



股票代號：5478

智冠科技股份有限公司

SOFT-WORLD INTERNATIONAL CORPORATION

113年股東常會

Handbook for the 2024 Annual Meeting of Shareholders

議事手冊



●日期：中華民國113年6月24日 ●地點：高雄福華大飯店福華廳
(高雄市七賢一路311號M3樓)

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I. Meeting Procedures

Soft-World International Corporation Procedure for the 2024 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Company Reports
4. Election Matters
5. Proposals
6. Discussions
7. Extraordinary motions
8. Adjournment

II. Meeting Agenda

Soft-World International Corporation The 2024 Annual Meeting of Shareholders Agenda

Meeting method: Physical meetings

Time: 9:30 a.m. Monday, June 24, 2024

Location: Howard Plaza Hotel, Kaohsiung, Banquet Hal

(M3F, No. 311, Quxian 1st Road, Kaohsiung City, Taiwan)

1. Call the Meeting to Order
2. Chairperson Remarks
3. Company Reports
 - (1) The 2023 Business Report.
 - (2) The Audit Committee's Review Report on the 2023 Financial Statements.
 - (3) The 2023 employee and director remuneration report.
 - (4) The 2023 director remuneration report.
 - (5) The 2023 shareholder dividends and bonuses distribution report.
4. Election Matters
 - (1) Procedures for Election of Directors.
5. Proposals
 - (1) The Company's 2023 Business Report and Financial Statements.
6. Discussions
 - (1) Amendments to the "Articles of Incorporation."
 - (2) Regulations Governing the Acquisition and Disposal of Assets
 - (3) Motion of cancelling the non-compete restriction on the newly-elected directors, independent directors.
7. Extraordinary motions
8. Adjournment

III. Report Items

1. The 2023 Business Report

Soft-World International Corporation

The 2023 Business Report

In response to the rapidly changing market environment and challenges, the Company strives to maintain a flexible and diversified operating strategy continuously, deepen the services in digital games, online advertising and marketing, and financial technology business groups. Furthermore, the Company will expand its business scope and develop overseas market. Soft-World Group had grown steadily through the joint efforts of all employees in 2023. Soft-World's channel marketing has made steady contributions for game products and the service scale has expanded continuously. The collection and payment business of the subsidiary company, Neweb Technologies Co. Ltd., has also shown a growing trend. The Company's consolidated income amounted to NT\$6.249 billion in 2023; also, the consolidated net income attributable to the Company's shareholders amounted to NT\$860 million with an EPS of NT\$7.09.

The game business group grows steadily, and the domestic and overseas service scales are expanding gradually.

MyCard, operating under the game business group, leverages the one-stop service advantages of digital points and integrated marketing, and continues to accumulate game and digital content cooperation scale. MyCard is now the leading game point brand with the largest market share and widest channel coverage in Taiwan, Hong Kong, and Macao. MyCard has more than 7 million registered members, and widely used by tens of millions of people. It provides players with the most convenient way to store value, combines with localized marketing activities, and offers comprehensive promotional resources to game publishers. Soft-World will continue to connect and introduce popular products from domestic and abroad to Taiwan, Hong Kong, and Macau. At the same time, Soft-World will fulfill international marketing demands, expand overseas market, and become the key partner of global digital game publishers.

Chinese Gamer International Corporation, the subsidiary engaging in game research and development, combines the group's marketing, operation, music creation, and other resources to create richer game content. In addition to launching a number of updated versions of games to increase player retention in 2023, the Company has also successively planned a number of mobile game launches in Southeast Asia. The Thai version of mobile game "Wonderland M" was launched in October last year, and the English version was launched in January this year. Furthermore, a new

version of “TS: Multiverse” that incorporates blockchain gameplay is expected to be launched this year. Also, the classic Three Kingdoms PC game “TS 2: Reborn” was launched on the Steam platform in February with new content added and moving towards multi-platform development. In terms of new products, the new game “Back to the Past,” which combines Yi Huang’s novel IP and MMORPG gameplay, is expected to make its debut with brand-new game content upon completion of optimization. Chinese Gamer International Corporation will continue the strategy of revitalizing classic IP resources in the future, actively promote IP licensing and cooperative development, gradually explore new markets, and introduce applications of AI art generation and game testing to increase development efficiency.

In terms of game operations, Game Flier International Corporation, the subsidiary of Soft-World, launched the martial arts online game “Tian Long Grandmaster” in November 2023, which gathers the essence of previous versions over a decade and completely restores its unique gameplay. It was a big hit among the enthusiastic fans of the “Tian Long” IP. New sects, dungeons, and other content will be released successively this year, enriching the evolved Wuxia experience for players. The new product content is expected to extend and continue the revenue contribution. The content update and marketing activities of “Perfect World 2 Online,” “Nobunaga’s Ambition Series Online,” “Tian Long Online,” and other evergreen online games are under continuous planning. Game Flier International Corporation will also assist game developers with its solid game operation experience, such as Web 3.0, new marketing strategy and community management expertise in creating game products that meet market demand and provide a more distinctive gaming experience. Game First International Corporation, the subsidiary, provides multi-lingual game customer outsourcing service, integrated marketing, community management, and e-sports events. The Company’s years of professional experience provide comprehensive game services and localized operation solutions to international partners.

As game products takes on the trend of sophistication, Zealot Digital International Corp. is raising the quality of art outsourcing service, alongside with Soft-World Music Multimedia Center to expand music creation services. Together we are able to assist global digital game developers to create works with high-standard art and music, enhancing the audio-visual experience comprehensively. In addition, Fast Distributed Cloud Computing Co., Ltd., the subsidiary, provides professional server room planning, cloud services, and IT security mechanisms. It also distributes the information security products of major Korean manufacturers this year, helping enterprises to build a strong information security protection network to meet customers’ requirements for stable cloud services. In summary, the development of various business entities

within Soft-World Group will continue to provide the resources needed by game developers in the future, and build a comprehensive service chain covering the upstream, midstream, and downstream of the game industry.

Internet Marketing and Advertising Business Group supports brands to develop efficient front-end strategies

Efun International Corporation possesses top-tier MarTech capabilities, bolstered by years of advertising experience from a professional technical team. Efun focuses on developing the latest advertising technology and marketing optimization tools, combining AI analysis and big data science, and applying them to optimize campaigns involving short video and audio formats, social media, KOL internet celebrities, community cooperation planning, and other diversified marketing methods. These efforts are combined to provide precise marketing strategies, creative materials and designs in order to enhance the target audience's impression of the brand effectively. In response to the growing AI trend, Efun has self-developed the advertising technology platform "AdHero" to further improve the efficiency of advertising asset production. Efun also builds exclusive AI training models to generate assets that can be flexibly and efficiently applied to Ads platform, and to help clients reach target audiences across multiple categories. Efun International Corporation has officially entered the Thai market in 2023 in response to the Group's expansion strategy for Southeast Asia market in recent years, becoming LINE's advertising distribution partner in Thailand, and continuing to expand overseas markets and to develop cross-industry cooperation opportunities.

FinTech Business Group accelerates the introduction of new payment tools and explores diverse application scenarios

Neweb Technologies Group is fully engaged in providing a comprehensive range of digital financial services from online to offline, and strives to construct a financial payment ecosystem. In 2023, the Company's transaction scale reached a new record, with annual revenue growing in double digits. The core business [NewebPay] qualified for the "Third-Party Payment Service Provider Capability Registration" of the Ministry of Digital Affairs last year and became the first group of domestic operators to pass the review. The Company plans to continuously introduce more transaction control measures in the future in order to provide convenient collection and payment services, while offering a secure transaction environment. Moreover, Neweb Technologies Co., Ltd. also continues to optimize the functions of platform application, accelerate the introduction of new payment tools, and explore different application scenarios so to provide one-stop cash flow/logistics integration services, as well as value-added services such as electronic invoices and other value-added

services so to help merchants improve service experience and operations efficiency.

ezPay Co., Ltd., the subsidiary of Neweb Technologies, specializing in electronic payment operation, for the sake of responding to the diverse store operations and business models, is committed to developing the ezAIO offline solution. It offers “All in one” multi-payment wireless terminal equipment to physical stores, and fully integrating mainstream payment tools and electronic invoice value-added services to accelerate the expansion of physical channel cooperation bases. The Company has gradually introduced terminal equipment dedicated to self-service transactions since 2023, deployed offline payment scenarios such as smart vending machines and electric vehicle charging stations, and developed mobile phone induction payment service solutions. Moreover, the Company develops collection services for micro business or individuals to cover the diverse payment and collection needs from large chain channels to medium, small, and micro franchised institutions to further increase the market share of ezAIO terminal equipment.

The Company has been deeply involved in network application services for years, covering many aspects of consumer life. Aiming to expand its developmental horizons, the board of directors of the Company resolved on December 21, 2023, to engage in a share exchange agreement with GLORIA MATERIAL TECHNOLOGY CORP. (Stock Code: 5009), a key entity within the Taiwan Steel Group. The agreement received regulatory approval on January 30, 2024. This partnership aims to forge a long-term cooperation through alliances across multiple verticals, integrating the services of the three major business groups of Soft-World Group with the sports business group (sport team events, leisure travel, fitness, etc.), and Netcom business group of Gloria Material Technology Corp., and leveraging the resources and superior services of both parties to develop new markets. Concurrently, it seeks to bring innovative and diversified service experiences to jointly create healthy entertainment ecosystem and enhance the Company’s long-term development.

Thanks to all employees’ countless effort and full support from our shareholders, directors, the business result of 2023 is as follow:

(1)2023 Business Plan Result

The 2023 final account book was audited by Deloitte Taiwan. In 2023, the net consolidated revenue was NT\$6,249 million; the net consolidated profit after tax attributed to owners of this parent was NT\$860 million; and the EPS was NT\$7.09.

(2) Budget execution in 2023

We did not disclose any financial forecast for 2023, and there is thus no budget performance.

