures for Loaning Funds to Others" before and after.

Resolutions:

No. 2: Proposed by the Board

Subject: Regulations Governing Making of Endorsement and Guarantees. Please proceed to discuss.

Description: 1. As required for the company's operation and since the audit committee is set up, certain provisions of the "Regulations for Endorsements and Guarantees" shall be amended.
2. Please refer to page 46 ~ 49 of Attachment 6 of the aforementioned "Regulations for Endorsements and Guarantees" before and after.

Resolutions:

No. 3: Proposed by the Board

Subject: Proposal for the amendments to the financial derivatives trading. Please discuss.

Description: 1. As required for the company's operation and since the audit committee is set up, certain provisions of the "Procedure for Derivatives Trading" shall be amended.
2. Please refer to page 50 of Attachment 7 of the aforementioned "Procedure for Derivatives Trading" before and after.

Resolutions:

Six. Elections

No. 1: Proposed by the Board

Subject: Proposal for the election of additional independent directors of the company.

Description: 1. According to the provision of Article 4 of the Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Board of Directors of TPEx Listed Companies, if the chairperson and the President or a person holding an equivalent position are the same person or are spouses or relatives within the first degree of kinship, the company shall appoint not less than 4 independent directors before 31 December 2023.

2. The company plans to elect an additional independent director in the current shareholders meeting for the purpose of enhancing corporate governance and complying with laws and regulations. The newly elected independent director will take office immediately after the shareholders meeting for an officer term starting from June 26, 2023 to July 29, 2024.

3. The election of independent directors adopts a candidate nomination system, and shareholders select independent directors from the list of candidates.

4. The education, work experience, and other information of the independent director candidates are set forth in Appendix 8, pages 51.

5. Please vote.

Voting Results:

Seven. Other items

No. 1: Proposed by the Board

Subject: Termination of noncompete obligations of new independent directors. Please review.

Description: 1. As required for its business, the company proposed to terminate the noncompete obligations of the new independent directors under Article 209 of the Company Act as they may serve as the directors or managers at other companies engaged in the same businesses as the company is.

2. The newly elected independent director who intends to request the shareholders meeting to agree to lifting the non-compete restriction shall be present to provide a supplementary explanation on the scope and content of the said request before it is discussed in the shareholders meeting.

Resolutions:

Eight. Extempore Motions

Meeting adjourned

Attachment 1

The remuneration paid to directors in 2022:

(1) The remuneration of the general and individual director

Unit: NTD thousands

Title	Name	Remuneration to Directors								% of the sum of A to D in the net profit after tax (Note 10)		Remuneration in the capacity as employees								% of the sum of A to G in the net profit after tax (Note 10)		Collect the remuneration from the reinvestment except the subsidiary or the remuneration from the parent company (Note 11).
		Director fees (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)		For services (Note 4)				Salaries, bonuses, special allowances etc (E) (Note 5)		Pension (F)		Remuneration to employees (Note 6)						
		The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company		All companies mentioned in the financial statements (Note 7)		The Company	All companies mentioned in the financial statements	
																Cash	Stock	Cash	Stock			
Chairman	WANG, CHIN-PO	0	0	0	0	1,199	1,221	60	162	1,259 /0.15%	1,383 /0.16%	2,643	4,256	43	43	1,336	0	1,336	0	5,281 /0.63%	7,018 /0.83%	None
Director	WANG, CHIUNG-FEN	0	0	0	0	1,199	1,199	60	60	1,259 /0.15%	1,259 /0.15%	0	0	0	0	0	0	0	0	1,259 /0.15%	1,259 /0.15%	None
Director	SHIH, MING-HAO	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None
Director	WU, AI-YUN	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None
Director	CHANG, HUNG-YUAN	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None
Director	CHIEN, CHIN-CHENG	0	0	0	0	1,200	1,200	60	60	1,260 /0.15%	1,260 /0.15%	0	0	0	0	0	0	0	0	1,260 /0.15%	1,260 /0.15%	None
Independent director	LIN, HSUAN-CHU	0	0	0	0	1,200	1,200	120	120	1,320 /0.16%	1,320 /0.16%	0	0	0	0	0	0	0	0	1,320 /0.16%	1,320 /0.16%	None
Independent director	SHYU, SO-DE	0	0	0	0	1,200	1,200	120	120	1,320 /0.16%	1,320 /0.16%	0	0	0	0	0	0	0	0	1,320 /0.16%	1,320 /0.16%	None
Independent director	CHUANG, PI-HUA	0	0	0	0	1,200	1,200	110	110	1,310 /0.16%	1,310 /0.16%	0	0	0	0	0	0	0	0	1,310 /0.16%	1,310 /0.16%	None

- Please state explicitly the remuneration policy, system, standard and structure of independent directors. Please state explicitly the correlation between the remuneration and the function and risk of the independent director, and the time the independent director engaged in, and pay the remuneration. The remuneration of the independent director is based on Article 6 of Remuneration Committee Charter. Article 6 stated that the performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation. We shall make recommendations and submit them to the board of directors for deliberation.
- In addition to the aforementioned disclosures, the remuneration received by the Company's directors for providing services (such as, serving as a consultant not an employees of the parent company / all companies included in the financial report / transfer invested enterprises, etc.) in the most recent year: None.

Attachment 2

Soft-World International Corporation
Comparison Table for Amendments to Ethical Corporate Management Best Practice Principles

Clauses after the amendment	Original clause	Remark
<p>Article 1</p> <p>These Principles are adopted to assist companies to foster a corporate culture of ethical management and sound development, and establish a reference framework for good commercial practices. <u>The ethical corporate management best practice principles applicable to its business groups and organizations of such Company, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").</u></p>	<p>Article 1</p> <p>These Principles are adopted to assist companies to foster a corporate culture of ethical management and sound development, and establish a reference framework for good commercial practices.</p>	Amendment due to laws and regulations
<p>Article 2</p> <p><u>When engaging in commercial activities, directors, managers, employees, and mandataries of The Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</u></p> <p><u>The objects of the proposal stated in the preceding paragraph includes public officials, political candidates, political parties or party officials, and any public or private enterprises or institutions and their directors (executives), supervisors (supervisors), managerial officers, employees, and substantial controllers or stakeholders.</u></p>		Added according to law
<p>Article 3</p> <p>Benefits in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, or rebates of any type or in any name. However, benefits received or given occasionally in accordance with accepted social customs</p>	<p>Article 2</p> <p>Benefits in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, or rebates of any type or in any name. However, benefits received or given occasionally in accordance with accepted social customs</p>	Article number adjustment

Clauses after the amendment	Original clause	Remark
and that do not adversely affect specific rights and obligations shall be excluded.	and that do not adversely affect specific rights and obligations shall be excluded.	
Article <u>4</u> The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.	Article <u>3</u> The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.	Article number adjustment
Article <u>5</u> The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Article <u>4</u> The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Article number adjustment
Article <u>6</u> The Company should actively prevent unethical conducts based on the aforementioned business philosophy and policies.	Article <u>5</u> The Company should actively prevent unethical conducts based on the aforementioned business philosophy and policies.	Article number adjustment
Article <u>7</u> The Company <u>shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</u> It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall include preventive measures against the following: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable	Article <u>6</u> <u>The Company shall strengthen relevant preventive measures.</u> It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall include preventive measures against the following: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable	Adjustment of article sequence and amendments to some articles

Clauses after the amendment	Original clause	Remark
<p>presents or hospitality, or other improper benefits.</p> <p>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</p> <p>6. Engaging in unfair competitive practices.</p> <p>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p>	<p>presents or hospitality, or other improper benefits.</p> <p>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</p> <p>6. Engaging in unfair competitive practices.</p> <p>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p>	
<p>Article 8</p> <p><u>The company shall clearly state the Ethical Corporate Management Best Practice Principles in the company rules and regulations and on the company's website, as well as the commitment of the Board of Directors and management to actively implement the ethical corporate management, which should be implemented in internal management and business activities.</u></p>		Added according to law
<p>Article 9</p> <p>The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.</p> <p><u>Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.</u></p> <p><u>When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.</u></p>	<p>Article 7</p> <p>The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. The Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.</p>	Adjustment of article sequence and amendments according to laws and regulations
<p>Article 10</p> <p>When conducting business, the Company and their directors, managers, employees, mandataries, and substantial controllers,</p>	<p>Article 8</p> <p>When conducting business, the Company and their directors, supervisors, managers, employees, mandataries, and substantial</p>	Adjustment of article sequence and deletion

Clauses after the amendment	Original clause	Remark
may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	of the word “supervisor”
Article <u>11</u> When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	Article <u>9</u> When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, <u>supervisors</u> , managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	Adjustment of article sequence and deletion of the word “supervisor”
Article <u>12</u> When making or offering donations and sponsorship, the Company and their directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Article <u>10</u> When making or offering donations and sponsorship, the Company and their directors, <u>supervisors</u> , managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Adjustment of article sequence and deletion of the word “supervisor”
Article <u>13</u> The Company and their directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Article <u>11</u> The Company and their directors, <u>supervisors</u> , managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Adjustment of article sequence and deletion of the word “supervisor”
Article <u>14</u> The Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Article <u>12</u> The Company and their directors, <u>supervisors</u> , managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Adjustment of article sequence and deletion of the word “supervisor”

Clauses after the amendment	Original clause	Remark
<p><u>Article 15</u> The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p>	<p><u>Article 13</u> The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p>	Article number adjustment
<p><u>Article 16</u> In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.</p>	<p><u>Article 14</u> In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.</p>	Adjustment of article sequence and deletion of the word “supervisor”
<p><u>Article 17</u> The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p>	<p><u>Article 15</u> The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p>	Adjustment of article sequence and deletion of the word “supervisor”
<p><u>Article 18</u> The Company and their directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations when conducting business.</p>	<p><u>Article 16</u> The Company and their directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations when conducting business.</p>	Adjustment of article sequence and deletion of the word “supervisor”
<p><u>Article 19</u> <u>The Company shall adopt policies for</u></p>	<p><u>Article 17</u></p>	Adjustment of article

Clauses after the amendment	Original clause	Remark
<p><u>preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</u></p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and may not exercise voting rights as proxy for another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>The Company' directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <u>supervisors</u>, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and may not exercise voting rights as proxy for another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>The Company' directors, <u>supervisors</u>, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>sequence and deletion of the word “supervisor”</p>
<p>Article 20</p> <p>The Company should review business activities that are with a high risk of unethical conduct at any time.</p>	<p>Article <u>18</u></p> <p>The Company should review business activities that are with a high risk of unethical conduct at any time.</p>	<p>Article number adjustment</p>
<p>Article <u>21</u></p> <p>The Company should urge the directors, managerial officers, employees and substantive controllers to conduct business operation cautiously, which should at least cover the following matters:</p> <ol style="list-style-type: none"> Standards for determining whether improper benefits have been offered or accepted. Procedures for offering legitimate political donations. Procedures and the standard rates for 	<p>Article <u>19</u></p> <p>The Company should urge the directors, <u>supervisors</u>, managerial officers, employees and substantive controllers to conduct business operation cautiously, which should at least cover the following matters:</p> <ol style="list-style-type: none"> Standards for determining whether improper benefits have been offered or accepted. Procedures for offering legitimate political donations. Procedures and the standard rates for 	<p>Adjustment of article sequence and deletion of the word “supervisor”</p>

Clauses after the amendment	Original clause	Remark
<p>offering charitable donations or sponsorship.</p> <p>4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</p> <p>5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>7. Handling procedures for violations of these Principles.</p> <p>8. Disciplinary measures on offenders.</p>	<p>offering charitable donations or sponsorship.</p> <p>4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</p> <p>5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>7. Handling procedures for violations of these Principles.</p> <p>8. Disciplinary measures on offenders.</p>	
<p>Article 22</p> <p><u>The chairman, president, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</u></p> <p>The Company should regularly arrange education, training and propaganda for directors, managerial officers, employees, appointees and substantive controllers to help them fully understand the Company's determination, policies and prevention programs for ethical corporate management and the consequence of unethical conducts. The Company should have the ethical corporate management policy, employee performance evaluation and human resources policy integrated to establish a clear and effective reward and punishment system.</p>	<p>Article 20</p> <p>The Company should regularly arrange education, training and propaganda for directors, supervisors, managerial officers, employees, appointees and substantive controllers to help them fully understand the Company's determination, policies and prevention programs for ethical corporate management and the consequence of unethical conducts. The Company should have the ethical corporate management policy, employee performance evaluation and human resources policy integrated to establish a clear and effective reward and punishment system.</p>	<p>Adjustment of article sequence and deletion of the word "supervisor"</p>
<p>Article 23</p> <p>The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>2. Dedicated personnel or unit appointed to handle the whistle-blowing system.</p> <p>3. Follow-up measures to be adopted</p>	<p>Article 21</p> <p>The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>2. Dedicated personnel or unit appointed to handle the whistle-blowing system.</p> <p>3. Follow-up measures to be adopted</p>	<p>Adjustment of article sequence and addition of article according to law and regulations</p>

Clauses after the amendment	Original clause	Remark
<p>depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</p> <p>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</p> <p>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>7. Whistle-blowing incentive measures.</p> <p><u>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</u></p>	<p>depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</p> <p>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</p> <p>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>7. Whistle-blowing incentive measures.</p>	
<p><u>Article 24</u></p> <p>The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	<p><u>Article 22</u></p> <p>The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	Article number adjustment
<p><u>Article 25</u></p> <p>The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.</p>	<p><u>Article 23</u></p> <p>The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.</p>	Article number adjustment

Clauses after the amendment	Original clause	Remark
<p>Article <u>26</u></p> <p>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	<p>Article <u>24</u></p> <p>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, <u>supervisors</u>, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	Adjustment of article sequence and deletion of the word “supervisor”
<p>Article <u>27</u></p> <p>The ethical corporate management best practice principles shall be implemented after the board of directors grants the approval, and shall be sent to the <u>Audit Committee</u> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p>This procedure was approved on March 22, 2017. The first amendment was made on March 25, 2020. <u>The second amendment was made on March 15, 2023.</u></p>	<p>Article <u>25</u></p> <p>The ethical corporate management best practice principles shall be implemented after the board of directors grants the approval, and shall be sent to the <u>supervisors</u> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p><u>When the Company establishes the audit committee, the regulations for the supervisors shall apply to the audit committee.</u></p> <p>This procedure was approved on March 22, 2017. The first amendment was made on March 25, 2020.</p>	Adjustment of article sequence, deletion of the word “supervisor,” and indication of the amendment date

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Soft-World International Corporation

Opinion

We have audited the accompanying parent company only financial statements of Soft-World International Corporation (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter of the Corporation's parent company only financial statements for the year ended December 31, 2022 is described as follows:

Revenue Recognition - MyCard transactions

The Corporation is an agent in its exclusive card (MyCard) transactions. Net service revenue is recognized at the time customers use MyCard in exchange for game points. Please refer to Notes 4 and 22 to the parent company only financial statements for more details. We considered the risk of material misstatement of the recognition of revenue as the risk of incorrect calculation of the aforementioned game points and the amount needed to be transferred to the related game operators. Therefore, we focused on the accuracy of revenue recognized from MyCard transactions.

The main audit procedures performed by us included the following:

1. We understood and tested the operating effectiveness of the internal controls of the MyCard internet platform and the interface control between MyCard and the ERP system;
2. We implemented computer-assisted audit techniques to test the process by which MyCard points which are deposited, exchanged and consumed. We also verified the amount from MyCard points exchanged and needed to be transferred to the related game operators, and confirmed that the net service revenue amounts had been recorded appropriately.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 Corporation'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 Corporation'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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only 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 parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen-Li Chen and Kai-Ning Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,799,346	23	\$ 2,688,875	24
Notes receivable (Notes 4, 5 and 7)	-	-	55	-
Accounts receivable, net (Notes 4, 5 and 7)	98,691	1	79,412	1
Accounts receivable - related parties (Notes 4, 5, 7 and 28)	23,682	-	19,899	-
Other receivables (Notes 4 and 7)	1,458,362	12	1,370,510	12
Other receivables - related parties (Notes 4, 7 and 28)	53,071	-	86,517	1
Inventories (Notes 4 and 8)	54,095	-	28,611	-
Other financial assets - current (Notes 9 and 29)	3,391,310	28	2,433,282	22
Other current assets	<u>110,329</u>	<u>1</u>	<u>91,863</u>	<u>1</u>
Total current assets	<u>7,988,886</u>	<u>65</u>	<u>6,799,024</u>	<u>61</u>
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 10)	10,075	-	19,060	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	312,298	3	360,310	3
Investments accounted for using the equity method (Notes 4 and 12)	3,515,636	29	3,499,339	32
Property, plant and equipment (Notes 4, 13 and 29)	335,629	3	340,099	3
Right-of-use assets (Notes 4 and 14)	13,725	-	12,115	-
Investment properties (Notes 4 and 15)	2,852	-	-	-
Other intangible assets (Notes 4 and 16)	3,227	-	2,511	-
Deferred tax assets (Notes 4 and 24)	24,765	-	31,842	1
Refundable deposits	11,427	-	11,188	-
Other financial assets - noncurrent (Note 9)	<u>18,666</u>	<u>-</u>	<u>7,530</u>	<u>-</u>
Total noncurrent assets	<u>4,248,300</u>	<u>35</u>	<u>4,283,994</u>	<u>39</u>
TOTAL	<u>\$ 12,237,186</u>	<u>100</u>	<u>\$ 11,083,018</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 22)	\$ 87,738	1	\$ 50,406	-
Notes payable (Note 17)	5,765	-	7,054	-
Notes payable - related parties (Notes 17 and 28)	780	-	780	-
Accounts payable (Note 17)	199,766	2	117,308	1
Accounts payable - related parties (Notes 17 and 28)	4,217	-	52,688	1
Other payables (Note 18)	4,046,399	33	3,221,860	29
Other payables - related parties (Note 28)	106,100	1	110,948	1
Current tax liabilities (Notes 4 and 24)	128,223	1	105,483	1
Lease liabilities - current (Notes 4 and 14)	5,050	-	6,861	-
Other financial liabilities - current (Notes 4 and 19)	701,792	6	689,566	6
Other current liabilities	<u>12,811</u>	<u>-</u>	<u>25,559</u>	<u>-</u>
Total current liabilities	<u>5,298,641</u>	<u>44</u>	<u>4,388,513</u>	<u>39</u>
NONCURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	83,053	1	102,551	1
Lease liabilities - noncurrent (Notes 4 and 14)	8,765	-	5,372	-
Net defined benefit liabilities (Notes 4 and 20)	55,840	-	78,691	1
Guarantee deposits received	<u>438</u>	<u>-</u>	<u>6,070</u>	<u>-</u>
Total noncurrent liabilities	<u>148,096</u>	<u>1</u>	<u>192,684</u>	<u>2</u>
Total liabilities	<u>5,446,737</u>	<u>45</u>	<u>4,581,197</u>	<u>41</u>
EQUITY (Note 21)				
Share capital	<u>1,274,743</u>	<u>10</u>	<u>1,274,743</u>	<u>12</u>
Capital surplus	<u>1,842,281</u>	<u>15</u>	<u>1,816,989</u>	<u>16</u>
Retained earnings				
Legal reserve	1,214,851	10	1,132,078	10
Special reserve	25,117	-	25,117	-
Unappropriated earnings	<u>2,717,604</u>	<u>22</u>	<u>2,608,227</u>	<u>24</u>
Total retained earnings	<u>3,957,572</u>	<u>32</u>	<u>3,765,422</u>	<u>34</u>
Other equity	<u>231,623</u>	<u>2</u>	<u>154,829</u>	<u>2</u>
Treasury shares	<u>(515,770)</u>	<u>(4)</u>	<u>(510,162)</u>	<u>(5)</u>
Total equity	<u>6,790,449</u>	<u>55</u>	<u>6,501,821</u>	<u>59</u>
TOTAL	<u>\$ 12,237,186</u>	<u>100</u>	<u>\$ 11,083,018</u>	<u>100</u>

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

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 22 and 28)	\$ 2,969,704	100	\$ 2,670,982	100
OPERATING COSTS (Notes 23 and 28)	<u>704,491</u>	<u>24</u>	<u>492,660</u>	<u>18</u>
GROSS PROFIT	<u>2,265,213</u>	<u>76</u>	<u>2,178,322</u>	<u>82</u>
OPERATING EXPENSES (Notes 23 and 28)				
Selling and marketing expenses	1,251,376	42	1,242,528	47
General and administrative expenses	190,000	6	185,832	7
Research and development expenses	49,030	2	39,853	1
Expected credit loss (Note 7)	<u>4,216</u>	<u>-</u>	<u>19,443</u>	<u>1</u>
Total operating expenses	<u>1,494,622</u>	<u>50</u>	<u>1,487,656</u>	<u>56</u>
OPERATING INCOME	<u>770,591</u>	<u>26</u>	<u>690,666</u>	<u>26</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	30,904	1	19,488	1
Other income	25,973	1	20,753	1
Other gains and losses	(4,781)	-	(29,775)	(1)
Finance costs	(203)	-	(201)	-
Share of profit of subsidiaries and associates accounted for using the equity method	<u>192,565</u>	<u>6</u>	<u>280,187</u>	<u>10</u>
Total non-operating income and expenses	<u>244,458</u>	<u>8</u>	<u>290,452</u>	<u>11</u>
PROFIT BEFORE INCOME TAX	1,015,049	34	981,118	37
INCOME TAX EXPENSE (Notes 4 and 24)	<u>178,632</u>	<u>6</u>	<u>151,184</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>836,417</u>	<u>28</u>	<u>829,934</u>	<u>31</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	11,866	-	(5,227)	-
Unrealized (loss) income on investments in equity instruments at fair value through other comprehensive income (Note 21)	(48,654)	(2)	85,260	3
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	83,725	3	19,322	1

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	\$ (2,373)	-	\$ 1,045	-
	<u>44,564</u>	<u>1</u>	<u>100,400</u>	<u>4</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 21)	67,014	2	(20,835)	(1)
Share of other comprehensive loss of subsidiaries and associates accounted for using equity method (Note 21)	(5,700)	-	(2,792)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	(13,402)	-	4,167	-
	<u>47,912</u>	<u>2</u>	<u>(19,460)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>92,476</u>	<u>3</u>	<u>80,940</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 928,893</u>	<u>31</u>	<u>\$ 910,874</u>	<u>34</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 6.90</u>		<u>\$ 6.84</u>	
Diluted	<u>\$ 6.85</u>		<u>\$ 6.80</u>	

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

(Concluded)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

			Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Treasury Shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	\$ 1,274,743	\$ 1,781,028	\$ 1,037,835	\$ 30,984	\$ 2,630,355	\$ (48,030)	\$ 119,713	\$ 71,683	\$ (510,393)	\$ 6,316,235
Appropriation of 2020 earnings (Note 21)										
Legal reserve	-	-	94,243	-	(94,243)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(761,480)	-	-	-	-	(761,480)
Reversal of special reserve	-	-	-	(5,867)	5,867	-	-	-	-	-
	-	-	94,243	(5,867)	(849,856)	-	-	-	-	(761,480)
Net profit in 2021	-	-	-	-	829,934	-	-	-	-	829,934
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	(3,840)	(19,460)	104,240	84,780	-	80,940
Total comprehensive income (loss) in 2021	-	-	-	-	826,094	(19,460)	104,240	84,780	-	910,874
Changes in other capital surplus	-	90	-	-	-	-	-	-	-	90
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	33,436	-	-	-	-	-	-	-	33,436
Changes in percentage of ownership interests in subsidiaries	-	2,435	-	-	-	-	-	-	231	2,666
Disposal of investment in equity instruments designated as at fair value through other comprehensive income (Note 11)	-	-	-	-	1,634	-	(1,634)	(1,634)	-	-
BALANCE AT DECEMBER 31, 2021	1,274,743	1,816,989	1,132,078	25,117	2,608,227	(67,490)	222,319	154,829	(510,162)	6,501,821
Appropriation of 2021 earnings (Note 21)										
Legal reserve	-	-	82,773	-	(82,773)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(659,949)	-	-	-	-	(659,949)
	-	-	82,773	-	(742,722)	-	-	-	-	(659,949)
Net profit in 2022	-	-	-	-	836,417	-	-	-	-	836,417
Other comprehensive income in 2022, net of income tax	-	-	-	-	15,682	47,912	28,882	76,794	-	92,476
Total comprehensive income in 2022	-	-	-	-	852,099	47,912	28,882	76,794	-	928,893
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	(5,816)	(5,816)
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	28,976	-	-	-	-	-	-	-	28,976
Changes in percentage of ownership interests in subsidiaries	-	(3,684)	-	-	-	-	-	-	208	(3,476)
BALANCE AT DECEMBER 31, 2022	\$ 1,274,743	\$ 1,842,281	\$ 1,214,851	\$ 25,117	\$ 2,717,604	\$ (19,578)	\$ 251,201	\$ 231,623	\$ (515,770)	\$ 6,790,449

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

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,015,049	\$ 981,118
Adjustments for:		
Income and expenses		
Depreciation expenses	14,418	14,138
Amortization expenses	4,072	11,053
Expected credit loss recognized on accounts receivable	4,216	19,443
Loss on financial assets at fair value through profit or loss	8,985	32,402
Finance costs	203	201
Interest income	(30,904)	(19,488)
Dividend income	(10,667)	(4,110)
Share of profit of subsidiaries and associates accounted for using the equity method	(192,565)	(280,187)
Others	69	1,706
Changes in operating assets and liabilities		
Notes receivable	55	1,070
Accounts receivable	(17,368)	(30,656)
Accounts receivable - related parties	(3,783)	10,800
Other receivables	(93,305)	71,983
Other receivables - related parties	33,446	(26,168)
Inventories	(25,553)	11,302
Other current assets	(18,466)	(96)
Other financial assets	(11,136)	(3,886)
Contract liabilities	37,332	12,030
Notes payable	(1,289)	1,700
Notes payable - related parties	-	180
Accounts payable	82,458	59,126
Accounts payable - related parties	(48,471)	(5,282)
Other payables	824,527	791,139
Other payables - related parties	(4,848)	(69,027)
Other financial liabilities	12,226	(49,248)
Other current liabilities	(12,748)	18,557
Net defined benefit liabilities	(10,973)	(146)
Cash generated from operations	1,554,980	1,549,654
Interest received	30,230	19,512
Dividends received	351,658	180,165
Interest paid	(203)	(201)
Income tax paid	(184,088)	(81,580)
Net cash generated from operating activities	<u>1,752,577</u>	<u>1,667,550</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(642)	-
Disposal of financial assets at fair value through profit or loss	-	51,588

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from sale of subsidiaries	\$ -	\$ 425
Payments for property, plant and equipment	(5,771)	(3,077)
Increase in refundable deposits	(239)	(121)
Payments for intangible assets	(4,788)	(3,555)
Increase in other financial assets	<u>(958,028)</u>	<u>(77,642)</u>
Net cash used in investing activities	<u>(969,468)</u>	<u>(32,382)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	-	5,790
Decrease in guarantee deposits received	(5,632)	-
Repayment of the principal portion of lease liabilities	(7,057)	(8,209)
Cash dividends distributed	(659,949)	(761,480)
Other financing activities	<u>-</u>	<u>90</u>
Net cash used in financing activities	<u>(672,638)</u>	<u>(763,809)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	110,471	871,359
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,688,875</u>	<u>1,817,516</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,799,346</u>	<u>\$ 2,688,875</u>

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

(Concluded)

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the consolidated financial statements of affiliates of Soft-World International Corporation for the year ended December 31, 2022 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been included in the consolidated financial statements of parent and subsidiary companies. Consequently, Soft-World International Corporation and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Soft-World International Corporation

By

Wang, Chun - Po
Chairman

March 15, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Soft-World International Corporation

Opinion

We have audited the accompanying consolidated financial statements of Soft-World International Corporation (the "Corporation") and its subsidiaries (collectively known as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Revenue Recognition - MyCard transactions

The Corporation is an agent in its exclusive card (MyCard) transactions. Net service revenue is recognized at the time customers use MyCard in exchange for game points. Please refer to Notes 4 and 24 to the consolidated financial statements for more details. We considered the risk of material misstatement of the recognition of revenue as the risk of incorrect calculation of the aforementioned game points and the amount needed to be transferred to the related game operators. Therefore, we focused on the accuracy of revenue recognized from MyCard transactions.