(3) Financial income and expenditure, and profitability analysis in 2023

a. Financial Revenue and Expenditure

Unit: NTD thousands

Item	2023	2022	Increase (decrease) in amount	increase (decrease) %
Operating revenue	6,249,393	6,098,078	151,315	2.48
Gross profit	3,216,110	3,286,953	(70,843)	(2.16)
Operating expenses	2,241,248	2,305,184	(63,936)	(2.77)
Net income	974,862	981,769	(6,907)	(0.70)
Net profit before taxation	1,132,541	1,107,711	24,830	2.24
Net income in current year	894,881	881,707	13,174	1.49
Net profit attributable to the Company	859,826	836,417	23,409	2.80
Net gain attributable to non-controlling interest	35,055	45,290	(10,235)	(22.60)

b. Profitability analysis

Item		2023	2022
Return on assets %		5.31	5.48
Return on shareholders' equity %		11.07	11.25
As a percentage of paid up capital (%)	Net income	76.48	77.01
	Net profit before taxation	88.84	86.90
Net profit margin (%)		14.32	14.46
After tax EPS (NT\$)		7.09	6.90

(IV) Research and development

As a game development specialist, we mass produce games we develop and actively engage in the production of music and sound effects for games. In 2023, the consolidated R&D expenses were NT\$284,204 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 2023 Financial Statements

Soft-World International Corporation

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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 Qiu-yan Wu 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:

2024 Annual General Meeting

Soft-World International Corporation

Convener of the Auditing Committee

March 6, 2024

3. The 2023 employee and director remuneration report

- (1) According to Article 22 of the Company's Articles of Incorporation, shall allocate no less than 2% for employee recompense and no more than 2% for Directors.
- (2) The Company's net income before tax in 2023 amounted to NT\$1,120,740,333, before the deduction of remuneration to employees and directors. The employee remuneration amounted to NT\$56,037,000, which accounted for 5% of the earnings. The director remuneration amounted to NT\$11,207,403, which accounted for 1% of the earnings. Both remunerations were paid 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 2023 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 2023.

5. The 2023 shareholder dividends and bonuses distribution report

- (1) Appropriate an amount of NT\$1,088,593,324 from the 2023 distributable earnings as shareholder bonuses, which shall be paid in cash (NT\$7 per share). Appropriate an amount of NT\$311,026,664 from the additional paid-in capital as shareholder dividend, which shall be paid in cash (NT\$2 per share).
- (2) The aforementioned cash dividend is calculated according to the distribution ratio (rounded up to dollar). An odd amount of cash dividend distributed less than NT\$1 will be included in the Company's "other income" and will be paid on April 19, 2024.

IV. Election Matters

No. 1: Proposed by the Board

Subject: Procedures for Election of Directors.

Description: 1. The term of office of the incumbent directors will expire on July 29, 2024, and the re-election will be held at the 2024 regular shareholders' meeting. The newly elected directors will take office immediately after being elected at the shareholders' meeting.

2. According to the Company's Articles of Incorporation, ten directors should be elected (including four independent directors) for a term of three years, from June 24, 2024 to June 23, 2027. The incumbent directors (including independent directors) will be dismissed after the shareholders' meeting.

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

4. The education, work experience, and other information of the director candidates are set forth in Attachment 2, pages 12–15.

5. Please vote.

Voting Results:

V. Proposals

No. 1: Proposed by the Board

Subject: Acknowledging the Company's 2023 Business Report and Financial Statements.

Description: 1. The Company's 2023 individual financial statements and consolidated financial statements have been duly audited by CPA Chen-Li Chen and CPA Qiu-yan Wu of "Deloitte & Touche."

2. Please refer to Attachment 3 on Page 16 to 36 of the Agenda Handbooks for the 2023 Individual Financial Statements, Consolidated Financial Statements and Independent Auditor's Report.

3. Please refer to Attachment 4 on Pages 3 to 6 and Page 37 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:

VI. Discussions

No. 1: Proposed by the Board

Subject: Amendment to Articles of Incorporation. Please proceed to discuss.

Description: 1. Amendment to Articles of Incorporation is required by

company operation needs.

2. Please refer to page 38–40 of Attachment 5 of this Handbook for the amendments to the aforementioned “Articles of Incorporation” before and after.

Resolutions:

No. 2: Proposed by the Board

Subject: Amendment to Regulations Governing the Acquisition and Disposal of Assets. Please proceed to discuss.

- Description:
1. Amendment to parts of the Procedures for Acquisition or Disposal of Assets according is required by company operation needs.
 2. Please refer to Page 41 to 58 of Attachment 6 for the Comparison Table for Amendments of the “Procedures for the Acquisition or Disposal of Assets.”

Resolutions:

No. 3: Proposed by the Board

Subject: **Termination of noncompete obligations of new directors, independent directors.** Please proceed to discuss.

- Description:
1. It is advisable to terminate the non-compete obligations of the Company’s directors and representatives newly elected at the Company’s current shareholders’ meeting due to business needs when they concurrently serve as directors or managerial officers of other companies that have similar business scope as the Company, which are subject to the restrictions stated in Article 209 of the Company Act under the precondition of without prejudice against the interests of the Company.
 2. The scope and content of the non-compete obligations imposed on the directors and independent directors are based on the information posted on-site at the regular shareholders’ meeting (provided by the elected directors and independent director).

Resolutions:

VII. Extraordinary motions

Meeting adjourned

Attachment 1

The remuneration paid to directors in 2023:

(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 (G) (Note 6)						
		The Company	All companies shown in the financial report (Note 7)	The Company	All companies shown in the financial report (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies shown in the financial report (Note 7)	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies shown in the financial report (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	1,177	1,177	70	202	1,247 /0.14%	1,379 /0.16%	2,707	4,320	43	43	1,458	0	1,458	0	5,455 /0.63%	7,200 /0.84%	None
Director	WANG, CHIUNG-FEN	0	0	0	0	1,177	1,177	70	70	1,247 /0.15%	1,247 /0.15%	0	0	0	0	0	0	0	0	1,247 /0.15%	1,247 /0.15%	None
Director	SHIH, MING-HAO	0	0	0	0	1,177	1,177	60	60	1,237 /0.14%	1,237 /0.14%	0	0	0	0	0	0	0	0	1,237 /0.14%	1,237 /0.14%	None
Director	WU, AI-YUN	0	0	0	0	1,177	1,177	70	70	1,247 /0.15%	1,247 /0.15%	0	0	0	0	0	0	0	0	1,247 /0.15%	1,247 /0.15%	None
Director	CHANG, HUNG-YUAN	0	0	0	0	1,177	1,177	60	60	1,237 /0.14%	1,237 /0.14%	0	0	0	0	0	0	0	0	1,237 /0.14%	1,237 /0.14%	None
Director	CHIEN, CHIN-CHENG	0	0	0	0	1,178	1,178	70	70	1,248 /0.14%	1,248 /0.14%	0	0	0	0	0	0	0	0	1,248 /0.14%	1,248 /0.14%	None
Independent director	PAN, MING-TSAN	0	0	0	0	610	610	70	70	680 /0.07%	680 /0.07%	0	0	0	0	0	0	0	0	680 /0.07%	680 /0.07%	None
Independent director	LIN, HSUAN-CHU	0	0	0	0	1,178	1,178	160	160	1,338 /0.16%	1,338 /0.16%	0	0	0	0	0	0	0	0	1,338 /0.16%	1,338 /0.16%	None
Independent director	SHYU, SO-DE	0	0	0	0	1,178	1,178	160	160	1,338 /0.16%	1,338 /0.16%	0	0	0	0	0	0	0	0	1,338 /0.16%	1,338 /0.16%	None
Independent director	CHUANG, PI-HUA	0	0	0	0	1,178	1,178	160	160	1,338 /0.16%	1,338 /0.16%	0	0	0	0	0	0	0	0	1,338 /0.16%	1,338 /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

Candidates list for the directors (including independent directors)

Candidates list for the directors (Nominated by the Board of Directors)

Type	Nominee Name	Education	Work Experience	Current position		Shareholding (number of shares) Note
Director	WANG, CHIN-PO	Department of Chemical Engineering, Graduated from National Kaohsiung Institute of Technology	Chairman, Soft-World Co., Ltd.	In the same business group	Chairman of Soft-World Co., Ltd., Chairman of Chinese Gamer International Corporation (Institutional representative of Soft-World International Corporation), Chairman of Game Flier International Corporation (Institutional representative of Soft-World International Corporation), Chairman of Game First International Corporation (Institutional representative of Soft-World International Corporation), Chairman of Zealot Digital International Corporation (Institutional representative of Soft-World International Corporation), Chairman of Neweb Technologies Co., Ltd. (Institutional representative of Soft-World International Corporation), Chairman of ezPay Co., Ltd. (Institutional representative of Neweb Technologies Co., Ltd.), Director of Dynasty International Information Co., Ltd. (Institutional representative of Soft-World International Corporation), Director of Soft-World (Hong Kong) International Corporation (Institutional representative of Soft-World International Corporation), Director of Soft-World Technology Pte. Ltd. (Institutional representative of Soft-World International Corporation), The Chairman of CService Technology Co., Ltd. (Institutional representative of Neweb), Chairman of Fast Distributed Cloud Computing (Taiwan) Co., Ltd. (Institutional representative of Soft-World International Corporation), Chairman of Joy Children Technology Co., Ltd. (Institutional representative of Soft-World International Corporation), Chairman of Compete!Games interactive entertainment corporation (Institutional representative of Game First International Corporation), Chairman of Efun International Corporation (Institutional representative of Soft-World International Corporation), Director of PLAYGAME SDN. BHD (Institutional representative of Global Concept Corporation), Chairman of Taiwan Taomee Co., Ltd. (Institutional representative of PLAYGAME), Chairman of Re:Ad Media (Taiwan) Corporation (Institutional representative of Efun International Corporation)	21,594,350
				Director of Public Television Service Foundation		
Director	WANG, CHIUNG-FEN	Bachelor of Law, National Chung Hsing University	Bachelor of Law, National Chung Hsing University Independent director of Aeon Motor Co., Ltd. Independent director of Huang Long Development Co., Ltd. Director of KMC International Co., Ltd.	In the same business group	Chairman of Taiwan Steel Group Union Co., Ltd., Chairman of Taiwan Netcom Investment Holding Corp., Chairman of Gloria Material Technology Corp., Chairman of S-TECH CORP., Chairman of TSG Hawks, Chairman of Taigang Sports Marketing Co., Ltd., Director of Taiwan Steel University of Science and Technology, Director of Taiwan Styrene Monomer Corporation, Director of D-Link Corporation, Director of Chun Yu Works & Co., Ltd.	0
				Director of Soft-World International Corporation		
Director	SHIH, MING-HAO	Master of Business Administration, Pennsylvania State University	Founder, Association of Listed/OTC Companies in Taiwan	Director, Soft-World International Corporation, Partner, Baozhou Private Placement Fund		11,110