The main audit procedures performed by us included the following:

1. We understood and tested the operating effectiveness of the internal controls of the MyCard internet platform and the interface control between MyCard and the ERP system;
2. We implemented computer-assisted audit techniques to test the process by which MyCard points which are deposited, exchanged and consumed. We also verified the amount from MyCard points exchanged and needed to be transferred to the related game operators, and confirmed that the net service revenue amounts had been recorded appropriately.

Other Matter

We have also audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2022 and 2021 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 audit committee, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen-Li Chen and Kai-Ning Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

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.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,497,047	33	\$ 5,701,412	37
Contract assets - current (Note 24)	2,264	-	2,831	-
Notes receivable (Notes 4 and 7)	-	-	445	-
Accounts receivable, net (Notes 4, 7 and 30)	357,357	2	413,072	3
Other receivables (Notes 4, 7 and 30)	1,634,405	10	1,940,867	13
Current tax assets (Notes 4 and 26)	6,311	-	699	-
Inventories (Notes 4 and 8)	61,741	-	33,829	-
Other financial assets - current (Notes 9 and 31)	6,915,027	41	5,533,757	36
Other current assets (Note 7)	681,621	4	177,132	1
Total current assets	15,155,773	90	13,804,044	90
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 10)	10,075	-	19,060	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	523,152	3	504,999	4
Investments accounted for using the equity method (Notes 4 and 13)	38,324	-	37,600	-
Property, plant and equipment (Notes 4, 14 and 31)	368,011	2	382,135	3
Right-of-use assets (Notes 4 and 15)	56,821	1	27,464	-
Investment properties (Notes 4 and 16)	39,225	-	38,337	-
Goodwill (Note 5)	457,621	3	457,621	3
Other intangible assets (Notes 4 and 17)	46,992	1	12,437	-
Deferred tax assets (Notes 4, 5 and 26)	30,022	-	41,793	-
Prepayment of equipment	884	-	-	-
Refundable deposits	28,884	-	31,245	-
Net defined benefit assets (Notes 4 and 22)	26,679	-	22,565	-
Other financial assets - noncurrent (Note 9)	31,841	-	30,445	-
Other noncurrent assets	526	-	629	-
Total noncurrent assets	1,659,057	10	1,606,330	10
TOTAL	\$ 16,814,830	100	\$ 15,410,374	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 24)	\$ 275,943	2	\$ 229,101	1
Notes payable (Notes 18 and 30)	7,077	-	8,584	-
Accounts payable (Note 18)	359,282	2	327,236	2
Other payables (Notes 19 and 30)	4,364,896	26	3,803,071	25
Current tax liabilities (Notes 4 and 26)	141,435	1	171,056	1
Lease liabilities - current (Notes 4 and 15)	28,021	-	22,053	-
Other financial liabilities - current (Notes 4 and 20)	800,826	5	780,160	5
Other current liabilities (Note 21)	2,566,250	15	2,092,596	14
Total current liabilities	8,543,730	51	7,433,857	48
NONCURRENT LIABILITIES				
Deferred tax liabilities (Notes 4, 5 and 26)	92,076	-	117,878	1
Lease liabilities - noncurrent (Notes 4 and 15)	29,198	-	5,406	-
Net defined benefit liabilities (Notes 4 and 22)	57,179	-	89,038	1
Guarantee deposits received	95,856	1	88,248	-
Total noncurrent liabilities	274,309	1	300,570	2
Total liabilities	8,818,039	52	7,734,427	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)				
Share capital	1,274,743	8	1,274,743	8
Capital surplus	1,842,281	11	1,816,989	12
Retained earnings				
Legal reserve	1,214,851	8	1,132,078	7
Special reserve	25,117	-	25,117	-
Unappropriated earnings	2,717,604	16	2,608,227	17
Total retained earnings	3,957,572	24	3,765,422	24
Other equity	231,623	1	154,829	1
Treasury shares	(515,770)	(3)	(510,162)	(3)
Total equity attributable to owners of the Corporation	6,790,449	41	6,501,821	42
NON-CONTROLLING INTERESTS (Note 23)	1,206,342	7	1,174,126	8
Total equity	7,996,791	48	7,675,947	50
TOTAL	\$ 16,814,830	100	\$ 15,410,374	100

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

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 24 and 30)	\$ 6,098,078	100	\$ 6,601,378	100
OPERATING COSTS (Notes 4, 25 and 30)	<u>2,811,125</u>	<u>46</u>	<u>3,285,751</u>	<u>50</u>
GROSS PROFIT	<u>3,286,953</u>	<u>54</u>	<u>3,315,627</u>	<u>50</u>
OPERATING EXPENSES (Notes 25 and 30)				
Selling and marketing expenses	1,659,145	27	1,605,000	24
General and administrative expenses	340,795	6	344,176	5
Research and development expenses	292,344	5	275,973	4
Expected credit loss (Notes 7 and 24)	<u>12,900</u>	<u>-</u>	<u>36,822</u>	<u>1</u>
Total operating expenses	<u>2,305,184</u>	<u>38</u>	<u>2,261,971</u>	<u>34</u>
OPERATING INCOME	<u>981,769</u>	<u>16</u>	<u>1,053,656</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	60,447	1	38,794	1
Other income	47,585	1	57,011	1
Other gains and losses	18,206	-	(38,534)	(1)
Finance costs	(1,020)	-	(944)	-
Share of gain (loss) of associates accounted for using the equity method	<u>724</u>	<u>-</u>	<u>(1,041)</u>	<u>-</u>
Total non-operating income and expenses	<u>125,942</u>	<u>2</u>	<u>55,286</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,107,711	18	1,108,942	17
INCOME TAX EXPENSE (Notes 4 and 26)	<u>226,004</u>	<u>4</u>	<u>235,613</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>881,707</u>	<u>14</u>	<u>873,329</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	24,620	1	(4,940)	-
Unrealized income on investments in equity instruments at fair value through other comprehensive income (Note 23)	17,511	-	102,225	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>(4,924)</u>	<u>-</u>	<u>996</u>	<u>-</u>
	<u>37,207</u>	<u>1</u>	<u>98,281</u>	<u>1</u>

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	\$ 69,759	1	\$ (26,593)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 26)	(13,402)	-	4,167	-
	<u>56,357</u>	<u>1</u>	<u>(22,426)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>93,564</u>	<u>2</u>	<u>75,855</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 975,271</u>	<u>16</u>	<u>\$ 949,184</u>	<u>14</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 836,417	13	\$ 829,934	12
Non-controlling interests	<u>45,290</u>	<u>1</u>	<u>43,395</u>	<u>1</u>
	<u>\$ 881,707</u>	<u>14</u>	<u>\$ 873,329</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 928,893	15	\$ 910,874	14
Non-controlling interests	<u>46,378</u>	<u>1</u>	<u>38,310</u>	<u>-</u>
	<u>\$ 975,271</u>	<u>16</u>	<u>\$ 949,184</u>	<u>14</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 6.90</u>		<u>\$ 6.84</u>	
Diluted	<u>\$ 6.85</u>		<u>\$ 6.80</u>	

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

(Concluded)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity	Subtotal	Treasury shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2021	\$ 1,274,743	\$ 1,781,028	\$ 1,037,835	\$ 30,984	\$ 2,630,355	\$ (48,030)	\$ 119,713	\$ 71,683	\$ (510,393)	\$ 6,316,235	\$ 1,143,160	\$ 7,459,395
Appropriation of 2020 earnings (Note 23)												
Legal reserve	-	-	94,243	-	(94,243)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(761,480)	-	-	-	-	(761,480)	-	(761,480)
Reversal of special reserve	-	-	-	(5,867)	5,867	-	-	-	-	-	-	-
	-	-	94,243	(5,867)	(849,856)	-	-	-	-	(761,480)	-	(761,480)
Cash dividends distributed by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	(11,334)	(11,334)
Net profit in 2021	-	-	-	-	829,934	-	-	-	-	829,934	43,395	873,329
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	(3,840)	(19,460)	104,240	84,780	-	80,940	(5,085)	75,855
Total comprehensive income (loss) in 2021	-	-	-	-	826,094	(19,460)	104,240	84,780	-	910,874	38,310	949,184
Changes in other capital surplus	-	90	-	-	-	-	-	-	-	90	-	90
Adjustments of capital surplus for the Corporation’s cash dividends received by subsidiaries	-	33,436	-	-	-	-	-	-	-	33,436	-	33,436
Changes in percentage of ownership interests in subsidiaries	-	2,435	-	-	-	-	-	-	231	2,666	(2,666)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	6,656	6,656
Disposal of investment in equity instruments designated as at fair value through other comprehensive income (Note 11)	-	-	-	-	1,634	-	(1,634)	(1,634)	-	-	-	-
BALANCE AT DECEMBER 31, 2021	1,274,743	1,816,989	1,132,078	25,117	2,608,227	(67,490)	222,319	154,829	(510,162)	6,501,821	1,174,126	7,675,947
Appropriation of 2021 earnings (Note 23)												
Legal reserve	-	-	82,773	-	(82,773)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(659,949)	-	-	-	-	(659,949)	-	(659,949)
	-	-	82,773	-	(742,722)	-	-	-	-	(659,949)	-	(659,949)
Cash dividends distributed by the subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	(14,147)	(14,147)
Net profit in 2022	-	-	-	-	836,417	-	-	-	-	836,417	45,290	881,707
Other comprehensive income in 2022, net of income tax	-	-	-	-	15,682	47,912	28,882	76,794	-	92,476	1,088	93,564
Total comprehensive income in 2022	-	-	-	-	852,099	47,912	28,882	76,794	-	928,893	46,378	975,271
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	(5,816)	(5,816)	(3,491)	(9,307)
Adjustments of capital surplus for the Corporation’s cash dividends received by subsidiaries	-	28,976	-	-	-	-	-	-	-	28,976	-	28,976
Changes in percentage of ownership interests in subsidiaries	-	(3,684)	-	-	-	-	-	-	208	(3,476)	3,476	-
BALANCE AT DECEMBER 31, 2022	\$ 1,274,743	\$ 1,842,281	\$ 1,214,851	\$ 25,117	\$ 2,717,604	\$ (19,578)	\$ 251,201	\$ 231,623	\$ (515,770)	\$ 6,790,449	\$ 1,206,342	\$ 7,996,791

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

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,107,711	\$ 1,108,942
Adjustments for:		
Income and expenses		
Depreciation expenses	62,836	63,223
Amortization expenses	23,229	35,967
Expected credit loss recognized on accounts receivable	12,900	36,822
Loss on financial assets at fair value through profit or loss	8,985	32,402
Finance costs	1,020	944
Interest income	(60,447)	(38,794)
Dividend income	(15,260)	(4,405)
Share of (profit) loss of associates accounted for using the equity method	(724)	1,041
Others	(37)	2,367
Changes in operating assets and liabilities		
Contract assets	(304)	(2,831)
Notes receivable	445	3,580
Accounts receivable	55,898	160,097
Other receivables	295,898	(249,943)
Inventories	(27,973)	5,777
Other current assets	(507,850)	25,262
Other financial assets	(229,408)	(1,022,192)
Contract liabilities	46,842	26,808
Notes payable	(1,507)	968
Accounts payable	32,046	(173,658)
Other payables	561,813	1,073,662
Other financial liabilities	20,666	(17,362)
Other current liabilities	473,654	490,134
Net defined benefit liabilities	(11,341)	(485)
Cash generated from operations	1,849,092	1,558,326
Interest received	61,914	37,615
Dividends received	15,260	4,405
Interest paid	(1,020)	(944)
Income tax paid	(293,594)	(133,139)
Net cash generated from operating activities	<u>1,631,652</u>	<u>1,466,263</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(642)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	51,588
Proceeds from disposal of subsidiaries	-	18,466
Payments for property, plant and equipment	(12,589)	(16,427)
Proceeds from disposal of property, plant and equipment	122	30

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease (increase) in refundable deposits	\$ 2,361	\$ (3,026)
Payments for intangible assets	(57,786)	(21,826)
Increase in other financial assets	<u>(1,153,258)</u>	<u>(74,615)</u>
Net cash used in investing activities	<u>(1,221,792)</u>	<u>(45,810)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	7,608	4,105
Repayment of the principal portion of lease liabilities	(35,395)	(39,042)
Cash dividends distributed	(630,973)	(728,044)
Acquisition of the parent company's shares held by subsidiaries	(9,307)	-
Changes in non-controlling interests	(14,147)	(4,678)
Unclaimed overdue dividends	<u>-</u>	<u>90</u>
Net cash used in financing activities	<u>(682,214)</u>	<u>(767,569)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>67,989</u>	<u>(25,808)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(204,365)	627,076
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,701,412</u>	<u>5,074,336</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,497,047</u>	<u>\$ 5,701,412</u>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)

Attachment 4

Soft-World International Corporation Earnings Appropriation Statement 2022

Unit: NTD

	Amount	
	Subtotal	Total
2022 Net Profit		836,416,734
The defined benefit plans re-measured amount is recognized in the “retained earnings” account.		15,682,172
Sum of net profit before tax of the current period plus other items other than net profit after tax of the current period recognized as undistributed retained earnings of the current year		852,098,906
Legal reserve appropriated (10%)		(85,209,891)
Appropriation of special reserve		(21,799,000)
Earnings in 2022 Available for Distribution		745,090,015
Opening undistributed earnings		1,865,504,841
Accumulated earnings available for distribution at the end of 2022		2,610,594,856
Distribution		
Shareholders’ cash dividends (NT\$7/share)		888,393,324
Closing undistributed earnings		1,722,201,532

- Note:**
1. The distribution of stock dividends is based on the 126,913,332 outstanding shares on March 15, 2023 (127,474,332 original outstanding shares, less 561,000 treasury stocks). If the number of outstanding shares is affected by repurchase of shares, transfer or cancellation of treasury stocks, exercise of employee option, additional cash capital, the Chairman shall be authorized to adjust the distribution rate per share.
 2. Based on the cash dividends distribution proposal resolved by the Board of Directors, the base date for dividends distribution and other related matters are to be formulated accordingly.
 3. Earnings in 2022 is distributed in priority.
 4. The total number of odd shares for less than NT\$1 is transferred to other income of the Company.

Chairman: WANG, CHIN-PO Manager: WANG, CHIN-PO Chief accountant: HUANG, YA-CHUAN

Attachment 5

Soft-World International Corporation
The comparison table of the Operational Procedures for Loaning Funds to Others before and after amendments

Clauses after the amendment	Original clause	Remark
<p>Article 4: The procedure of lending processing and its review:</p> <p>I. Review procedures and loan approval:</p> <p>(I) Review and evaluation: For the process of the Company's loaning of funds, the borrowers shall provide the necessary information and financial information of their company to the Company in writing for the application of the financing facility. When the Company receives the application, its finance department shall investigate and evaluate the counterparties' business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report. The finance department shall conduct a detailed investigation and evaluation for the counterparty of the lending. The evaluation items shall at least include:</p> <ol style="list-style-type: none"> 1. The necessity of and reasonableness of extending loans to others. <ol style="list-style-type: none"> (1) To measure the necessity of the lending amount based on the financial position of the counterparty of the lending. (2) Whether the accumulated amount of lending is still within the limit. 2. The credit investigation for the lending's counterparty and the risk assessment. 3. Impact on the company's 	<p>Article 4: The procedure of lending processing and its review:</p> <p>I. Review procedures and loan approval:</p> <p>(I) Review and evaluation: For the process of the Company's loaning of funds, the borrowers shall provide the necessary information and financial information of their company to the Company in writing for the application of the financing facility. When the Company receives the application, its finance department shall investigate and evaluate the counterparties' business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report. The finance department shall conduct a detailed investigation and evaluation for the counterparty of the lending. The evaluation items shall at least include:</p> <ol style="list-style-type: none"> 1. The necessity of and reasonableness of extending loans to others. <ol style="list-style-type: none"> (1) To measure the necessity of the lending amount based on the financial position of the counterparty of the lending. (2) Whether the accumulated amount of lending is still within the limit. 2. The credit investigation for the lending's counterparty and the risk assessment. 3. Impact on the company's 	Text addition or deletion

<p>business operations, financial condition, and shareholders' equity.</p> <p>4. Whether collateral must be obtained and appraisal of the value thereof.</p> <p>(II) Credit investigation: All the companies or firms that apply for the loan shall have a detailed credit investigation conducted, attaching the record for credit investigation and risk assessment on the lending's counterparty. The credit and risk assessment records of the borrower are also enclosed.</p> <p>II. Assurance:</p> <p>(I) For the Company's lending to other parties, if the board of directors consider it necessary, the financing counterparty shall provide the collaterals that are equivalent with the amount of financing facility and shall secure the completeness of the rights. For the aforesaid collateral, if a debtor provides the persons or companies who have a certain degree of funds and credit as guarantee to replace the collaterals, the board of directors may refer to the finance department's investigated opinions to make a decision. With a company as the guarantee, such company shall set forth the guarantee clauses in the Articles of Incorporation, and the relevant resolutions of meeting minutes shall report to the shareholders meeting.</p> <p>(II) When the Company signs the financing agreement with the counterparty, it shall be conducted by the institution or group's seal registered with the governing authority and the responsible person's seal, as well as review the debtor and guarantor's seals and the process of the signature.</p>	<p>business operations, financial condition, and shareholders' equity.</p> <p>4. Whether collateral must be obtained and appraisal of the value thereof.</p> <p>(II) Credit investigation: All the companies or firms that apply for the loan shall have a detailed credit investigation conducted, attaching the record for credit investigation and risk assessment on the lending's counterparty. The credit and risk assessment records of the borrower are also enclosed.</p> <p>II. Assurance:</p> <p>(I) For the Company's lending to other parties, if the board of directors considers it necessary, the financing counterparty shall provide the collaterals that are equivalent with the amount of financing facility and shall secure the completeness of the rights. For the aforesaid collateral, if a debtor provides the persons or companies who have a certain degree of funds and credit as guarantee to replace the collaterals, the board of directors may refer to the finance department's investigated opinions to make a decision. With a company as the guarantee, such company shall set forth the guarantee clauses in the Articles of Incorporation, and the relevant resolutions of meeting minutes shall report to the shareholders meeting.</p> <p>(II) When the Company signs the financing agreement with the counterparty, it shall be conducted by the institution or group's seal registered with the governing authority and the responsible person's seal, as well as review the debtor and guarantor's seals and the process of the signature.</p>	
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<p>III. Delegation scope: After the finance department conducts the credit investigation on the Company's lending, it shall be carefully assessed whether it meets the regulation of this procedure, combining the assessment result, and shall be reported to the presidents for approval, then reported to the board of directors for resolution. It shall not delegate other persons to make the decision.</p> <p>The lending between the Company and its parent company or its subsidiaries, or between the subsidiaries shall be reported to the board of directors for resolution according to the regulations of the preceding paragraph. For the same lending's counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the board of directors.</p> <p>For the certain facility stated in the preceding paragraph, in addition to meeting the regulations of Article 2, the authorized facility for the lending of the Company or the subsidiaries on a single company shall not exceed 10% of the net worth in the latest financial statement.</p> <p>The company shall take into full consideration each independent director's opinions for the loaning of funds to others. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>III. Delegation scope: After the finance department conducts the credit investigation on the Company's lending, it shall be carefully assessed whether it meets the regulation of this procedure, combining the assessment result, and shall be reported to the presidents for approval, then reported to the board of directors for resolution. It shall not delegate other persons to make the decision.</p> <p>The lending between the Company and its parent company or its subsidiaries, or between the subsidiaries shall be reported to the board of directors for resolution according to the regulations of the preceding paragraph. For the same lending's counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the board of directors.</p> <p>For the certain facility stated in the preceding paragraph, in addition to meeting the regulations of Article 2, the authorized facility for the lending of the Company or the subsidiaries on a single company shall not exceed 10% of the net worth in the latest financial statement.</p> <p>If the Company has established the independent directors, the lending to other parties shall fully take into account each independent director's opinions. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes for the board of directors.</p>	
<p>Article 7: Internal Control:</p> <p>1. For the lending events, the Company shall establish a memorandum book to record the detailed information in respect of the lending's counterparty, amount, the date approved by the board of directors, the date remitted and other regulated information that shall be carefully assessed.</p>	<p>Article 7: Internal Control:</p> <p>1. For the lending events, the Company shall establish a memorandum book to record the detailed information in respect of the lending's counterparty, amount, the date approved by the board of directors, the date remitted and other regulated information that shall be carefully assessed.</p>	<p>Since the audit committee is set up to perform the supervisor's duties, deleted the terms "supervisor(s)."</p>

<p>II. The company's internal auditors should audit the operating procedures and the loaning of funds to others on a quarterly basis, at least, with a written record compiled. The <u>Audit Committee</u> should be notified in writing immediately for any material nonconformity identified. The managerial officers and responsible personnel will be punished accordingly for any material nonconformity identified.</p> <p>3. When the lending's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to every <u>Audit Committee</u> and shall be completed according to the planning schedule.</p> <p>4. When the Company's managers and persons in charge conduct the lending to other parties in violation of this procedure, such events shall be reported for appraisal regularly according to the code of practice, and shall be punished based on the circumstances.</p>	<p>2. The Company's internal control staff shall audit the procedure of lending to other parties and implementation at least quarterly, and shall record it in writing. If there is any material violation, it shall notify <u>each supervisor in writing immediately</u>. <u>The items notified to the supervisors</u> shall be notified to the independent directors in writing as well. <u>If the audit committee has been established</u>, it shall apply the same. If a material violation has been found, the managers and the persons in charge shall be punished according to the circumstances of violation.</p> <p>3. When the lending's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to every <u>supervisor</u> and shall be completed according to the planning schedule.</p> <p>4. When the Company's managers and persons in charge conduct the lending to other parties in violation of this procedure, such events shall be reported for appraisal regularly according to the code of practice, and shall be punished based on the circumstances.</p>	
<p>Article 12: The company's Procedures for Loaning of Funds should be agreed <u>by the majority of the Audit Committee members, resolved by the Board of Directors, and approved by the shareholders meeting</u>. The same process applies for amendments.</p> <p>If approval of one-half or more of all audit committee members as required in the <u>preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors'</u></p>	<p>Article 12: The procedure of lending to other parties <u>shall be submitted to every supervisor and reported to the shareholders meeting for resolution after the approval of the board of directors. The directors' expression of objections recorded or in writing, if any, shall also be submitted to every supervisor and reported to the shareholders meeting for discussion</u>. The amendment shall apply the same.</p>	<p>Since the audit committee is set up to perform the supervisor's duties, deleted the terms "supervisor(s)."</p>

<p><u>meeting. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the shareholders meeting for discussion. The company shall take into full consideration each independent director's opinions when the Procedures for Loaning of Funds is presented to the Board of Directors for discussion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.</u></p> <p>The entire body of members of the audit committee herein and the entire body of directors in <u>this article</u> shall be counted by the actual incumbents.</p>	<p>When the procedure of lending to other parties is reported to the board of directors for discussion <u>according to the regulations of the preceding paragraph</u>, each independent director's opinions shall be fully taken into account. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the board of directors.</p> <p><u>Where an audit committee has been established, the establishment or amendment of this procedure shall be approved by more than one-half of all audit committee members and then submitted to the board of directors for a resolution, and shall not apply for the regulations of the first Paragraph. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p>The terms "all audit committee members" in <u>paragraph 3</u> and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	
<p>Article 13: This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 26, 2007; the 3rd amendment was made on June 19, 2009, the 4th amendment was made on June 17, 2009, the 5th amendment was made on June 27, 2012; the 6th amendment was made on June 19, 2013; the 7th amendment was made on June 17, 2015 and the 8th amendment was made on June 18, 2019; <u>the 9th amendment was made on June 17, 2015 and the 9^h amendment was made on June 26, 2023.</u></p>	<p>Article 13: This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 26, 2007; the 3rd amendment was made on June 19, 2009, the 4th amendment was made on June 17, 2009, the 5th amendment was made on June 27, 2012; the 6th amendment was made on June 19, 2013; the 7th amendment was made on June 17, 2015 and the 8th amendment was made on June 18, 2019.</p>	<p>Add the date of this amendment</p>

Attachment 6

Soft-World International Corporation

The comparison table of the Regulations Governing Making of Endorsement and Guarantees before and after amendments

Clauses after the amendment	Original clause	Remark
<p>Article 4: The limited amount for the endorsements and guarantees</p> <ol style="list-style-type: none"> 1. The sum of external endorsements and guarantees by the Company shall not exceed 50% (50% excluded) of the current net worth. 2. The endorsements and guarantees on a single company shall not exceed 20% of the current net worth. The net worth shall refer to the audited financial statements in the latest period. 3. If the endorsements and guarantees are derived from business relationship, except for the aforesaid limit, the individual amount of the endorsements and guarantees shall not exceed the business transactions amounts. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher. 4. The sum of the entirety of endorsements and guarantees for the Company and its subsidiaries shall not exceed 50% (50% excluded) of the current net worth of the Company, and the endorsements and guarantees on a single company shall not exceed 30% of the current net worth of the Company. If the sum of the entirety of endorsements and guarantees for the Company and its subsidiaries reaches 50% or more of the net worth of the Company, the necessity and reasonableness shall be explained in the shareholders meeting. For the subsidiaries whose shares have no par value or a par value other than NT\$10, the paid-in capital stated in Subparagraph 11 of the preceding paragraph shall refer to the sum of the share capital plus capital reserves minus the original issue premium. 	<p>Article 4: The limited amount for the endorsements and guarantees</p> <ol style="list-style-type: none"> 1. The sum of external endorsements and guarantees by the Company shall not exceed 50% (50% excluded) of the current net worth. 2. The endorsements and guarantees on a single company shall not exceed 20% of the current net worth. The net worth shall refer to the audited financial statements in the latest period. 3. If the endorsements and guarantees are derived from business relationship, except for the aforesaid limit, the individual amount of the endorsements and guarantees shall not exceed the business transactions amounts. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher. 4. The sum of the entirety of endorsements and guarantees for the Company and its subsidiaries shall not exceed 50% (50% excluded) of the current net worth of the Company, and the endorsements and guarantees on a single company shall not exceed 30% of the current net worth of the Company. If the sum of the entirety of endorsements and guarantees for the Company and its subsidiaries reaches 50% or more of the net worth of the Company, the necessity and reasonableness shall be explained in the shareholders meeting. For the subsidiaries whose shares have no par value or a par value other than NT\$10, the paid-in capital stated in Subparagraph 11 of the preceding paragraph shall refer to the sum of the share capital plus capital reserves minus the original issue premium. 	<p>Since the audit committee is set up to perform the supervisor's duties, deleted the terms "supervisor(s)."</p>