Type	Nominee Name	Education	Work Experience	Current position	Shareholding (number of shares) Note
			Chairman, TRADE-VAN INFORMATION SERVICES CO.		
Director	CHIEN, CHIN-CHENG	PhD, Department of Accounting, New Jersey State University	Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University Adjunct Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University Director and Remuneration Committee Member of KMC International Co., Ltd Remuneration Committee Member of Hanpin Electron Co., Ltd. Remuneration Committee Member of Ofco Industrial Corporation Remuneration Committee Member of Chunzu Machinery Co., Ltd.	Director, Soft-World International Corporation, Independent Director and Remuneration Committee Member, Taiwan Styrene Monomer Corporation; Independent Director and Remuneration Committee Member, Chun Yu Works & Co., Ltd.	0
Director	CHANG, HUNG-YUAN	MBA, MSA, St John's University, New York, USA	Director of International Management School, Shih Hsu University Enterprise Management Foundation Director, Soochow University Board Supervisor, Shih Hsin University Independent director of TPK Holding Co., Ltd. Professor of Communication Management Department and Management of Business Administration (MBA) of Shih Hsin University	Director of Soft-World International Corporation, Independent Director of Lu Hai Industrial Corp.	0
Director	Representative	Doctoral	Executive Officer	In the Director of Taigang Sports Marketing Co., Ltd.	28,600,000

Type	Nominee Name	Education	Work Experience	Current position		Shareholding (number of shares) Note
	of Gloria Material Technology Corp.: Chen Cheng-Wen	Program in Political Science, National Sun Yat-sen University Master of Political Science, National Sun Yat-sen University Double major of Bachelor of Science and Bachelor of Laws, Chinese Culture University	of Southern Taiwan Joint Service Center, Executive Yuan Lecturer of Open University of Kaohsiung Director of the Office of Vice Secretary General to the President Senior Specialist of the Presidential Office	same business group	Director of Taiwan Steel University of Science and Technology Director of TSG Hawks	shares
Independent director	SHYU, SO-DE	PhD Finance, University of Alabama, USA	Professor, Department of Finance, Vice Dean, College of Management, National Sun Yat-sen University President, Takming University of Science and Technology	Independent director of Soft-World International Corporation, Independent director of Wah Lee Industrial Corp., Independent Director of Jia Wei Lifestyle, Inc.; Independent Director of MYSON CENTURY, INC.		0
Independent director	LIN, HSUAN-CHU	PhD in Finance, New Jersey State University Master of Business Administration (MBA), New Jersey State University	Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University	Independent Director, Soft-World International Corporation; Independent Director, Taiwan Cooperative Bank Co., Ltd.; Independent Director, Taiwan Cooperative Financial Holding Co., Ltd.; Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University; Supervisor, Taiwan International Ports Logistics Corporation		0
Independent director	TSAO, WEI-CHIEH	School of Law, National Taipei University School of Law, Soochow University	Enterprise Risk Consulting Compliance Consultant of Deloitte & Touche Director of Taiwan Fintech Association Lecturer on anti-money laundering and counter-terrorism financing Taiwan Academy of Banking and Finance, Taiwan Insurance Institute, Taiwan Securities and Futures Institute, etc. Consultant of anti-money laundry regulations for third-party	Lawyer of Sinxi at Law Director of Sin Xi Technology Management Consulting Ltd. Member of the Digital Economy and Financial Technology Committee of Taiwan Bar Association Vice Chairman of Taiwan Virtual Asset Anti-Money Laundering Association (TVAAA) Supervisor of Taiwan Fintech Association		0

Type	Nominee Name	Education	Work Experience	Current position	Shareholding (number of shares) Note
			payment services of the Institute for Information Industry		
Independent director	CHIU, HUI-YIN	Master of Business Administration, Department of Accounting, National Taiwan University, and Bachelor of Accountancy, National Chengchi University	Certified Public Accountant, Deloitte & Touche Partner Accountant of Deloitte & Touche Partner Accountant of EVERWELL & Co., CPAs Independent director of Castlenet Technology Inc.	Partner Accountant of Weiyu CPA Firm Independent director of Nova Technology Corp.	0

Note: The numbers of shares are calculated as of the closing date of the 2024 shareholders meeting on April 26, 2024.

List of director candidates (nominated the shareholders with more than 1% shareholding)

Type	Nominee Name	Education	Work Experience	Current position	Shareholding (number of shares) Note
Director	HSU, YU-JEN	Master of Public Administration, Harvard Kennedy School Bachelor of Arts in English, National Chengchi University	Representative of the U.S.–China Dialogue on Track II Digital Economy/National Committee on American Foreign Policy Co-Investigator of Economy of Asia national strategies/Brookings Institution	Entrepreneur	0
Director	WANG, CHANG-YI	Ph.D. in Economics, Stanford University Master of Statistics, Stanford University Bachelor of Economics and Human Resources, Cornell University	Taught financial economics courses at the undergraduate department of Stanford University in 2009. Taught economic and legal practice at Harvard Law School in 2010. Taught at Harvard Business School in 2013-2023.	Tandon Family Professor of Business Administration, Harvard Business School	0
Independent director	WANG, CHIH-CHENG	Ph.D. of Laws, National Chengchi University Master of Laws, National Chengchi University Bachelor of Laws, National Chengchi University	Professor of School of Law, National Chung Cheng University Adjunct Professor, School of Management, National Taiwan University of Science and Technology Director of the Securities and Futures Investors Protection Center Independent Director, CTBC Financial Holding Co., Ltd.	Vice President of Chinese Culture University Professor, School of Law, Chinese Culture University Adjunct professor School of Law, Soochow University	0
Independent director	LI, LI-TSE	Ph.D., Human Resources Training and Development, Idaho State University	Member of the Remuneration Committee of Fu Ta Material Technology Co., Ltd.	Director of the Office of Institutional Research, Overseas Chinese University	0
Director	SU, HSIEN-YI	Bachelor of Financial Law, NTU College of Law	Senior lawyer of Yuqun International Law Firm Lawyer of Direction & Associates Lawyer of Chen Yi-Cheng at Law	Lawyer of Paradigm Law Firm	0

Type	Nominee Name	Education	Work Experience	Current position	Shareholding (number of shares) Note
Director	LAI, CHING-HSIEN	Bachelor, Department of Foreign Languages, National Chung Hsing University Japan Tokyo Visual Arts Master of Business Administration, UK University of Durham	Director of Broadcasting Development Foundation Assistant Manager of Taipei Television Station of Eastern Group Manager of Taichung Cable TV Program Department Produce of The Dream of Youth of Public Television Station	Chairman of BaoDao radio Host of Baodao New Voice's "Fun Baodao" program Chairman of the Community Radio Industry Association	0
Director	Boju Financial Holdings Corporation Investment Account in Custody of Union Bank of Taiwan Co., Ltd. Representative: KUO, HSIU-CHUAN	Bachelor of Public Administration, Department of Political Science, National Taiwan University BiMBA, National School of Development, Peking University	Vice President of China Development Private Equity (Shanghai) Co., Ltd. Director of CDIB Yida Private Equity (Kunshan) Co., Ltd.	President of Golden Vision Investment Management CO., LTD.	2,464,000 shares
Director	CHENG, SHUN-JEN	Ph.D. in Business, Manuel L.Q. University Doctoral program, Department of Technology Management, Chung Hua University Master in Business Administration, New York St. John University Bachelor of Statistics, Tunghai University	Independent director of Brogent Technologies Inc. Independent director of S-TECH CORP.	Vice President of Cheng Shiu University Independent director of Top High Image Corp. Independent director of Nan Ren Lake Leisure Amusement Co., Ltd. Director of Ensure Global Corp., Ltd.	0
Independent director	WANG, YUAN-HUNG	Bachelor of Business Administration, National Cheng Kung University Master of Financial Law, CITIC Business School	Lawyer of Deloitte US	Chief lawyer of EVERWELL Law Firm	0
Independent director	HSIEH, YAO-LING	Ph.D., School of Business, Fengjia University Bachelor, School of Business, Providence University	Chief Financial Officer of DMG Mori Taiwan Co., Ltd.	VIMC B Impact Assessment (ESG) consultant	0

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, 2023 and 2022, and 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 material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 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. 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 that we performed included the following:

1. We obtained an understanding of 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 and tested the process by which MyCard points were deposited, exchanged and consumed. We also verified the amount from MyCard points exchanged that 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 maintain 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 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, 2023, 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 audits resulting in this independent auditors' report are Chen-Li Chen and Chiu-Yen Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2024

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, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,691,507	22	\$ 2,799,346	23
Notes receivable (Notes 4, 5 and 7)	83	-	-	-
Accounts receivable, net (Notes 4, 5 and 7)	122,664	1	98,691	1
Accounts receivable - related parties (Notes 4, 5, 7 and 28)	29,384	-	23,682	-
Other receivables (Notes 4 and 7)	1,408,587	12	1,458,362	12
Other receivables - related parties (Notes 4, 7 and 28)	83,552	1	53,071	-
Inventories (Notes 4 and 8)	26,846	-	54,095	-
Other financial assets - current (Notes 9 and 29)	3,467,489	28	3,391,310	28
Other current assets	<u>66,844</u>	<u>1</u>	<u>110,329</u>	<u>1</u>
Total current assets	<u>7,896,956</u>	<u>65</u>	<u>7,988,886</u>	<u>65</u>
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 10)	5,144	-	10,075	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	247,311	2	312,298	3
Investments accounted for using the equity method (Notes 4 and 12)	3,576,322	30	3,515,636	29
Property, plant and equipment (Notes 4, 13 and 29)	338,489	3	335,629	3
Right-of-use assets (Notes 4 and 14)	16,262	-	13,725	-
Investment properties (Notes 4, 15 and 29)	2,755	-	2,852	-
Other intangible assets (Notes 4 and 16)	3,429	-	3,227	-
Deferred tax assets (Notes 4 and 24)	17,697	-	24,765	-
Refundable deposits	10,710	-	11,427	-
Other financial assets - noncurrent (Note 9)	<u>42,084</u>	<u>-</u>	<u>18,666</u>	<u>-</u>
Total noncurrent assets	<u>4,260,203</u>	<u>35</u>	<u>4,248,300</u>	<u>35</u>
TOTAL	<u>\$ 12,157,159</u>	<u>100</u>	<u>\$ 12,237,186</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 22)	\$ 36,978	-	\$ 87,738	1
Notes payable (Note 17)	10,974	-	5,765	-
Notes payable - related parties (Notes 17 and 28)	780	-	780	-
Accounts payable (Note 17)	196,419	2	199,766	2
Accounts payable - related parties (Notes 17 and 28)	4,991	-	4,217	-
Other payables (Note 18)	3,770,878	31	4,046,399	33
Other payables - related parties (Note 28)	212,219	2	106,100	1
Current tax liabilities (Notes 4 and 24)	73,189	-	128,223	1
Lease liabilities - current (Notes 4 and 14)	7,035	-	5,050	-
Other financial liabilities - current (Note 19)	686,010	6	701,792	6
Other current liabilities	<u>22,224</u>	<u>-</u>	<u>12,811</u>	<u>-</u>
Total current liabilities	<u>5,021,697</u>	<u>41</u>	<u>5,298,641</u>	<u>44</u>
NONCURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 24)	90,218	1	83,053	1
Lease liabilities - noncurrent (Notes 4 and 14)	9,449	-	8,765	-
Net defined benefit liabilities (Notes 4 and 20)	42,350	-	55,840	-
Guarantee deposits received	<u>468</u>	<u>-</u>	<u>438</u>	<u>-</u>
Total noncurrent liabilities	<u>142,485</u>	<u>1</u>	<u>148,096</u>	<u>1</u>
Total liabilities	<u>5,164,182</u>	<u>42</u>	<u>5,446,737</u>	<u>45</u>
EQUITY (Note 21)				
Share capital	<u>1,274,743</u>	<u>11</u>	<u>1,274,743</u>	<u>10</u>
Capital surplus	<u>1,882,495</u>	<u>16</u>	<u>1,842,281</u>	<u>15</u>
Retained earnings				
Legal reserve	1,300,061	11	1,214,851	10
Special reserve	46,916	-	25,117	-
Unappropriated earnings	<u>2,889,129</u>	<u>24</u>	<u>2,717,604</u>	<u>22</u>
Total retained earnings	<u>4,236,106</u>	<u>35</u>	<u>3,957,572</u>	<u>32</u>
Other equity	<u>172,873</u>	<u>1</u>	<u>231,623</u>	<u>2</u>
Treasury shares	<u>(573,240)</u>	<u>(5)</u>	<u>(515,770)</u>	<u>(4)</u>
Total equity	<u>6,992,977</u>	<u>58</u>	<u>6,790,449</u>	<u>55</u>
TOTAL	<u>\$ 12,157,159</u>	<u>100</u>	<u>\$ 12,237,186</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, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 22 and 28)	\$ 3,060,525	100	\$ 2,969,704	100
OPERATING COSTS (Notes 23 and 28)	<u>741,769</u>	<u>24</u>	<u>704,491</u>	<u>24</u>
GROSS PROFIT	<u>2,318,756</u>	<u>76</u>	<u>2,265,213</u>	<u>76</u>
OPERATING EXPENSES (Notes 23 and 28)				
Selling and marketing expenses	1,208,647	40	1,251,376	42
General and administrative expenses	208,327	7	190,000	6
Research and development expenses	42,430	1	49,030	2
Expected credit loss/(gain) (Note 7)	<u>(2,151)</u>	<u>-</u>	<u>4,216</u>	<u>-</u>
Total operating expenses	<u>1,457,253</u>	<u>48</u>	<u>1,494,622</u>	<u>50</u>
OPERATING INCOME	<u>861,503</u>	<u>28</u>	<u>770,591</u>	<u>26</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	64,664	2	30,904	1
Other income	18,997	-	25,973	1
Other gains and losses	(3,555)	-	(4,781)	-
Finance costs	(423)	-	(203)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	<u>112,310</u>	<u>4</u>	<u>192,565</u>	<u>6</u>
Total non-operating income and expenses	<u>191,993</u>	<u>6</u>	<u>244,458</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	1,053,496	34	1,015,049	34
INCOME TAX EXPENSE (Notes 4 and 24)	<u>193,670</u>	<u>6</u>	<u>178,632</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>859,826</u>	<u>28</u>	<u>836,417</u>	<u>28</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(1,436)	-	11,866	-
Unrealized (loss) income on investments in equity instruments at fair value through other comprehensive income (Note 21)	178,912	6	(48,654)	(2)
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	75,892	2	83,725	3

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	\$ 287	-	\$ (2,373)	-
	<u>253,655</u>	<u>8</u>	<u>44,564</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 21)	(5,054)	-	67,014	2
Share of other comprehensive loss of subsidiaries and associates accounted for using equity method (Note 21)	(1,261)	-	(5,700)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	<u>1,011</u>	<u>-</u>	<u>(13,402)</u>	<u>-</u>
	<u>(5,304)</u>	<u>-</u>	<u>47,912</u>	<u>2</u>
Other comprehensive income for the year, net of income tax	<u>248,351</u>	<u>8</u>	<u>92,476</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,108,177</u>	<u>36</u>	<u>\$ 928,893</u>	<u>31</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 7.09</u>		<u>\$ 6.90</u>	
Diluted	<u>\$ 7.06</u>		<u>\$ 6.85</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, 2023 AND 2022 (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, 2022	\$ 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
Appropriation of 2022 earnings (Note 21)										
Legal reserve	-	-	85,210	-	(85,210)	-	-	-	-	-
Special reserve	-	-	-	21,799	(21,799)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(888,393)	-	-	-	-	(888,393)
	-	-	85,210	21,799	(995,402)	-	-	-	-	(888,393)
Net profit in 2023	-	-	-	-	859,826	-	-	-	-	859,826
Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	(341)	(5,304)	253,996	248,692	-	248,351
Total comprehensive income (loss) in 2023	-	-	-	-	859,485	(5,304)	253,996	248,692	-	1,108,177
Purchase of the Corporation' s shares by subsidiaries	-	-	-	-	-	-	-	-	(57,523)	(57,523)
Adjustments of capital surplus for the Corporation' s cash dividends received by subsidiaries	-	39,511	-	-	-	-	-	-	-	39,511
Changes in percentage of ownership interests in subsidiaries	-	703	-	-	-	-	-	-	53	756
Disposal of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	307,442	-	(307,442)	(307,442)	-	-
BALANCE AT DECEMBER 31, 2023	\$ 1,274,743	\$ 1,882,495	\$ 1,300,061	\$ 46,916	\$ 2,889,129	\$ (24,882)	\$ 197,755	\$ 172,873	\$ (573,240)	\$ 6,992,977

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,053,496	\$ 1,015,049
Adjustments for:		
Income and expenses		
Depreciation expenses	17,280	14,418
Amortization expenses	5,089	4,072
Expected credit (gain reversed) loss recognized on accounts receivable	(2,151)	4,216
Loss on financial assets at fair value through profit or loss	4,931	8,985
Finance costs	423	203
Interest income	(64,664)	(30,904)
Dividend income	(7,855)	(10,667)
Share of profit of subsidiaries and associates accounted for using the equity method	(112,310)	(192,565)
Others	(1,959)	69
Changes in operating assets and liabilities		
Notes receivable	(83)	55
Accounts receivable	(24,115)	(17,368)
Accounts receivable - related parties	(5,702)	(3,783)
Other receivables	52,864	(93,305)
Other receivables - related parties	(30,481)	33,446
Inventories	29,208	(25,553)
Other current assets	43,485	(18,466)
Other financial assets	(23,418)	(11,136)
Contract liabilities	(50,760)	37,332
Notes payable	5,209	(1,289)
Accounts payable	(3,347)	82,458
Accounts payable - related parties	774	(48,471)
Other payables	(275,508)	824,527
Other payables - related parties	106,119	(4,848)
Other financial liabilities	(15,782)	12,226
Other current liabilities	9,413	(12,748)
Net defined benefit liabilities	(14,939)	(10,973)
Cash generated from operations	695,217	1,554,980
Interest received	63,868	30,230
Dividends received	93,825	351,658
Interest paid	(423)	(203)
Income tax paid	(233,173)	(184,088)
Net cash generated from operating activities	619,314	1,752,577

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
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 other comprehensive income	243,899	-
Acquisition of investments accounted for using the equity method	(4,000)	-
Proceeds from sale of subsidiaries	21,975	-
Payments for property, plant and equipment	(13,057)	(5,771)
Decrease (increase) in refundable deposits	717	(239)
Payments for intangible assets	(5,291)	(4,788)
Increase in other financial assets	<u>(76,179)</u>	<u>(958,028)</u>
Net cash generated from (used in) investing activities	<u>168,064</u>	<u>(969,468)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in guarantee deposits received	30	(5,632)
Repayment of the principal portion of lease liabilities	(6,854)	(7,057)
Cash dividends distributed	<u>(888,393)</u>	<u>(659,949)</u>
Net cash used in financing activities	<u>(895,217)</u>	<u>(672,638)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(107,839)	110,471
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,799,346</u>	<u>2,688,875</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,691,507</u>	<u>\$ 2,799,346</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, 2023 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, Chin - Po
Chairman