<p>5. If the counterparty of endorsements and guarantees is a subsidiary of the Company whose net worth is less than one-half of the paid-in capital, in addition, and pursuant to the first paragraph of Article 6 of the procedure, the person in charge in the finance department shall prepare the reports that summarize the increase and decrease of the endorsements and guarantees and its balance on a monthly basis and submit it to the authorized managers for review. The Company's internal control staff shall audit the procedure of endorsements and guarantees and its implementation and record in it writing at least quarterly. If there is any material violation, it shall be notified to each <u>Audit Committee</u> in writing immediately.</p>	<p>5. If the counterparty of endorsements and guarantees is a subsidiary of the Company whose net worth is less than one-half of the paid-in capital, in addition, and pursuant to the first paragraph of Article 6 of the procedure, the person in charge in the finance department shall prepare the reports that summarize the increase and decrease of the endorsements and guarantees and its balance on a monthly basis and submit it to the authorized managers for review. The Company's internal control staff shall audit the procedure of endorsements and guarantees and its implementation and record in it writing at least quarterly. If there is any material violation, it shall be notified to each <u>supervisor</u> in writing immediately.</p>	
<p>Article 6: The processing procedure of the endorsements and guarantees and its audit:</p> <ol style="list-style-type: none"> 1. When the Company conducts the endorsements and guarantees, the endorsed and guaranteed company shall prepare the application form to the Company's finance department. The finance department shall conduct the credit investigation of the endorsed and guaranteed company, assess the risk and prepare the evaluation record. After passing the investigation, it shall be reported to the presidents and chairman for approval. If necessary, the collateral shall be obtained. 2. The credit investigation and risk evaluation on the endorsed and guaranteed company by the finance department shall include the following items: <ol style="list-style-type: none"> (1) the necessity and rationality of the endorsement. <ol style="list-style-type: none"> 1. Measurement of the necessity of the endorsement amount based on the financial conditions of the endorsed and guaranteed company. 2. Whether the aggregate amount of the endorsements 	<p>Article 6: The processing procedure of the endorsements and guarantees and its audit:</p> <ol style="list-style-type: none"> 1. When the Company conducts the endorsements and guarantees, the endorsed and guaranteed company shall prepare the application form to the Company's finance department. The finance department shall conduct the credit investigation of the endorsed and guaranteed company, assess the risk and prepare the evaluation record. After passing the investigation, it shall be reported to the presidents and chairman for approval. If necessary, the collateral shall be obtained. 2. The credit investigation and risk evaluation on the endorsed and guaranteed company by the finance department shall include the following items: <ol style="list-style-type: none"> (1) the necessity and rationality of the endorsement. <ol style="list-style-type: none"> 1. Measurement of the necessity of the endorsement amount based on the financial conditions of the endorsed and guaranteed company. 2. Whether the aggregate amount of the endorsements 	<p>Since the audit committee is set up to perform the supervisor's duties, deleted the terms "supervisor(s)."</p>

<p>and guarantees is still within the amount of limit.</p> <p>3. If the endorsements and guarantees is derived from business relationship, it is necessary to evaluate whether the amount of the endorsements and guarantees and the amount of business transactions are within limit.</p> <p>(2) Credit investigation on the counterparty of endorsements and guarantees and risk evaluation.</p> <p>(3) Impact on the company's business operations, financial condition, and shareholders' equity.</p> <p>(4) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>3. The Company shall establish a memorandum book to record the detail information in respect of the counterparty of the endorsements and guarantees, amount, the date approved by the board of directors or the date decided by the chairman, the date to execute the endorsements and guarantees and other information regulated in the preceding paragraph that shall be carefully assessed.</p> <p>4. The finance department shall assess or recognize the contingent loss of the endorsements and guarantees. The information of the endorsements and guarantees shall be disclosed in the financial report appropriately and the relevant information shall be provided for CPAs to conduct the necessary audit procedure.</p> <p>5. When the counterparty of the endorsements and guarantees is not in conformity with the regulations of this procedure due to the changes in circumstances, or the amount of endorsements and guarantees exceeds the limit due to the changes on the calculation basis, the Company shall eliminate the counterparty's guaranteed amount or exceeding amount at the expired date specified in</p>	<p>and guarantees is still within the amount of limit.</p> <p>3. If the endorsements and guarantees is derived from business relationship, it is necessary to evaluate whether the amount of the endorsements and guarantees and the amount of business transactions are within limit.</p> <p>(2) Credit investigation on the counterparty of endorsements and guarantees and risk evaluation.</p> <p>(3) Impact on the company's business operations, financial condition, and shareholders' equity.</p> <p>(4) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>3. The Company shall establish a memorandum book to record the detail information in respect of the counterparty of the endorsements and guarantees, amount, the date approved by the board of directors or the date decided by the chairman, the date to execute the endorsements and guarantees and other information regulated in the preceding paragraph that shall be carefully assessed.</p> <p>4. The finance department shall assess or recognize the contingent loss of the endorsements and guarantees. The information of the endorsements and guarantees shall be disclosed in the financial report appropriately and the relevant information shall be provided for CPAs to conduct the necessary audit procedure.</p> <p>5. When the counterparty of the endorsements and guarantees is not in conformity with the regulations of this procedure due to the changes in circumstances, or the amount of endorsements and guarantees exceeds the limit due to the changes on the calculation basis, the Company shall eliminate the counterparty's guaranteed amount or exceeding amount at the expired date specified in</p>	
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<p>the contract or make an improvement plan to eliminate it within a certain period. The relevant improvement plan shall be submitted to every <u>Audit Committee</u> and shall be reported to the board of directors.</p>	<p>the contract or make an improvement plan to eliminate it within a certain period. The relevant improvement plan shall be submitted to every <u>supervisor</u> and shall be reported to the board of directors.</p> <p><u>If the Company has established the independent directors, the improvement plans that are submitted to the supervisors shall be submitted to the independent directors as well. When the Company has established the audit committee, the regulations for the supervisors shall apply to the audit committee.</u></p>	
<p>Article 8: Internal Control</p> <p>1. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the <u>Audit Committee</u> in writing of any material violation found.</p> <p>2. The Company's engagement in the endorsements and guarantees shall be conducted in compliance with the procedure. If there is any material violation, the managers and the persons in charge shall be punished depending on the circumstances.</p>	<p>Article 8: Internal Control</p> <p>1. The Company's internal control staff shall audit the procedure of endorsements and guarantees and its implementation at least quarterly, and shall record it in writing. If there is any material violation, it shall notify each supervisor in writing immediately. The items notified to the supervisors shall be notified to the independent directors in writing as well. If the audit committee has been established, it shall apply the same.</p> <p>2. The Company's engagement in the endorsements and guarantees shall be conducted in compliance with the procedure. If there is any material violation, the managers and the persons in charge shall be punished depending on the circumstances.</p>	<p>Since the audit committee is set up to perform the supervisor's duties, deleted the terms "supervisor(s)."</p>
<p>Article 13: The amendments to the Regulations <u>should be agreed by the majority of the Audit Committee members, resolved by the Board of Directors, and approved by the shareholders meeting. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting. If any director expresses dissent and it is contained in the</u></p>	<p>Article 13: The procedure shall be passed by the board of directors, then submitted to every supervisor and reported to the shareholders meeting for resolution. <u>If a director expresses any objections, recorded or in writing, they shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same.</u></p>	<p>Since the audit committee is set up to perform the supervisor's duties, deleted the terms "supervisor(s)."</p>

<p><u>minutes or a written statement, the company shall submit the director's dissenting opinion to the shareholders meeting for discussion.</u></p> <p>When the procedures are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. <u>The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</u></p> <p>If the Company does not intend to provide the endorsement or guarantee to other parties, it may be exempted from the establishment of the procedure of the endorsements and guarantees according to the resolution of the board of directors. The making of endorsements/guarantees, if so planned, <u>should also be handled in accordance with the relevant provisions of the Regulations.</u></p>	<p><u>If the Company has established the independent directors, each independent director's opinions shall be fully taken into account when the procedure is reported to the board of directors for discussion according to the regulations in the preceding paragraph. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the board of directors.</u></p> <p>If the Company does not intend to provide the endorsement or guarantee to other parties, it may be exempted from the establishment of the procedure of the endorsements and guarantees according to the resolution of the board of directors. If such a company subsequently intends to make endorsements or guarantees, <u>it shall still comply with the preceding two paragraphs.</u></p> <p><u>Where an audit committee has been established, the establishment or amendment of this procedure shall be approved by more than one-half of all audit committee members and then submitted to the board of directors for a resolution, and shall not apply for the regulations of the first Paragraph. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	
Article 14: This Regulations 1 st amendment was made on June 25, 2003; the 2 nd	Article 14: This Regulations 1 st amendment was made on June 25, 2003;	Add the date of this amendment

amendment was made on June 23, 2006; the 3 rd amendment was made on June 26, 2007, the 4 th amendment was made on June 26, 2009, the 5 th amendment was made on June 17, 2010; the 6 th amendment was made on June 27, 2012; the 7 th amendment was made on June 19, 2013 and the 8 th amendment was made on June 14, 2018; the 9 th amendment was made on June 18, 2019 <u>and the 10th amendment was made on June 26, 2023.</u>	the 2 nd amendment was made on June 23, 2007; the 3 rd amendment was made on June 26, 2007, the 4 th amendment was made on June 19, 2009, the 5 th amendment was made on June 17, 2010; the 6 th amendment was made on June 27, 2012; the 7 th amendment was made on June 19, 2013 and the 8 th amendment was made on June 14, 2018; the 9 th amendment was made on June 18, 2019	
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Attachment 7

Soft-World International Corporation
The comparison table of the Procedure for Derivatives Trading before and after amendments

Clauses after the amendment	Original clause	Remark
<p>VII. Internal audit system.</p> <ol style="list-style-type: none"> 1. Internal auditors should regularly review the adequacy of the internal control of financial derivatives trading, and check the trading department's compliance with the "Procedures for financial derivatives trading" on a monthly basis; also, analyze the transaction cycle with an audit report prepared. 2. The audit unit shall check the relevant records or reports of financial derivatives trading regularly and sporadically; also, they shall notify the <u>Audit Committee</u> in writing for any major nonconformity identified. 	<p>VII. Internal audit system.</p> <ol style="list-style-type: none"> 1. Internal auditors should regularly review the adequacy of the internal control of financial derivatives trading, and check the trading department's compliance with the "Procedures for financial derivatives trading" on a monthly basis; also, analyze the transaction cycle with an audit report prepared. 2. The audit unit shall check the relevant records or reports of financial derivatives trading regularly and occasionally; also, they shall <u>promptly</u> notify the <u>supervisors</u> in writing for any major nonconformity identified. 	<p>Since the audit committee is set up to perform the supervisor's duties, deleted the terms "supervisor(s)."</p>

Attachment 8

Soft-World International Corporation Candidates list for the independent director

Nominated by: Board of Directors

Serial No.	Nominee Name	Education	Work Experience	Current position	Shareholding (number of shares) Note
1	Ming-Tsan Pan	Master of Business Administration, National Taiwan University	Director/President of MagiCapital Co., Ltd.	Independent director of Synergy Scienteck Corp. President of Lien Chuang Investment Co., Ltd.	0

Note: The numbers of shares are calculated as of the closing date of the 2023 shareholders meeting on April 28, 2023.

Appendix 1

Articles of Association of Soft-World International Corporation

Chapter 1 General Provisions

- Article 1: The Company is incorporated according to the Company Act, is named 智冠科技股份有限公司 and English as “SOFT-WORLD INTERNATIONAL CORPORATION”.
- Article 2: The Company's industry classifications are:
1. F218010 Retail Sale of Computer Software
 2. CC01110 Computer and Peripheral Equipment Manufacturing
 3. F118010 Wholesale of Computer Software
 4. I301010 Information Software Services
 5. F113070 Wholesale of Telecommunication Apparatus
 6. I301030 Electronic Information Supply Services
 7. E701010 Telecommunications Engineering
 8. F401010 International Trade
 9. J303010 Magazine(Periodical) Publishing
 10. I401010 General Advertisement Service
 11. J602010 Performing Arts Activities
 12. J305010 Audio Publishing
 13. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 14. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 15. JZ99050 Agency Services
 16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may provide the guarantee or reinvestment to external companies in the same industry due to the business requirement. In such event, the restriction for investment amount not to exceed 40% of the paid-in capital of the Company stipulated in Article 13 of the Company Act is not applicable.
- Article 4: The Company is located in Kaohsiung and may establish branches at home or abroad as necessary by the resolution of the board of the directors.
- Article 5: Deleted.

Chapter 2 Stock shares

- Article 6: The authorized capital of the Company is NT\$2,000 million, divided into 200 million shares with NT\$10 of par value. The total number of shares may be issued in installments. The unissued shares shall authorize the board of directors to resolve for issue according to actual demand.
- The total authorized capital in the first paragraph shall reserve NT\$50 million for the issue of share subscription warrant, bond with attached warrant or preferred stocks with attached warrants, totaling 5 million shares, and NT\$10 per share that may be issued in installments according to the resolution of the board of directors.
- The Company may transfer the shares to employees at a price lower than the average price of the actual buy back shares, or issue the employee stock warrant at an exercise price lower than market. However, it shall be approved by the shareholders meeting that is attended by the shareholders representing more than one-half of the total number of issued shares and be resolved by more than two-thirds of voting rights of the attending

shareholders.

The transferee of repurchased shares, employees eligible for employee stock options, employees purchasing new capital stock, and employees eligible for new restricted shares, including employees of controlling companies and affiliates meeting certain conditions, such conditions shall be specified by the Board of Directors.

Article 7: The company is exempt from printing physical stocks. The company should register with the central deposit business institute and follow the regulations of such institute.

Article 8: The renaming and registration of the shareholder shall be suspended within 60 days prior to the convening date of the general shareholders meeting, or within 30 days prior to the convening date of the special shareholders meeting or within 5 days prior to the target date fixed by the company for distribution of dividends, bonus or other benefits.

Chapter 3 Meeting of shareholders

Article 9: The shareholders meeting is divided into a regular meeting and special meeting. The general meeting shall be held once a year and is convened by the board of directors within 6 months after the end of the fiscal year. Special sessions will be called for under law where necessary.

The shareholders' meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority, which is to be processed in accordance with the regulations of the securities' competent authority.

In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 9-1: The shareholders meeting shall be convened by the board of directors and chaired by the chairman. In the absence of the chairman, the chairman shall appoint one of the directors to act on his behalf. If no one is appointed, one of the directors shall be elected to act instead. If convened by a person other than the board of directors, the convener shall act as chairman. And, if there are more than 2 conveners, the conveners shall elect one of them as chairman.

Article 10: When a shareholder is unable to attend the shareholders meeting for any reason, he or she may execute a power of attorney issued by the company, stating the scope of delegation, to appoint a proxy to attend the shareholders meeting. In addition, pursuant to Article 177 of the Company Act, the method of the shareholder's entrustment attendance shall be conducted in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" announced by the governing authority.

Article 11: The resolution of the shareholders meeting, unless otherwise regulated by laws, shall be attended by the shareholders representing more than half of the total number of issued shares in person or by proxy, and approved by more than half of voting rights of the attending shareholders.

Article 11-1: The resolution of the shareholders meeting shall be made into meeting minutes and shall be conducted in accordance with Article 183 of the Company Act.

Article 12: Each shareholder of the Company has one vote per share, but there are no voting rights, in event of the occurrence of such events stated in Article 179 of the Company Act.

Chapter 4 Directors and audit committee

Article 13: The company should appoint five to eleven directors. The term of office should be three years. Each director may be reelected. Among the number of the directors in the preceding paragraph, the number of independent directors shall not be less than 3 persons, and shall not be less than one-fifth of the number of the directors.

Elections of the Company's directors shall proceed using the cumulative single-registered

method. Each share is vested with voting rights equal to the number of directors to be elected. These voting rights may be concentrated on one candidate or spread across multiple candidates. Candidates receiving the highest number of votes are elected as directors.

The entire body of the directors shall be elected by the shareholders using the nomination system from the list of nominated candidates, with independent and non-independent directors elected at the same time, but in separately calculated numbers.

Pursuant to the preceding paragraph, the method of candidates' nomination and announcement shall be conducted in accordance with the applicable laws of the Company Act and the Securities and Exchange Act.

Article 13-1: The board of directors shall convene at least once a quarter. The convening shall be notified to all directors with detailed agenda 7 days before the meeting; however, the meeting can be convened with shorter notice in case of any emergency.

The convening of the board of directors of the Company may be notified in writing, by e-mail or fax.

Article 14: The directors construct the board of directors, with the attendance of more than two-thirds of the directors and the consent of more than one-half of the attending directors to appoint one of the directors to be chairman who will represent the Company in performing all business.

Article 14-1: When the chairman is unable to perform the duties due to leave or other reasons, the acting chairman shall be decided in accordance with Article 208 of the Company Act.

Article 14-2: For the directors to attend and entrust to attend the board of the directors, the entrustment shall be conducted in accordance with Article 205 of the Company Act.

Article 15: When the vacancy of the directors reaches one-third, the board of directors shall convene the special shareholders meeting by law for by-election

Article 16: Regardless of operating profit or loss, the board of directors may be authorized to determine the remuneration of all directors according to the general standard in the same industry.

Article 17: The company set up the audit committee pursuant to Article 14-4 of the Securities and Exchange Act. The audit committee should consist of all independent directors. The audit committee or the committee members are responsible for performing the duties of supervisors under the Company Act, Securities and Exchange Act, and other laws.

Article 17-1: The company may purchase director liability insurance to reduce the risks arising from the claim by shareholders or other stakeholders against the directors for their performance of statutory duties.

Chapter 5 Manager

Article 18: The Company may set up one president, whose recruitment, dismissal and remuneration shall be pursuant to the applicable regulations of the Company Act.

Article 19: The board of directors may employ CPAs and attorneys as consultants according to the demand of the business; their compensation shall be determined by the board of directors.

Chapter 6 Accounting

Article 20: The Company stipulates that the fiscal year is from January 1st to December 31st of every year.

Article 21: At the end of each fiscal year, the board of directors shall prepare the following reports, and they shall be submitted to the general shareholders meeting:

1. Business Report
2. Financial statements
3. Proposal for earnings distribution or loss offset

Article 22: If the Company earns profit in the year, it shall reserve not less than 2% for the compensation of employees and not higher than 2% for the remuneration of the

directors. The distribution for compensation of employees and remuneration of the directors shall be reported to the shareholders meeting. However, if the Company still has accumulated losses, the amount shall be retained for compensation, and then appropriated as remuneration to employees, directors based on the percentages mentioned above.

The Board of Directors will resolve to distribute the preceding employees' compensation in the form of shares or in cash. The recipients may include employees of controlled companies or affiliates who have met certain conditions. Such conditions shall be specified by the Board of Directors.

Article 22-1: The company should distribute surplus or compensate loss at the end of each quarter. If there is any surplus after the quarterly settlement, the amount shall be reserved for the estimated tax amount, compensation of loss, employees' compensation and directors' remuneration; then 10% appropriated for legal reserve unless the legal reserve has equaled the company's paid-in capital, in such case, the company shall recognize or reverse special earnings. If there is any amount remaining, the Board of Directors shall prepare the proposal of distributing surplus, where the proposal shall be executed after resolution by the Board of Directors for cash distribution, or by the shareholders meeting for stock distribution.

If there is any surplus after the annual settlement, the amount shall be used to pay the tax, compensate loss, then 10% appropriated for legal reserve unless the legal reserve has equaled the company's paid-in capital, in such case, the company shall recognize or reverse special earnings. Any amount remained shall be deemed as distributable earnings, which may be distributed along with the distributable earnings at the beginning of the period. The Board of Directors shall prepare the earnings distribution plan according to the stock dividend policy, and distribute stock dividends after resolution of the shareholders meeting.

The company authorizes the Board of Directors pursuant to Article 240 of the Company Act to adopt the resolution by a majority of the directors present who represent two-thirds or more of the Board of Directors to distribute the distributable dividends and bonus, or all or part of the legal reserve and capital reserve under Article 241 of the Company Act in the form of cash, and report to the shareholders meeting.

In consideration of the need for future expansion and R&D and coordination with the macro environment and industry characteristics for sustainable development and long-term profits for shareholders, dividends are appropriated based on the accumulated distributable earnings, provided the amount shall not be lower than 15% of the distributable earnings of the year under our dividend policy. However, no dividend will be distributed when the amount of accumulated distributed earnings is lower than 25% of the amount of paid-in capital. Dividends are released in either cash or stock, provided the amount of cash dividend shall not be lower than 10% of the total amount of dividends.

Chapter 7 Additional Provisions

Article 23: Any matters that are not mentioned herein shall be conducted according to the applicable laws and regulations.

Article 24: This Articles of Incorporation was created on April 20, 1983; the 1st amendment was made on October 1984; the 2nd amendment was made on November 26, 1989; the 3rd amendment was made on December 11, 1989, the 4th amendment was made on August 15, 1994; the 5th amendment was made on June 25, 1996; the 6th amendment was made on September 20, 1996; the 7th amendment was made on October 5, 1997, the 8th amendment was made on November 20, 1997; the 9th amendment was made on July 11, 1998; the 10th amendment was made on July 31, 1998; the 11th amendment was made on June 21, 1999; the 12th amendment was made on June 16, 2000, the 13th amendment was made on June 15, 2001; the 14th amendment was made on June 18,

2002; the 15th amendment was made on June 18, 2002; the 16th amendment was made on June 25, 2003; the 17th amendment was made on June 25, 2003; the 18th amendment was made on June 4, 2004; the 19th amendment was made on June 4, 2004; the 20th amendment was made on June 22, 2005; the 21st amendment was made on June 22, 2005; the 22nd amendment was made on June 23, 2003; the 23rd amendment was made on June 26, 2007; the 24th amendment was made on June 26, the 25th amendment was made on June 19, 2008; the 26th amendment was made on June 19, 2009, the 27th amendment was made on June 17, 2010, the 28th amendment was made on June 17, 2011; the 29th amendment was made on June 27, 2012; the 30th amendment was made on June 23, 2016; the 31st amendment was made on June 22, 2017; the 32nd amendment was made on June 18, 2019; and the 33rd amendment was made on July 30, 2021.

Appendix 2

Soft-World International Corporation Rules of Procedure for Shareholders Meetings

Article 1: The Rules of Procedure for Shareholders Meetings is processed in accordance with the Rules, unless otherwise provided by law or Articles of Incorporation.

Article 2: The Company's meeting of shareholders shall be convened by the Board, unless otherwise provided by law.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, the proposal proposed by shareholders that fall under the circumstances defined in Article 172-1, Paragraph 4 of the Company Act will not be processed by the Board of Directors.

A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

A proposal submitted by shareholders must not exceed 300 Chinese characters. Any proposal containing more than 300 Chinese characters will not be included in the agenda. A shareholder who has submitted a proposal must attend the regular shareholders' meeting in person or by proxy and participate in the discussion of his or her proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. The Board shall provide reasons for not including a shareholder's proposal in the agenda at the shareholders' meeting.

Article 3: Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed.

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

If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

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

The Company shall submit the Handbook for the Annual Meeting of Shareholders, annual report, speech note, vote, and other meeting data to the shareholders at the shareholders meeting. Those joining the director's election, the ballot shall be enclosed.

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 3-1: To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 4: The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 5: Shareholders meetings that are convened by the Board of Directors shall be chaired by the Chairmen. If the Chairman is unable to perform his/her duties due to leave of absence or any reasons, the Vice Chairman will take the Chairman's place. If the Vice Chairman is not appointed or the Vice Chairman is also on leave or is unable to perform his duties for certain reasons, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among themselves to perform the Chairman's duties on behalf. If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.

Article 6: The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 7: The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the

Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 8: Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

If after the two postponements in the preceding paragraph still fall short and that the shareholders representing more than 1/3 of total shares issues attend the meeting shall be stipulated as a tentative resolution in accordance with Paragraph 1, Article 175 of the Company Act. If the shareholders meeting is convened through video conferencing, shareholders that wish to attend through video conferencing shall sign up again with the Company.

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

Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors and all relevant proposals shall be voted. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

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

Article 10: Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the Chairman is to determine the order of speakers.

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

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

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

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

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 11: Resolutions of the meeting of shareholders should be based on their shareholdings.

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

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

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

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

Article 12: Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act.

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of

incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the voting shall be conducted on a case-by-case basis. The result of vote for, against and abstention of the shareholders shall be entered into the MOPS on the same date after the shareholders meeting is held.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

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

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

If shareholders who have registered to attend the hybrid shareholders' meeting online in accordance with Article 3 decide to attend the physical shareholders meeting in person, they shall revoke their registration 2 days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the hybrid shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 13: If directors are elected in the shareholders' meeting, the election shall be governed by applicable election rules established by the Company and the results of the election shall be announced on site, including the list of elected directors and the number of votes received and those unelected as well as the numbers of votes that they obtained.

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

Article 14: Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The minutes of meeting shall be prepared with the following information included: the year, month, and day of the meeting and place of the meeting, the name of the chairman, the method of adopting resolutions, the essential points of the proceedings, and the results of the voting (including the voting rights). When the election of directors is arranged, the number of votes received by each elected director should be disclosed. The recorded results should be kept permanently throughout the duration of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in

the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 15: The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

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

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

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 16: The chairman may call the meeting into recess at a suitable time. In the event of a force majeure event, the chairman may decide to suspend the meeting temporarily and, as the case may be, announce the time to continue the meeting, or with the resolution of the shareholders meeting, continue the meeting within 5 days, exempted from the notice and announcement.

Article 17: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 18: In the event of a virtual shareholders meeting, the Company shall disclose real-time results of

votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 19: When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 20: In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

If a shareholders meeting is convened through video conferencing, the chairman at the time of announcing the meeting shall make a separate announcement: Other than events requiring no meeting postponement or continuation stipulated in Article 44-20, the Regulations Governing the Administration of Shareholder Services of Public Companies, the dates for meeting postponement or continuation due to obstacles on the video conferencing platform or attendance through video conference persisting for over 30 minutes due to natural disasters, incidents, or force of majeure shall be announced within five days after the chairman announces meeting adjournment. The provisions in Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 21: The Rule shall be approved by the shareholders meeting and then implemented afterwards. The amendment shall apply the same.

Appendix 3

Soft-World International Corporation

Procedures for Election of Directors

Article 1: Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2: The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 3: The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 4: Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders

meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 6: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7: The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 8: Before the election begins, the chair shall appoint a number of persons with shareholder and designate several ballot counters to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9: Ballots are invalid in any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 10: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair or by the designated personnel on the site.

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

Article 11: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 4

Soft-World International Corporation Ethical Corporate Management Best Practice Principles

Article 1

These Principles are adopted to assist companies to foster a corporate culture of ethical management and sound development, and establish a reference framework for good commercial practices.

Article 2

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 3

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 4

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 5

The Company should actively prevent unethical conducts based on the aforementioned business philosophy and policies.

Article 6

The Company shall strengthen relevant preventive measures.

It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 7

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. The Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

Article 8

When conducting business, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 9

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 10

When making or offering donations and sponsorship, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 11

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 12

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 13

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

Article 15

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make

adjustments so as to ensure thorough implementation of its ethical corporate management policies.

Article 16

The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations when conducting business.

Article 17

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and may not exercise voting rights as proxy for another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

The Company' directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 18

The Company should review business activities that are with a high risk of unethical conduct at any time.

Article 19

The Company should urge the directors, supervisors, managerial officers, employees and substantive controllers to conduct business operation cautiously, which should at least cover the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 20

The Company should regularly arrange education, training and propaganda for directors, supervisors, managerial officers, employees, appointees and substantive controllers to help them fully understand the Company's determination, policies and prevention programs for ethical corporate management and the consequence of unethical conducts. The Company should have the ethical corporate management policy, employee performance evaluation and human resources policy integrated to establish a clear and effective reward and punishment system.

Article 21

The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

Article 22

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 23

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 24

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 25

The ethical corporate management best practice principles shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

When the Company establishes the audit committee, the regulations for the supervisors shall apply to the audit committee.

This procedure was approved on March 22, 2017. The first amendment was made on March 25, 2020.

Appendix 5

Soft-World International Corporation Operational Procedures for Loaning Funds to Others

- I. Subject:
Article 1: The Company's lending to other parties shall comply with the procedure. provided, where financial laws or regulations provide otherwise, such provisions shall govern.
- II. Content:
Article 2: The counterparty of the lending to other parties and its evaluation standards:
1. Restriction of the lending counterparty
 - (1) Businesses that the Company has business dealing with.
 - (2) A company or firm with the necessity of the short-term financing funds. Such financing amount shall not exceed 40 percent of the lender's net worth. The term "short-term" as used in the preceding paragraph means one year. or where the company's operating cycle exceeds one year, one operating cycle. The financing amount refers to the accumulated balance of short-term financing funds of the Company.