March 6, 2024

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 referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 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. 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 that we performed included the following:

1. We obtained an understanding of 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 and tested the process by which MyCard points were deposited, exchanged and consumed. We also verified the amount from MyCard points exchanged that 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, 2023 and 2022 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 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 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 audits resulting in this independent auditors' report are Chen-Li Chen and Chiu-Yen Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2024

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 5,154,491	30	\$ 5,497,047	33
Contract assets - current (Note 24)	4,446	-	2,264	-
Notes receivable (Notes 4 and 7)	578	-	-	-
Accounts receivable, net (Notes 4, 7 and 30)	313,785	2	357,357	2
Other receivables (Notes 4, 7 and 30)	1,654,193	10	1,634,405	10
Current tax assets (Notes 4 and 26)	7,999	-	6,311	-
Inventories (Notes 4 and 8)	28,631	-	61,741	-
Other financial assets - current (Notes 9 and 31)	7,434,324	44	6,915,027	41
Other current assets (Note 7)	822,501	5	681,621	4
Total current assets	15,420,948	91	15,155,773	90
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 10)	5,144	-	10,075	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	387,742	3	523,152	3
Investments accounted for using the equity method (Notes 4 and 13)	39,605	-	38,324	-
Property, plant and equipment (Notes 4, 14 and 31)	362,293	2	368,011	2
Right-of-use assets (Notes 4 and 15)	45,659	-	56,821	1
Investment properties (Notes 4, 16 and 31)	35,246	-	39,225	-
Goodwill (Note 5)	457,621	3	457,621	3
Other intangible assets (Notes 4 and 17)	26,549	-	46,992	1
Deferred tax assets (Notes 4, 5 and 26)	20,525	-	30,022	-
Prepayment of equipment	-	-	884	-
Refundable deposits	26,894	-	28,884	-
Net defined benefit assets (Notes 4 and 22)	28,801	-	26,679	-
Other financial assets - noncurrent (Notes 9 and 31)	68,124	1	31,841	-
Other noncurrent assets	526	-	526	-
Total noncurrent assets	1,504,729	9	1,659,057	10
TOTAL	\$ 16,925,677	100	\$ 16,814,830	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 24)	\$ 201,172	1	\$ 275,943	2
Notes payable (Notes 18 and 30)	12,209	-	7,077	-
Accounts payable (Notes 18 and 30)	336,140	2	359,282	2
Other payables (Notes 19 and 30)	4,113,065	24	4,364,896	26
Current tax liabilities (Notes 4 and 26)	89,528	1	141,435	1
Lease liabilities - current (Notes 4 and 15)	29,045	-	28,021	-
Other financial liabilities - current (Notes 4 and 20)	815,880	5	800,826	5
Other current liabilities (Note 21)	2,898,917	17	2,566,250	15
Total current liabilities	8,495,956	50	8,543,730	51
NONCURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 26)	97,786	1	92,076	-
Lease liabilities - noncurrent (Notes 4 and 15)	17,403	-	29,198	-
Net defined benefit liabilities (Notes 4 and 22)	42,350	-	57,179	-
Guarantee deposits received	98,269	1	95,856	1
Total noncurrent liabilities	255,808	2	274,309	1
Total liabilities	8,751,764	52	8,818,039	52
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)				
Share capital	1,274,743	7	1,274,743	8
Capital surplus	1,882,495	11	1,842,281	11
Retained earnings				
Legal reserve	1,300,061	8	1,214,851	8
Special reserve	46,916	-	25,117	-
Unappropriated earnings	2,889,129	17	2,717,604	16
Total retained earnings	4,236,106	25	3,957,572	24
Other equity	172,873	1	231,623	1
Treasury shares	(573,240)	(3)	(515,770)	(3)
Total equity attributable to owners of the Corporation	6,992,977	41	6,790,449	41
NON-CONTROLLING INTERESTS (Note 23)	1,180,936	7	1,206,342	7
Total equity	8,173,913	48	7,996,791	48
TOTAL	\$ 16,925,677	100	\$ 16,814,830	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, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 24 and 30)	\$ 6,249,393	100	\$ 6,098,078	100
OPERATING COSTS (Notes 4, 25 and 30)	<u>3,033,283</u>	<u>48</u>	<u>2,811,125</u>	<u>46</u>
GROSS PROFIT	<u>3,216,110</u>	<u>52</u>	<u>3,286,953</u>	<u>54</u>
OPERATING EXPENSES (Notes 25 and 30)				
Selling and marketing expenses	1,537,589	25	1,659,145	27
General and administrative expenses	365,441	6	340,795	6
Research and development expenses	284,204	4	292,344	5
Expected credit loss (Notes 7 and 24)	<u>54,014</u>	<u>1</u>	<u>12,900</u>	<u>-</u>
Total operating expenses	<u>2,241,248</u>	<u>36</u>	<u>2,305,184</u>	<u>38</u>
OPERATING INCOME	<u>974,862</u>	<u>16</u>	<u>981,769</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	127,169	2	60,447	1
Other income	42,975	-	47,585	1
Other gains and losses	(12,160)	-	18,206	-
Finance costs	(1,586)	-	(1,020)	-
Share of gain of associates accounted for using the equity method	<u>1,281</u>	<u>-</u>	<u>724</u>	<u>-</u>
Total non-operating income and expenses	<u>157,679</u>	<u>2</u>	<u>125,942</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,132,541	18	1,107,711	18
INCOME TAX EXPENSE (Notes 4 and 26)	<u>237,660</u>	<u>4</u>	<u>226,004</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>894,881</u>	<u>14</u>	<u>881,707</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	439	-	24,620	1
Unrealized income (loss) on investments in equity instruments at fair value through other comprehensive income (Note 23)	258,965	4	17,511	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>(88)</u>	<u>-</u>	<u>(4,924)</u>	<u>-</u>
	<u>259,316</u>	<u>4</u>	<u>37,207</u>	<u>1</u>

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	\$ (7,714)	-	\$ 69,759	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 26)	<u>1,011</u>	<u>-</u>	<u>(13,402)</u>	<u>-</u>
	<u>(6,703)</u>	<u>-</u>	<u>56,357</u>	<u>1</u>
Other comprehensive income for the year, net of income tax	<u>252,613</u>	<u>4</u>	<u>93,564</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,147,494</u>	<u>18</u>	<u>\$ 975,271</u>	<u>16</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 859,826	14	\$ 836,417	13
Non-controlling interests	<u>35,055</u>	<u>-</u>	<u>45,290</u>	<u>1</u>
	<u>\$ 894,881</u>	<u>14</u>	<u>\$ 881,707</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,108,177	18	\$ 928,893	15
Non-controlling interests	<u>39,317</u>	<u>-</u>	<u>46,378</u>	<u>1</u>
	<u>\$ 1,147,494</u>	<u>18</u>	<u>\$ 975,271</u>	<u>16</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 7.09</u>		<u>\$ 6.90</u>	
Diluted	<u>\$ 7.06</u>		<u>\$ 6.85</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
	Retained Earnings					Exchange Differences on Translating Foreign Operations	Other Equity	Subtotal	Treasury shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2022	\$ 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 (Note 23)	-	-	-	-	-	-	-	-	(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
Appropriation of 2022 earnings (Note 23)												
Legal reserve	-	-	85,210	-	(85,210)	-	-	-	-	-	-	-
Special reserve	-	-	-	21,799	(21,799)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(888,393)	-	-	-	-	(888,393)	-	(888,393)
	-	-	85,210	21,799	(995,402)	-	-	-	-	(888,393)	-	(888,393)
Cash dividends distributed by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	(7,668)	(7,668)
Net profit in 2023	-	-	-	-	859,826	-	-	-	-	859,826	35,055	894,881
Other comprehensive (loss) income in 2023, net of income tax	-	-	-	-	(341)	(5,304)	253,996	248,692	-	248,351	4,262	252,613
Total comprehensive income (loss) in 2023	-	-	-	-	859,485	(5,304)	253,996	248,692	-	1,108,177	39,317	1,147,494
Purchase of the Corporation's shares by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	(57,523)	(57,523)	(34,533)	(92,056)
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	39,511	-	-	-	-	-	-	-	39,511	-	39,511
Changes in percentage of ownership interests in subsidiaries	-	703	-	-	-	-	-	-	53	756	(756)	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(21,766)	(21,766)
Disposal of investment in equity instruments designated as at fair value through other comprehensive income (Note 11)	-	-	-	-	307,442	-	(307,442)	(307,442)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	\$ 1,274,743	\$ 1,882,495	\$ 1,300,061	\$ 46,916	\$ 2,889,129	\$ (24,882)	\$ 197,755	\$ 172,873	\$ (573,240)	\$ 6,992,977	\$ 1,180,936	\$ 8,173,913

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,132,541	\$ 1,107,711
Adjustments for:		
Income and expenses		
Depreciation expenses	62,113	62,836
Amortization expenses	44,154	23,229
Expected credit loss recognized on accounts receivable	54,014	12,900
Loss on financial assets at fair value through profit or loss	4,931	8,985
Finance costs	1,586	1,020
Interest income	(127,169)	(60,447)
Dividend income	(8,359)	(15,260)
Share of profit of associates accounted for using the equity method	(1,281)	(724)
Others	(1,975)	(37)
Changes in operating assets and liabilities		
Contract assets	(1,311)	(304)
Notes receivable	(578)	445
Accounts receivable	42,922	55,898
Other receivables	(13,369)	295,898
Inventories	35,069	(27,973)
Other current assets	(197,457)	(507,850)
Other financial assets	(190,805)	(229,408)
Contract liabilities	(74,771)	46,842
Notes payable	5,132	(1,507)
Accounts payable	(23,142)	32,046
Other payables	(251,818)	561,813
Other financial liabilities	15,054	20,666
Other current liabilities	332,667	473,654
Net defined benefit liabilities	(16,525)	(11,341)
Cash generated from operations	821,623	1,849,092
Interest received	123,355	61,914
Dividends received	8,359	15,260
Interest paid	(1,586)	(1,020)
Income tax paid	(275,125)	(293,594)
Net cash generated from operating activities	<u>676,626</u>	<u>1,631,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(9,975)	(642)
Proceeds from disposal of financial assets at fair value through other comprehensive income	404,350	-
Payments for property, plant and equipment	(17,026)	(12,589)
Proceeds from disposal of property, plant and equipment	18	122
Decrease in refundable deposits	1,990	2,361

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Payments for intangible assets	\$ (23,714)	\$ (57,786)
Proceeds from disposal of intangible assets	3	-
Increase in other financial assets	<u>(364,775)</u>	<u>(1,153,258)</u>
Net cash used in investing activities	<u>(9,129)</u>	<u>(1,221,792)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	2,413	7,608
Repayment of the principal portion of lease liabilities	(34,738)	(35,395)
Cash dividends distributed	(848,882)	(630,973)
Acquisition of the parent company's shares held by subsidiaries	(92,056)	(9,307)
Changes in non-controlling interests	<u>(29,434)</u>	<u>(14,147)</u>
Net cash used in financing activities	<u>(1,002,697)</u>	<u>(682,214)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(7,356)</u>	<u>67,989</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(342,556)	(204,365)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,497,047</u>	<u>5,701,412</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,154,491</u>	<u>\$ 5,497,047</u>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)

Attachment 4

Soft-World International Corporation Earnings Appropriation Statement 2023

Unit: NTD

Item	Amount	
	Subtotal	Total
2023 Net Profit		859,825,979
The defined benefit plans re-measured amount is recognized in the “retained earnings” account.		(341,099)
Upon disposal of investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is transferred directly to retained earnings.		307,441,952
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		1,166,926,832
Legal reserve appropriated (10%)		(116,692,683)
Appropriation of special reserve		-
Reversal of voluntarily appropriated special reserve		21,799,000
Earnings in 2023 Available for Distribution		1,072,033,149
Opening undistributed earnings		1,722,201,532
Accumulated earnings available for distribution at the end of 2023		2,794,234,681
Distribution		
Shareholders’ cash dividends (NT\$7/share)		1,088,593,324
Closing undistributed earnings		1,705,641,357

Note:1. The distribution of stock dividends is based on the 155,513,332 outstanding shares on March 6, 2024 (156,074,332 original outstanding shares, less 561,000 treasury stocks). If the number of outstanding shares is affected by repurchase of shares, transfer, additional cash capital, the Chairman shall be authorized to adjust the distribution rate per share.

2. Earnings in 2023 is distributed in priority.

Chairman: WANG, CHIN-PO

Manager: WANG, CHIN-PO

Chief accountant: HUANG, YA-CHUAN

Attachment 5

Soft-World International Corporation

The comparison table of the Articles of Incorporation before and after amendments

Clause	Clauses after the amendment	Clauses before the amendment	Amendment's basis and reasons
Article 6	<p>The authorized capital of the Company is <u>NT\$3 billion</u>, divided into <u>300 million</u> 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.</p> <p>The total authorized capital in the first paragraph shall reserve NT\$150 million for the issue of share subscription warrant, bond with attached warrant or preferred stocks with attached warrants, totaling 15 million shares, and NT\$10 per share that may be issued in installments according to the resolution of the board of directors.</p> <p>The Company <u>may, by resolution of the shareholders' meeting</u>, 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.</p> <p>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.</p>	<p>The authorized capital of the Company is <u>NT\$2 billion</u>, 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.</p> <p>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.</p> <p>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. <u>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.</u></p> <p>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.</p>	The relevant content has been revised in response to the operational needs of the Company.
Article 13	<p>The Company should appoint five to <u>fifteen</u> directors (<u>at least one director of a different gender</u>). The term of office</p>	<p>The Company should appoint five to <u>eleven</u> directors. The term of office should be three years. Each director</p>	The relevant content has been revised

Clause	Clauses after the amendment	Clauses before the amendment	Amendment's basis and reasons
	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>in response to the operational needs of the Company.</p>
Article 22-1	<p>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 <u>10%</u> 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</p>	<p>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 <u>10%</u> 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</p>	<p>The relevant content has been revised in response to the operational needs of the Company.</p>

Clause	Clauses after the amendment	Clauses before the amendment	Amendment's basis and reasons
	<p>the shareholders meeting for stock distribution.</p> <p>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.</p> <p>The Company may, in accordance with the provisions of Article 240 of the Company Act, by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of outstanding shares, distribute dividends and bonuses in whole or in part in the form of cash. Alternatively, the Company may distribute legal reserve and additional paid-in capital in cash <u>in accordance with</u> the provisions of Article 241 of the Company Act and then report it to the shareholders' meeting.</p> <p>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</p>	<p>the shareholders meeting for stock distribution.</p> <p>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.</p> <p>The Company <u>authorizes</u> 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.</p> <p>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</p>	

Clause	Clauses after the amendment	Clauses before the amendment	Amendment's basis and reasons
	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.	amount of dividends.	
Article 24	This Articles of Incorporation was created on April 20, 1983; the 1 st amendment was made on October 4, 1984; the 2 nd amendment was made on November 26, 1988 ...(Omitted)... the 30 th amendment was made on June 23, 2016; the 31 st amendment was made on June 22, 2017; the 32 nd amendment was made on June 18, 2019; the 33 rd amendment was made on July 30, 2021; the 34 th amendment was made on June 21, 2022; and <u>the 35th amendment was made on June 24, 2024.</u>	This Articles of Incorporation was created on April 20, 1983; the 1 st amendment was made on October 4, 1984; the 2 nd amendment was made on November 26, 1988 ...(Omitted)... the 30 th amendment was made on June 23, 2016; the 31 st amendment was made on June 22, 2017; the 32 nd amendment was made on June 18, 2019; the 33 rd amendment was made on July 30, 2021; and the 34 th amendment was made on June 21, 2022.	Add amendment date

Attachment 6

Soft-World International Corporation

The comparison table of the Operational Procedures for Acquisition and Disposal of Assets before and after amendments.

Clauses after the amendment	Clauses before the amendment	Amendment's basis and reasons
<u>Chapter 1 General Provisions</u>		Additional chapters are added.
Article 1: Purpose: This Procedure is established in accordance with <u>Article 36-1 of the Securities and Exchange Act</u> for the purpose of strengthening asset management and achieving full disclosure.	Article 1: Purpose: This Procedure is established for the purpose of strengthening asset management and achieving full disclosure.	Amend and add text in accordance with Article 1 of the Regulations.
Article 2: The acquisition or disposal of the assets by the Company shall be conducted in accordance with the <u>disposition procedures</u> , provided, where financial laws or regulations provide otherwise, such provisions shall govern.	Article 4: The acquisition or disposal of the assets by the Company shall be conducted in accordance with the procedures. Unless otherwise provided in the financial related law and regulations.	The original Article 4 is revised as Article 2, and the wording of "this procedure" is rephrased as "this operational procedure."
Article 3: The scope of assets. 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Right-of-use assets. 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 7. Derivatives.	Article 2: The scope of assets. 1. <u>Securities: including</u> shares, government bonds, corporate bonds, bank debentures, securities that represent fund entitlements, depositary receipts, call/put options, beneficiary securities and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3. Memberships. 4. <u>Intangible assets: including</u> patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Right-of-use assets. 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).	The original Article 2 is revised as Article 3 with part of the text deleted in accordance with the Regulations.

<p>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</p> <p>9. Other major assets.</p>	<p>7. Derivatives.</p> <p>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</p> <p>9. Other major assets.</p>	
<p>Article 4: Terms used in these <u>disposition procedures</u> are defined <u>as follows</u>:</p> <p>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.</p> <p>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p>	<p>Article 3: Definition</p> <p>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.</p> <p>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property, equipment <u>and assets</u>.</p>	<p>The original Article 3 is revised as Article 4 with some of the text added and revised in accordance with the Regulations. The text of Paragraph 2 of the original Article 5 is partially adjusted and added to Article 4.</p>

<p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p> <p>7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.</p> <p>8. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</p> <p>9. Over-the-counter venue (“OTC venue,” “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the</p>	<p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p> <p>7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.</p> <p>8. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</p> <p>9. Over-the-counter venue (“OTC venue,” “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the</p>	
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<p>Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</p> <p>10. “Within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been announced or have obtained an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the <u>disposition procedures</u> or have been approved by the Board of Directors and recognized by the Audit Committee in accordance with the <u>disposition procedures</u> need not be counted toward the transaction amount.</p> <p>11. The term “latest financial statements” mentioned here shall refer to the Company’s audited/auditor-reviewed financial statements that were published prior to acquiring or disposing the assets.</p> <p>12. The requirement of 10% of the total assets is based on the total assets in the latest proprietary or independent financial statements governed by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”</p> <p><u>In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these disposition procedures, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these disposition procedures regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</u></p>	<p>Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</p> <p>10. “Within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been announced or have obtained an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the procedure or have been approved by the Board of Directors and recognized by the Audit Committee in accordance with the procedure need not be counted toward the transaction amount.</p> <p>11. The term “latest financial statements” mentioned here shall refer to the Company’s audited/auditor-reviewed financial statements that were published prior to acquiring or disposing the assets.</p> <p>12. The requirement of 10% of the total assets is based on the total assets in the latest proprietary or independent financial statements governed by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”</p>	
<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified</p>	<p>Article <u>17</u>: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified</p>	<p>The original Article 17 is revised as Article 5 with the</p>