The loaning of funds between the foreign companies who the Company directly and indirectly holds 100% of voting shares, or the foreign companies who the Company directly and indirectly holds 100% of voting shares loaning to the Company, shall not apply for Subparagraph 2 of the first Paragraph. However, the Public Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

When the Company's paid-in capital reaches NT\$1 billion or more and has joined the Taipei Leasing Association, and has proclaimed to comply with the voluntary code of practice, and has conducted itself according to the regulations of this procedure, its engagement of the short-term financing funds shall not be applied to the limit of the financing amount stated in Subparagraph 2 of the first Paragraph. provided, however, that the amount loaned by it may not exceed 100 percent of its net worth.

The responsible person of a company who has violated the proviso stipulated in the first Paragraph and the preceding paragraphs shall be liable, jointly with the borrower, for the repayment of the lending and for the company's damage, if any.
 2. The evaluation standards and necessity of the funds loaning to other parties.

When the engagement in loaning of funds with other companies or firms is derived from the business relationship, the Company shall comply with the regulations stated in the Paragraph 2 of Article 3. The loaning caused by the necessity of short-term financing funds shall be limited to the following situations:

 - (1) A company whose shares are more than 40% held by the Company has the necessity of the short-term financing funds due to business demand.
 - (2) Other parties that are approved by the Board of Directors of the Company.
- Article 2-1: The subsidiaries and the parent company stated in the procedure shall be recognized according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- When the financial reports of the public company are prepared in accordance with IFRS, the net worth on this Procedure refers to the parent company's equity on balance sheets according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The public announcement refers to entry into the information announcement website designated by the Financial Supervisory Commission.

“Date of occurrence” means the date of transaction contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the transaction counterparty and monetary amount of the transaction, whichever date is earlier.

Article 3: Sum of lending and limit amount of single counterparty:

1. The sum of the Company’s lending shall not exceed 50% of the net worth of the Company; however, the sum of the lending between companies or firms caused by the necessity of short-term financing shall not exceed 40% of the net worth of the Company.
2. For the lending to a company or firm who has a business relationship with the Company, the individual lending amount shall not exceed both parties’ transaction amount. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.
3. For a company or firm with the necessity of the short-term financing fund, the individual lending amount shall not exceed 50% of the net worth of the Company.

Article 4: The procedure of lending processing and its review:

I. Review procedures and loan approval:

(I) Review and evaluation:

For the process of the Company’s loaning of funds, the borrowers shall provide the necessary information and financial information of their company to the Company in writing for the application of the financing facility.

When the Company receives the application, its finance department shall investigate and evaluate the counterparties’ business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report. The finance department shall conduct a detailed investigation and evaluation for the counterparty of the lending. The evaluation items shall at least include:

1. The necessity of and reasonableness of extending loans to others.
 - (1) To measure the necessity of the lending amount based on the financial position of the counterparty of the lending.
 - (2) Whether the accumulated amount of lending is still within the limit.
2. The credit investigation for the lending’s counterparty and the risk assessment.
3. Impact on the company's business operations, financial condition, and shareholders' equity.
4. Whether collateral must be obtained and appraisal of the value thereof.

(II) Credit investigation:

All the companies or firms that apply for the loan shall have a detailed credit investigation conducted, attaching the record for credit investigation and risk assessment on the lending’s counterparty. The credit and risk assessment records of the borrower are also enclosed.

II. Assurance:

- (I) For the Company’s lending to other parties, if the board of directors considers it necessary, the financing counterparty shall provide the collaterals that are equivalent with the amount of financing facility and shall secure the completeness of the rights. For the aforesaid collateral, if a debtor

provides the persons or companies who have a certain degree of funds and credit as guarantee to replace the collaterals, the board of directors may refer to the finance department's investigated opinions to make a decision. With a company as the guarantee, such company shall set forth the guarantee clauses in the Articles of Incorporation, and the relevant resolutions of meeting minutes shall report to the shareholders meeting.

- (II) When the Company signs the financing agreement with the counterparty, it shall be conducted by the institution or group's seal registered with the governing authority and the responsible person's seal, as well as review the debtor and guarantor's seals and the process of the signature.

III. Delegation scope:

After the finance department conducts the credit investigation on the Company's lending, it shall be carefully assessed whether it meets the regulation of this procedure, combining the assessment result, and shall be reported to the presidents for approval, then reported to the board of directors for resolution. It shall not delegate other persons to make the decision.

The lending between the Company and its parent company or its subsidiaries, or between the subsidiaries shall be reported to the board of directors for resolution according to the regulations of the preceding paragraph. For the same lending's counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the board of directors.

For the certain facility stated in the preceding paragraph, in addition to meeting the regulations of Article 2, the authorized facility for the lending of the Company or the subsidiaries on a single company shall not exceed 10% of the net worth in the latest financial statement.

If the Company has established the independent directors, the lending to other parties shall fully take into account each independent director's opinions. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes for the board of directors.

Article 5: The term of lending and the calculation of the interest

1. Each lending shall not be more than one year.
2. The lending's interest rate shall not be lower than the interest rates of the Company's recent short-term borrowings from financial institutions, or the "five big banks' average base rate" announced by the Central Bank, whichever is higher. The Company's lending interest will be paid once a year in principle. In case of special circumstances, it may be adjusted according to actual situations after the approval of the board of directors.

If there is a special circumstance with no interest, it may be adjusted according to the actual situation after the approval of the board of directors.

Article 6: Subsequent control measures for the lending amount and the procedures for processing overdue claims:

1. After the amount of the lending is remitted, the borrowers and guarantors' financial, business and related credit status shall always be paid attention to. If there is collateral, the changes in the collateral's value shall also be paid attention to. In the event of significant changes, the chairman shall be notified immediately, and they shall be treated appropriately according to instruction.
2. When the borrower repays the loan at the expiration of loan or before expiration, the payable interest shall be calculated first. After payable interest and principal are paid, the notes can be cancelled and returned to the borrower or process the cancellation of mortgage.

3. The borrower shall repay the principal and interest immediately at the expiration of loan. In case of violation, the Company may dispose of and claim the collateral or guarantor provided by the borrower in accordance with the law.

Article 7: Internal Control:

1. For the lending, the Company shall establish a memorandum book to record the detail information in respect of the lending's counterparty, amount, the date approved by the board of directors, the date remitted and other regulated information that shall be carefully assessed.
2. The Company's internal control staff shall audit the procedure of lending to other parties and implementation at least quarterly, and shall record it in writing. If there is any material violation, it shall notify each supervisor in writing immediately. The items notified to the supervisors shall be notified to the independent directors in writing as well. If the audit committee has been established, it shall apply the same. If a material violation has been found, the managers and the persons in charge shall be punished according to the circumstances of violation.
3. When the lending's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to every supervisor and shall be completed according to the planning schedule.
4. When the Company's managers and persons in charge conduct the lending to other parties in violation of this procedure, such events shall be reported for appraisal regularly according to the code of practice, and shall be punished based on the circumstances.

Article 8: Announcement and reporting procedures:

1. The Company shall announce the previous month's lending balance of the Company and the subsidiaries by the 10th day of each month.
2. If the lending balance meets one of the following criteria, it shall be announced within 2 days from the date of the fact:
 - (1) The aggregate balance of loans of funds to others by the company and its subsidiaries reaches 20 percent or more of the company's net worth as stated in its latest financial statement.
 - (2) The balance of loans of funds to others by the company and its subsidiaries for a single enterprise reaches 10 percent or more of the company's net worth as stated in its latest financial statement
 - (3) When additional lending granted by the Company or subsidiary amounts to more than NT\$10 million and represents more than 2% of the Company's net worth, as shown in the latest financial statements.

For the subsidiaries who are not public companies, when the subsidiaries have situations of announcement stated in the subparagraphs of the preceding paragraph, the Company shall conduct the announcement for its subsidiaries.

III. Other matters

Article 9: When the subsidiaries of the Company intend to provide the lending to other parties, the Company shall instruct the subsidiaries to establish the procedure of lending to other parties in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and shall conduct itself according to the procedure.

Article 10: The Company shall evaluate the lending status and provide sufficient bad debt provision. The relevant information shall be disclosed in the financial report and shall be provided to CPAs for conducting the necessary audit procedure.

Article 11: The matters that are not covered in the procedure shall be conducted in accordance

with the applicable laws and the related articles of the Company.

IV. Effectiveness and amendment:

Article 12: The procedure of lending to other parties shall be submitted to every supervisor and reported to the shareholders meeting for resolution after the approval of the board of directors. The directors' expression of objections recorded or in writing, if any, shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same.

When the procedure of lending to other parties is reported to the board of directors for discussion according to the regulations of the preceding paragraph, each independent director's opinions shall be fully taken into account. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the board of directors.

Where an audit committee has been established, the establishment or amendment of this procedure shall be approved by more than one-half of all audit committee members and then submitted to the board of directors for a resolution, and shall not apply for the regulations of the first Paragraph.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 13: This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 26, 2007; the 3rd amendment was made on June 19, 2009, the 4th amendment was made on June 17, 2009, the 5th amendment was made on June 27, 2012; the 6th amendment was made on June 19, 2013; the 7th amendment was made on June 17, 2015 and the 8th amendment was made on June 18, 2019.

Appendix 6

Soft-World International Corporation

Regulations Governing Making of Endorsement and Guarantees

Article 1: The Company's endorsement or guarantee to other parties shall comply with this procedure. provided, where financial laws or regulations provide otherwise, such provisions shall govern.

Article 2: The endorsements and guarantees stated in the procedure refer to the following items:

1. Financing endorsements/guarantees, include:
 - (1) Bill discount financing.
 - (2) Endorsement or guarantee made to meet the financing needs of another company.
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees: Meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Where the Company provides movable or immovable property to establish the pledges and mortgages for the purpose of the loan of other companies.

Article 3: Counterparty of endorsements and guarantees:

In addition to where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry for the purpose of expanding the business or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding percentages, the counterparty of the endorsements and guarantees shall be limited to the following companies:

1. The Company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10%. this restriction shall not apply to endorsements/guarantees made between companies in which the company holds, directly or indirectly, 100% of the voting shares.

Where the company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution

directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Article 3-1: The subsidiaries and the parent company stated in the procedure shall be recognized according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission.

"Date of occurrence" means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the endorsements/guarantees counterparty and monetary amount of the transaction, whichever date is earlier.

Article 4: The limited amount for the endorsements and guarantees

1. The sum of external endorsements and guarantees by the Company shall not exceed 50% (50% excluded) of the current net worth.
2. The endorsements and guarantees on a single company shall not exceed 20% of the current net worth.

The net worth shall refer to the audited financial statements in the latest period.

3. If the endorsements and guarantees are derived from business relationship, except for the aforesaid limit, the individual amount of the endorsements and guarantees shall not exceed the business transactions amounts. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.
4. The sum of the entirety of endorsements and guarantees for the Company and its subsidiaries shall not exceed 50% (50% excluded) of the current net worth of the Company, and the endorsements and guarantees on a single company shall not exceed 30% of the current net worth of the Company. If the sum of the entirety of endorsements and guarantees for the Company and its subsidiaries reaches 50% or more of the net worth of the Company, the necessity and reasonableness shall be explained in the shareholders meeting.

For the subsidiaries whose shares have no par value or a par value other than NT\$10, the paid-in capital stated in Subparagraph 11 of the preceding paragraph shall refer to the sum of the share capital plus capital reserves minus the original issue premium.

5. If the counterparty of endorsements and guarantees is a subsidiary of the Company whose net worth is less than one-half of the paid-in capital, in addition, and pursuant to the first paragraph of Article 6 of the procedure, the person in charge in the finance department shall prepare the reports that summarize the increase and decrease of the endorsements and guarantees and its balance on a monthly basis and submit it to the authorized managers for review. The Company's internal control staff shall audit the procedure of endorsements and guarantees and its implementation and record in it writing at least quarterly. If there is any material violation, it shall be notified to each supervisor in writing immediately.

Article 5: Decision and authorization hierarchy

1. The endorsements and guarantees matters shall be reported to the board of directors for resolution before execution. The board of directors may delegate the chairman to decide the execution first when the transaction is within NT\$30 million pursuant to the relevant regulations of the procedure, and have the decisions subsequently submitted to and ratified by the next board of directors meeting.
2. Where the company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the

conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

If the Company has established the independent directors, the preceding paragraph's discussion of the board of directors shall fully take each independent director's opinions into account. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the board of directors.

3. The endorsements and guarantees of the subsidiaries whose voting shares are more than 90% held by the Company directly and indirectly shall be reported to the board of directors of the Company for resolution before execution pursuant to Paragraph 2 of Article 3. this restriction shall not apply to endorsements/guarantees made between companies in which the company holds, directly or indirectly, 100% of the voting shares.

Article 6: The processing procedure of the endorsements and guarantees and its audit:

1. When the Company conducts the endorsements and guarantees, the endorsed and guaranteed company shall prepare the application form to the Company's finance department. The finance department shall conduct the credit investigation of the endorsed and guaranteed company, assess the risk and prepare the evaluation record. After passing the investigation, it shall be reported to the presidents and chairman for approval. If necessary, the collateral shall be obtained.
2. The credit investigation and risk evaluation on the endorsed and guaranteed company by the finance department shall include the following items:
 - (1) the necessity and rationality of the endorsement.
 1. Measurement of the necessity of the endorsement amount based on the financial conditions of the endorsed and guaranteed company.
 2. Whether the aggregate amount of the endorsements and guarantees is still within the amount of limit.
 3. If the endorsements and guarantees is derived from business relationship, it is necessary to evaluate whether the amount of the endorsements and guarantees and the amount of business transactions are within limit.
 - (2) Credit investigation on the counterparty of endorsements and guarantees and risk evaluation.
 - (3) Impact on the company's business operations, financial condition, and shareholders' equity.
 - (4) Whether collateral must be obtained and appraisal of the value thereof.
3. The Company shall establish a memorandum book to record the detail information in respect of the counterparty of the endorsements and guarantees, amount, the date approved by the board of directors or the date decided by the chairman, the date to execute the endorsements and guarantees and other information regulated in the preceding paragraph that shall be carefully assessed.
4. The finance department shall assess or recognize the contingent loss of the endorsements and guarantees. The information of the endorsements and guarantees shall be disclosed in the financial report appropriately and the relevant information shall be provided for CPAs to conduct the necessary audit procedure.
5. When the counterparty of the endorsements and guarantees is not in conformity with

the regulations of this procedure due to the changes in circumstances, or the amount of endorsements and guarantees exceeds the limit due to the changes on the calculation basis, the Company shall eliminate the counterparty's guaranteed amount or exceeding amount at the expired date specified in the contract or make an improvement plan to eliminate it within a certain period. The relevant improvement plan shall be submitted to every supervisor and shall be reported to the board of directors.

If the Company has established the independent directors, the improvement plans that are submitted to the supervisors shall be submitted to the independent directors as well. When the Company has established the audit committee, the regulations for the supervisors shall apply to the audit committee.

Article 7: Cancellation of endorsements and guarantees:

1. When the related credentials or notes of the endorsements and guarantees are cancelled due to the repayment of the debt or renewal for extension, the guaranteed company shall provide an official letter, together with the original related credentials or notes to the finance department of the Company for stamping the cancellation on the credentials or notes. Afterwards, the credentials or notes will be sent back, but the application letter will be held for backup.
2. The finance department shall always record the cancelled credentials or notes in the memorandum book of endorsements and guarantees to reduce the amount of endorsements and guarantees.
3. For the credentials or notes' renewal for extension, if the financial institutions ask to endorse the new credentials or notes first then return the old credentials or notes, the finance department shall record the tracing status and take back the old credentials or notes as soon as possible in order to make the cancellation.

Article 8: Internal Control

1. The Company's internal control staff shall audit the procedure of endorsements and guarantees and its implementation at least quarterly, and shall record it in writing. If there is any material violation, it shall notify each supervisor in writing immediately. The items notified to the supervisors shall be notified to the independent directors in writing as well. If the audit committee has been established, it shall apply the same.
2. The Company's engagement in the endorsements and guarantees shall be conducted in compliance with the procedure. If there is any material violation, the managers and the persons in charge shall be punished depending on the circumstances.

Article 9: The procedure for usage of seal and its safekeeping

1. The Company shall use the seal applied for registration with the Ministry of Economic Affairs as a dedicated seal of the endorsements and guarantees. That seal shall be kept by the dedicated person, and the sealing or issuing notes shall comply with the sealing procedure of the Company.
2. If the Company provides the guarantees to a foreign company, the Company's guarantee letter shall be signed by the person authorized by the board of directors.

Article 10: Announcement and reporting procedures:

In addition to announcing the previous month's balance of endorsements and guarantees of the Company and the subsidiaries by the 10th day of each month, if the balance of endorsements and guarantees meets one of the following criteria, it shall be announced within 2 days from the date of the fact:

1. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50 percent or more of the public company's net worth as stated in its latest financial statement.
2. The balance of endorsements/guarantees by the company and its subsidiaries for a

single enterprise reaches 20 percent or more of the public company's net worth as stated in its latest financial statement

3. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, book value of investment accounted for using equity method, and balance of loans to, such enterprise reaches 30 percent or more of public company's net worth as stated in its latest financial statement.
4. The amount of new endorsements/guarantees made by the company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the public company's net worth as stated in its latest financial statement.

For the subsidiaries who are not the public companies, when the subsidiaries have announcement matters stated in Subparagraph 4 of the preceding paragraph, the Company shall conduct the announcement for the subsidiaries.

Article 11: The control procedure for the endorsements and guarantees of the subsidiaries:

When the subsidiaries of the Company intend to provide the endorsements or guarantees to other parties, the Company shall instruct the subsidiaries to establish the procedure of endorsements and guarantees in accordance with the regulations and shall comply with the procedure established.

Article 12: Any matters that are not mentioned in this procedure shall be pursuant to the applicable laws and the articles of the Company.

Article 13: The procedure shall be passed by the board of directors, then submitted to every supervisor and reported to the shareholders meeting for resolution. If a director expresses any objections, recorded or in writing, they shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same.

If the Company has established the independent directors, each independent director's opinions shall be fully taken into account when the procedure is reported to the board of directors for discussion according to the regulations in the preceding paragraph. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the board of directors.

If the Company does not intend to provide the endorsement or guarantee to other parties, it may be exempted from the establishment of the procedure of the endorsements and guarantees according to the resolution of the board of directors. If such a company subsequently intends to make endorsements or guarantees, it shall still comply with the preceding two paragraphs.

Where an audit committee has been established, the establishment or amendment of this procedure shall be approved by more than one-half of all audit committee members and then submitted to the board of directors for a resolution, and shall not apply for the regulations of the first Paragraph.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 14: This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 23, 2007; the 3rd amendment was made on June 26, 2007, the 4th amendment was made on June 19, 2009, the 5th amendment was made on June 17, 2010; the 6th amendment was made on June 27, 2012; the 7th amendment was made on June 19, 2013 and the 8th

amendment was made on June 14, 2018; the 9th amendment was made on June 18, 2019

Appendix 7

Soft-World International Corporation Procedure for Derivatives Trading

- I. General principles:
 1. Purpose: The Procedures is formulated for effectively managing the company's income and expenditure, assets and liabilities, changes in foreign exchange and interest rates, and the risks arising from the financial derivatives trading. The matters that are not properly covered in the Procedures will be handled in accordance with the relevant laws and regulations.
 2. Types of transactions: The financial derivatives in the Procedures refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from an asset, interest rate, foreign exchange rate, index of prices or rates, or other variable; or hybrid contracts combining the aforementioned contracts. The term calls it as forward contracts does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, and long-term purchase (sales) contracts. The company handles bond margin trading in accordance with the Procedures. The bond transactions with a repurchase/resell agreement attached are not handled in accordance with the Procedures.
- II. Trading principles and strategies
 1. Types of financial derivatives that can be engaged in: It includes FORWARD contract, OPTION contract, FUTURE contract, SWAP/IRS, and a hybrid contract combining the aforementioned contracts. Do not engage in a trade of other financial instruments without the approval of the Board of Directors in advance.
 2. Operation and risk hedging strategy: The company engages in financial derivatives trading in accordance with the principle of risk hedging, focusing on the position of exchange rate and interest rate resulting from the company's business operations. The currency held must be hedged based on the net position after the offset of the company's actual receivables and payables or assets and liabilities in terms of maturity date, amount, and currency. It is necessary to clearly define the type of transaction before conducting a foreign exchange in order to reduce the company's overall foreign exchange risk and save foreign exchange operation costs. The trade counterparty should be the bank that has a business relationship established with the company or a bank that can provide professional information
 3. The division of powers and responsibilities is as follows:
 - 3.1. Board of Directors and Chairman:
 - (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
 - 3.2. President:
 - (1) The senior executives authorized by the Board of Directors should always observe the risk measurement, supervision, and control of financial derivatives transactions.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.
 - (3) Type of transactions and approval of transactions.
 - 3.3. Finance Department:
 - 3.3.1. Traders:

- (1) Responsible for formulating the company's financial derivatives trading strategy.
- (2) Traders should regularly calculate the security positions on a weekly basis, collect relevant information and opinions from the financial market, judge trends and assess risks accordingly, and formulate operational strategies as the basis for trading approved by the company's competent authority.
- (3) Execute transactions in accordance with the company's competent authority and the existing strategies.
- (4) The traders who have determined that the existing strategy is no longer applicable to the material changes occurring in the financial market should propose an evaluation report for an update to the existing strategy, which is to be approved by the President for reference in trading.
- (5) Evaluation should be performed on a monthly basis; also, the completed evaluation report should be presented to the President.

3.3.2. Clearing personnel: Responsible for clearing operations.

3.3.3. Confirmors:

- (1) Confirmation of executed transactions.
- (2) Review whether the transaction is carried out in accordance with the company's competent authority and the existing strategies.

4. Performance evaluation: Compare the performance evaluation with the pre-set evaluation criteria on the evaluation date as a reference for future decision-making.
5. Transaction amount: The total contract amount for trade is limited to the net position after the offset of the actual receivables and payables or the assets and liabilities. The upper limit of the contract loss amount shall not exceed 20% of the contract amount, which is applicable to both individual contract amounts and the total contract amount.

III. Operating procedures

1. The company's authorized loan amount and level of authority: All transactions regardless of the amount must be processed with the internal written form prepared and then signed by the President.
2. The trader shall conduct a price inquiry, price comparison, and transaction through the pre-approved financial institutions within the authorized loan amount.
3. The trader shall fill out the financial derivatives - trading/confirmation form upon the completion of the transaction, then the confirmor will check the legality, rationality, and correctness of the transaction data item-by-item with the external party before having it forwarded to the financial department for bookkeeping.
4. The financial department will conduct the clearing operation in accordance with the confirmed transaction amount. The clearing personnel shall fill out the financial derivatives - clearing form and forward it to the accounting personnel for bookkeeping on the day the funds are actually received or paid together with the relevant documents and the clearing matters handled by the undertaking institution.
5. The financial department should check at any time to ensure that the total transaction amount does not exceed the limits.
6. The financial department submits the vouchers and profit or loss related information of the financial derivatives trading to the accounting department for bookkeeping.
7. The financial department shall reconcile with the financial institution at any time according to the confirmation form or bank statement provided by the financial institution.
8. The financial department shall establish a memorandum book to record the type, amount, and date of approval of the Board of Directors for financial derivatives trading, and other matters that need to be carefully evaluated in details.

9. Announcement and filing: The financial derivatives trading completed and confirmed by the confirmors shall be handled in accordance with the relevant regulations. In addition, the financial derivatives trading of the company and its subsidiaries that are not public offering companies in Taiwan as of the last day of the last month should be uploaded to the designated information filing website in the appropriate format as prescribed lawfully before the tenth day of each month.

If there is any omission in the announcement of the items that must be announced according to the Procedures, it should be corrected and all items must be announced and filed entirely again.

IV. Accounting handling principles

The accounting treatment and financial report preparation of the company's financial derivatives trading should be handled in accordance with the Enterprise Accounting Standard and the regulations of the relevant competent authorities. Accurately and fairly express the relevant hedging transactions and profit or loss results in the financial statements.

V. Regular evaluation methods and the handling of irregular circumstances.

The financial department shall manage the financial derivatives trading of the company on a monthly basis in accordance with the following principles:

1. The Board of Directors authorizes the President to observe the risk supervision and control of financial derivatives trading at any time.
2. The financial department should summarize the content and partial statistics of the transactions on a monthly basis; also, prepare an evaluation report on the profit or loss, future risks, positions, market conditions, risk hedging strategies, etc. for the review of the supervisor and the approval of the President.
3. The financial department after confirming the transaction content and risk evaluation in the evaluation report should submit it to the President together with the profit or loss statement and the transaction amount control statement; also, forward a copy to the audit unit.
4. The President shall evaluate whether the current risk management procedures are appropriate and if they have indeed been handled in accordance with the established operating procedures based on the relevant materials submitted and the monthly inspection performed by the audit unit. The President shall also regularly report and discuss in the board meeting the performance of financial derivatives trading and its level of conformity to the established business strategy and also that the risks assumed are within the limits of the company.
5. The President or the head of the financial department should immediately take necessary countermeasures for any nonconformity identified in the risk evaluation report (such as a holding position exceeding the loss limit).

VI. Risk management measures.

1. Risk management scope:

- (1) Credit risk management: The trade counterparty should be the bank that has a business relationship established with the company or a bank that can provide professional information.
- (2) Market price risk management: The losses resulting from market price fluctuations of financial derivatives in the future are uncertain; therefore, the established position must consist with the stop-loss point strictly.
- (3) Liquidity risk management: Financial derivatives trading should be with a focus on those with higher liquidity; also, it is necessary to maintain sufficient funds and loan amounts for the needs of clearing.
- (4) Cash flow risk management: Traders should comply with the authorized loan amount and observe the company's cash flow to ensure that there is sufficient cash to pay for clearing.
- (5) Operational risk management: The company clearly stipulates the authorized amount and operation process to avoid operational risks.

- (6) Legal risk management: The documents to be signed with the bank should be reviewed by the Legal Department first and then approved by the President before being signed.
- (7) Instrument risk management: Traders should have comprehensive professional capabilities for financial instrument trading, and demand the bank to have information fully disclosed in order to reduce possible losses.
2. The traders, confirmors, clearing personnel, and auditors for the financial derivatives trading of the company should not be the same person and may not be concurrently intertwined.
3. The personnel responsible for risk measurement, supervision, and control should belong to different departments from the personnel mentioned in the preceding paragraph, and they are obliged to report to the Board of Directors or the President.
4. The positions held in financial derivatives trading should be evaluated at least once a week; however, the hedging transactions needed for business operation should be evaluated at least twice a month with an evaluation report prepared and submitted to the President.

VII. Internal audit system.

1. Internal auditors should regularly review the adequacy of the internal control of financial derivatives trading, and check the trading department's compliance with the "Procedures for financial derivatives trading" on a monthly basis; also, analyze the transaction cycle with an audit report prepared.
2. The audit unit shall check the relevant records or reports of financial derivatives trading regularly and occasionally; also, they shall promptly notify the supervisors in writing for any major nonconformity identified.

VIII. Supplementary Provisions

1. The Procedures is resolved by the Board of Directors and implemented with the consent of the shareholders meeting; the same applies for the amendments.

Appendix 8

Directors' Shareholding

Record date: April 28, 2023

Title	Name	Number of shares held on the date for suspension of share transfer	
		Shares	Shareholding ratio
Chairman	WANG, CHIN-PO	21,594,350	16.94%
Director	WANG, CHIUNG-FEN	0	0
Director	SHIH, MING-HAO	11,110	0.01%
Director	CHIEN, CHIN-CHENG	0	0
Director	CHANG, HUNG-YUAN	0	0
Director	WU, AI-YUN	0	0
Independent director	SHYU, SO-DE	0	0
Independent director	LIN, HSUAN-CHU	0	0
Independent director	CHUANG, PI-HUA	0	0
Total		21,605,460	16.95%

1. The number of shares issued by the Company is 127,474,332 shares as of April 28, 2023.
2. According to Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the minimum number of shares that the directors and supervisors of the Company shall hold is calculated at 80% of the regulation stated in the first Paragraph of Article 2. The minimum legal number of shares held by the entire body of directors is 8,000,000 shares.