<p>public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the appropriateness and 	<p>public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the appropriateness and 	<p>content of the original article remaining unchanged.</p>
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<p>reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</p>	
<p><u>Article 6:</u> When the Company is engaged in derivatives trading, it shall comply with the “Procedure for Derivatives Trading” of the Company.</p>	<p><u>Article 18:</u> When the Company is engaged in derivatives trading, it shall comply with the “Procedure for Derivatives Trading” of the Company.</p>	<p>The original Article 18 is revised as Article 6 with the content of the original article remaining unchanged.</p>
<p><u>Chapter 2 Disposition Procedures</u> <u>Section 1 Establishment of Disposition Procedures</u></p>		<p>Additional chapters and sections are added.</p>
<p><u>Article 7:</u> Implementation and revision The company’s “Procedures of Acquisition or Disposal of Assets” and any amendment should be approved by the majority of the audit committee, and submitted to the general meeting for approval after resolved by the Board of Directors. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. When a transaction involving the acquisition or disposal of assets is submitted for discussion to the board of directors, the board of directors shall take into full consideration each independent director’s opinions and any recommendations and reasons for agreement or objection shall be recorded in the minutes of the board of directors meeting. In case where 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</p>	<p><u>Article 24:</u> Implementation and Amendment The company’s “Procedures of Acquisition or Disposal of Assets” and any amendment should be approved by the majority of the audit committee, and submitted to the general meeting for approval after resolved by the Board of Directors. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. When a transaction involving the acquisition or disposal of assets is submitted for discussion to the board of directors, the board of directors shall take into full consideration each independent director’s opinions and any recommendations and reasons for agreement or objection shall be recorded in the minutes of the board of directors meeting. In case where approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be</p>	<p>The original Article 24 is revised as Article 7 with the content of the original article remaining unchanged.</p>

<p>more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The entire body of members of the audit committee herein and the entire body of directors in this article shall be counted by the actual incumbents.</p>	<p>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.</p> <p>The entire body of members of the audit committee herein and the entire body of directors in this article shall be counted by the actual incumbents.</p>	
<p>Article 8:</p> <p>The determining procedure and reference basis of transaction conditions for the acquisition or disposal of the assets by the Company shall be conducted based on the following situations:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of securities that have been traded in the Stock Exchange Market or OTC shall be determined by the transaction amount at the time. 2. Acquiring or disposing of securities that are not traded in the Stock Exchange Market or OTC. shall take into account their net worth per share, profitability, future development potential and reference to the transaction price at the time to make decision. 3. Acquiring or disposing of bonds that are not traded in the Stock Exchange Market or OTC shall take into account the market interest rates at the time, bonds coupon rate, and the debtor's creditability to make decision. 4. Acquisition or disposal of real estate shall take into account the announced current value, the assessed value and 	<p>Article 5:</p> <p>The determining procedure and reference basis of transaction conditions for the acquisition or disposal of the assets by the Company shall be conducted based on the following situations:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of securities that have been traded in the Stock Exchange Market or OTC shall be determined by the transaction amount at the time. 2. Acquiring or disposing of securities that are not traded in the Stock Exchange Market or OTC. shall take into account their net worth per share, profitability, future development potential and reference to the transaction price at the time to make decision. <u>In the case of a company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20% of paid-in capital according to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, 10% of equity attributable to owners of the parent company shall be substituted. For the Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent company shall be substituted.</u> 3. Acquiring or disposing of bonds that are not traded in the Stock Exchange Market or OTC shall take into account the market interest rates at the time, bonds coupon rate, and the debtor's creditability to make decision. 4. Acquisition or disposal of real estate shall take into account the announced current value, the assessed value and 	<p>1. The original Article 5 is revised as Article 8. The text of Paragraph 2 of the original Article 5 is partially adjusted and added to Article 4.</p> <p>2. In response to the industrial challenges in the international market, the expansion of service scale, and the promotion of strategic cooperation, the Company, for the sake of maintaining a flexible and diversified operating strategy, has profoundly developed the services in digital games, online</p>

<p>the trading value of the adjacent real estate to make decision.</p> <p>5. Acquisition or disposal of other fixed assets should be processed in accordance with parity, negotiations or tender.</p> <p>The acquisition or disposal of the assets of the Company shall be decided by the authorized department within the scope of delegation:</p> <p>1. For the acquisition or disposal of long-term securities investment and real estate (<u>single or cumulative acquisition or disposal of the same subject matter within one year (the accumulated amount of the acquisition or disposal is counted separately)</u>), if it is for a transaction amount of <u>NT\$100 million</u> (inclusive), it is to be approved by the chairman of the board of directors; if it is for a transaction amount more than <u>NT\$100 million</u>, but less than <u>NT\$300 million</u> (inclusive), it is to be approved by the chairman and reported to the most recent board meeting afterwards; if it is for a transaction amount <u>exceeding NT\$300 million</u>, it must be approved by the board of directors in advance.</p> <p>2. For the acquisition or disposal of short-term securities investments and other fixed assets (<u>single or cumulative acquisition or disposal of the same subject matter within one year (the accumulated amount of the acquisition or disposal is counted separately)</u>), if it is for a transaction amount of <u>NT\$30 million</u> (inclusive), it is to be approved by the President of the Company; if it is for a transaction amount more than <u>NT\$30 million</u>, but less than <u>NT\$100 million</u> (inclusive), it is to be approved by the chairman; if it is for a transaction amount more than <u>NT\$100 million</u>, <u>but less than NT\$30 million</u> (inclusive), it is to be approved by the chairman and reported to the most recent board meeting afterwards; if it is for a transaction amount <u>exceeding NT\$300 million</u>, it must be approved by the</p>	<p>the trading value of the adjacent real estate to make decision.</p> <p>5. Acquisition or disposal of other fixed assets should be processed in accordance with parity, negotiations or tender.</p> <p>The acquisition or disposal of the assets of the Company shall be decided by the authorized department within the scope of delegation:</p> <p>1. For the acquisition or disposal of the long-term security investment and real estate, if the amount is <u>NT\$30 million</u> or less, it shall be approved by the Chairman. If the amount is between <u>NT\$30 million</u> and <u>NT\$100 million</u> (inclusive), it shall be decided by the Chairman for execution, but shall be reported to the latest Board of Directors meeting. If the <u>transaction amount</u> exceeds <u>NT\$100 million</u>, it shall be approved by the Board of Directors before implementation.</p> <p>2. For the acquisition or disposal of the short-term security investment and other fixed assets, if the amount is <u>NT\$30 million</u> or less, it shall be approved by the presidents. If the amount is between <u>NT\$30 million</u> and <u>NT\$100 million</u> (inclusive), it shall be approved by the Chairman. If the <u>transaction amount</u> exceeds <u>NT\$100 million</u>, it shall be approved by the Board of Directors before implementation.</p>	<p>advertising and marketing, and financial technology business groups, expanded the business reach and overseas market deployment, and adjusted the scope of authorization.</p> <p>3. The specification of the transaction amount shall be revised in accordance with the legislative spirit of Article 12, Paragraph 6 of Article 15, and Paragraph 2 of Article 31 of the “Regulations Governing the Acquisition and Disposal of Assets by Publicly Companies.”</p> <p>4. The scope of authorization is determined in accordance with the materiality of information disclosure stated in the</p>
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board of directors in advance.		“Regulations Governing the Acquisition and Disposal of Assets by Publicly Companies,” which refers to a transaction amount equivalent to 20% of the Company’s paid-in capital, 10% of the total assets, or more than NT\$300 million. 5. Edit the wording “more than” for clarification.
Article <u>9</u> : The Company’s acquisition or disposal shall be implemented by the financial management center, using department (real estate and other fixed assets) and related authorized departments.	Article <u>6</u> : The Company’s acquisition or disposal shall be implemented by the financial management center, using department (real estate and other fixed assets) and related authorized departments.	The original Article 6 is revised as Article 9 with the content of the original article remaining unchanged.
Article <u>10</u> : The limited amount for the Company’s acquisition and disposal of the assets shall be pursuant to the following regulations: 1. The sum of real estate for non-business use shall not be higher than 20% of the <u>shareholders’ equity</u> . 2. The sum of securities investment shall not be higher than <u>200% of the shareholders’ equity</u> . 3. The investment on a single security shall not be higher than <u>100% of the shareholders’ equity</u> . Subsidiaries:	Article <u>7</u> : The limited amount for the Company’s acquisition and disposal of the assets shall be pursuant to the following regulations: 1. The sum of real estate for non-business use shall not be higher than 20% of the <u>net worth</u> . 2. The sum of securities investment shall not be higher than the net <u>worth</u> . 3. The investment on a single security shall not be higher than <u>50% of the net worth</u> . Subsidiaries:	The original Article 7 is revised as Article 10. Adjust and add the introduction of calculation bases in response to the company’s operations.

<p>The limited amount for the subsidiaries who are public companies to acquire and dispose the assets shall be pursuant to the “Procedure of Acquisition or Disposal of the Assets” established by the subsidiaries. The limited amount for the subsidiaries who are not public companies to acquire and dispose the assets shall be pursuant to the regulations of the Company, and the limited amount shall be calculated based on the net worth of the parent company.</p> <p><u>The calculation of the aforementioned (total) marketable security investment amount is based on the original investment cost.</u></p>	<p>The limited amount for the subsidiaries who are public companies to acquire and dispose the assets shall be pursuant to the “Procedure of Acquisition or Disposal of the Assets” established by the subsidiaries. The limited amount for the subsidiaries who are not public companies to acquire and dispose the assets shall be pursuant to the regulations of the Company, and the limited amount shall be calculated based on the net worth of the parent company.</p>	
<p>Article <u>11</u>:</p> <p>Regulations governing a subsidiary’s acquisition or disposal of assets:</p> <ol style="list-style-type: none"> 1. The subsidiaries who are public companies shall comply with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” to establish the Procedures for Acquisition or Disposal of Assets and implement correspondingly. 2. For the acquisition or disposal of assets of the subsidiaries who are not public companies, they shall comply with the regulations of the parent company to establish the “Procedure for Acquisition and Disposal of Assets” and implement correspondingly. Their transaction amount shall be evaluated based on the authorized capital of the parent company. 3. For the subsidiaries who are not public companies, when the acquired or disposed assets reach the standards of announcement stipulated in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” the parent company (the Company) shall conduct the announcement for its subsidiaries. <p>Under the announcement standards of the subsidiaries, the regulations for paid-in capital or total assets shall refer to the paid-in capital or total assets of the parent company (the Company).</p>	<p>Article <u>22</u>:</p> <p>Regulations governing a subsidiary’s acquisition or disposal of assets:</p> <ol style="list-style-type: none"> 1. The subsidiaries who are public companies shall comply with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” to establish the Procedures for Acquisition or Disposal of Assets and implement correspondingly. 2. For the acquisition or disposal of assets of the subsidiaries who are not public companies, they shall comply with the regulations of the parent company to establish the “Procedure for Acquisition and Disposal of Assets” and implement correspondingly. Their transaction amount shall be evaluated based on the authorized capital of the parent company. 3. For the subsidiaries who are not public companies, when the acquired or disposed assets reach the standards of announcement stipulated in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” the parent company (the Company) shall conduct the announcement for its subsidiaries. <p>Under the announcement standards of the subsidiaries, the regulations for paid-in capital or total assets shall refer to the paid-in capital or total assets of the parent company (the Company).</p>	<p>The original Article 22 is revised as Article 11 with the content of the original article remaining unchanged.</p>

<p><u>Article 12: Penalty</u> When the Company's employees conduct the acquisition and disposal of the assets in violation of this procedure, such events shall be reported for appraisal regularly according to the personnel management policy and the employee handbook; and shall be punished based on the circumstances.</p>	<p><u>Article 23: Penalty</u> When the Company's employees conduct the acquisition and disposal of the assets in violation of this procedure, such events shall be reported for appraisal regularly according to the personnel management policy and the employee handbook; and shall be punished based on the circumstances.</p>	<p>The original Article 23 is revised as Article 12 with the content of the original article remaining unchanged.</p>
<p><u>Section 2 Acquisition or Disposal of Assets</u></p>		<p>Additional sections are added.</p>
<p><u>Article 13: The Evaluation Report for Real Estate or Equipment:</u> In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use.</p> <ol style="list-style-type: none"> Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. Transactions amounting to NT\$1 billion or more should have two or more professional appraisers invited to appraise. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be 	<p><u>Article 8: The Evaluation Report for Real Estate or Equipment:</u> In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use.</p> <ol style="list-style-type: none"> Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. Transactions amounting to NT\$1 billion or more should have two or more professional appraisers invited to appraise. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be 	<p>The original Article 8 is revised as Article 13 with the content of the original article remaining unchanged.</p>

<p>disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The spread between the appraisal result and the transaction amount exceeds 20%</p> <p>(2) The appraisal spread between the two or more appraisers exceeds 10% of the transaction amount</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5. For assets acquired or disposed through court auctions, documentary proof issued by the court can be used in place of the valuation report or CPA's opinion.</p>	<p>disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The spread between the appraisal result and the transaction amount exceeds 20%</p> <p>(2) The appraisal spread between the two or more appraisers exceeds 10% of the transaction amount</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5. For assets acquired or disposed through court auctions, documentary proof issued by the court can be used in place of the valuation report or CPA's opinion.</p>	
<p>Article <u>14</u>:</p> <p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the <u>competent authority</u>.</p>	<p>Article <u>15</u>:</p> <p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the <u>Financial Supervisory Commission</u>.</p>	<p>The original Article 15 is revised as Article 14 with part of the text amended.</p>
<p>Article <u>15</u>:</p> <p>Where the Company acquires or disposes</p>	<p>Article <u>16</u>:</p> <p>Where the Company acquires or disposes</p>	<p>The original Article 16 is</p>

of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	revised as Article 15 with the content of the original article remaining unchanged.
<u>Section 3 Related Party Transactions</u>		Additional sections are added.
<p>Article <u>16</u>: When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the <u>disposition procedures</u>. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the <u>disposition procedure</u>. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	<p>Article <u>11</u>: When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the procedures. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	The original Article 11 is revised as Article 16 with the wording "this procedure" amended as "this operational procedure."
<p>Article <u>17</u>: In the acquisition or disposition of property or right-of-use assets with related parties , or in the acquisition or disposition of assets other than property with related parties at 20% of the paid-in capital or 10% of the total assets of the Company, or exceeding NT\$300 million, the following materials must be provided to the Board for resolution and the ratification of the Audit Committee before entering into agreement on the transactions and effecting payment except for the trading of domestic government bonds, R/P bonds or reverse R/P bonds, or the subscription or redemption of domestic money market funds issued by domestic securities</p>	<p>Article <u>12</u>: In the acquisition or disposition of property or right-of-use assets with related parties , or in the acquisition or disposition of assets other than property with related parties at 20% of the paid-in capital or 10% of the total assets of the Company, or exceeding NT\$300 million, the following materials must be provided to the Board for resolution and the ratification of the Audit Committee before entering into agreement on the transactions and effecting payment except for the trading of domestic government bonds, R/P bonds or reverse R/P bonds, or the subscription or redemption of domestic money market funds issued by domestic securities</p>	The original Article 12 is revised as Article 17 with the wording "this procedure" amended as "this operational procedure."

<p>investment trust firms.</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real estate or right-of-use assets from a related party, it shall assess the relevant information for the reasonableness of the preliminary transaction terms in accordance with <u>disposition</u> procedure. 4. The matters of the related party's original acquisition date and price, <u>counterparty</u>, and the relationship with the Company and the related party 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization. 6. Obtain an appraisal report issued by a professional appraiser in accordance with the <u>disposition</u> procedure or a CPA's opinion. 7. Restrictive covenants and other important stipulations associated with the transaction. <p>When the transactions listed below are conducted between the Company and its parent company, subsidiaries, or between the subsidiaries that the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Board of Directors may, pursuant to the <u>disposition</u> procedure, delegate the Chairman to decide such matters first when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>Where the position of independent director has been created in accordance with the</p>	<p>investment trust firms.</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real estate or right-of-use assets from a related party, it shall assess the relevant information for the reasonableness of the preliminary transaction terms in accordance with the procedure. 4. The matters of the related party's original acquisition date and price, counterparty, and the relationship with the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization. 6. Obtain an appraisal report issued by a professional appraiser in accordance with the procedures or a CPA's opinion. 7. Restrictive covenants and other important stipulations associated with the transaction. <p>When the transactions listed below are conducted between the Company and its parent company, subsidiaries, or between the subsidiaries that the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Board of Directors may, pursuant to the procedure, delegate the Chairman to decide such matters first when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>Where the position of independent director has been created in accordance with the</p>	
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<p>regulations, when reported to the Board for discussion in accordance with Paragraph 1, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.</p> <p>The matters set out in Paragraph 1 shall be subject to the consent of one-half or more of the entire membership of the Audit Committee and be submitted to the Board of Directors for a resolution; also, it is subject to the relevant regulations of the <u>disposition</u> procedures.</p> <p>When the Company or the Company's subsidiary that is not itself a public company in Taiwan has conducted any transactions as specified in Paragraph 1 for a transaction amount exceeding 10% of the Company's total assets, the Company shall have the information as stated in Paragraph 1 submitted to the shareholder meeting for approval before having the transaction contract signed and payment made. This does not apply, however, to transactions between the Company and its subsidiaries, or between its subsidiaries.</p> <p>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with the <u>disposition</u> procedures and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been resolved by the shareholders' meeting and Board of Directors; also, recognized by the Audit Committee need not be counted toward the transaction amount.</p>	<p>regulations, when reported to the Board for discussion in accordance with Paragraph 1, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.</p> <p>The matters set out in Paragraph 1 shall be subject to the consent of one-half or more of the entire membership of the Audit Committee and be submitted to the Board of Directors for a resolution; also, it is subject to the relevant regulations of the Procedures.</p> <p>When the Company or the Company's subsidiary that is not itself a public company in Taiwan has conducted any transactions as specified in Paragraph 1 for a transaction amount exceeding 10% of the Company's total assets, the Company shall have the information as stated in Paragraph 1 submitted to the shareholder meeting for approval before having the transaction contract signed and payment made. This does not apply, however, to transactions between the Company and its subsidiaries, or between its subsidiaries.</p> <p>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with the Procedures and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been resolved by the shareholders' meeting and Board of Directors; also, recognized by the Audit Committee need not be counted toward the transaction amount.</p>	
<p>Article <u>18</u>: Evaluation on reasonable cost of transactions</p> <p>The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>(1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the</p>	<p>Article <u>13</u>: Evaluation on reasonable cost of <u>transactions</u></p> <p><u>1.</u> The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>(1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding"</p>	<p>The original Article 13 is revised as Articles 18 and 19 in accordance with the Regulations, and with the text added or amended in accordance</p>

<p>weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>(2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the <u>preceding two</u> paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>The Company that acquires real estate or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs in accordance with the <u>preceding</u> Article. If one of the following situations occurs, and shall not apply for the preceding 3 <u>Paragraph</u> of this procedure:</p> <p>(1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p>	<p>is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>(2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>When acquiring real property or right-of-use assets from related parties, property costs shall be evaluated according to Subparagraphs <u>(1) and (2)</u>, Paragraph <u>1</u> of <u>this Article</u>. A certified public accountant shall also be engaged to verify and opine on the transaction.</p> <p>The Company that acquires real estate or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs in accordance with the <u>Article 12</u>. If one of the following situations occurs, and shall not apply for the preceding 3 <u>subparagraphs of the first Paragraph</u> of this procedure:</p> <p>(1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p>	<p>with the Regulations.</p>
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<p>(2) Related party's contracting for the acquisition of real estate or its right-of-use assets is over five years from the date of the trade contract signed.</p> <p>(3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</p> <p>(4) The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p>	<p>(2) Related party's contracting for the acquisition of real estate or its right-of-use assets is over five years from the date of the trade contract signed.</p> <p>(3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</p> <p>(4) The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p>	
<p><u>Article 19:</u> Subparagraphs (1) and (2), Paragraph 1 of <u>preceding Article</u> shall apply to real property or right-of-use assets acquired from related parties if the valuation methods described in this <u>Article 20</u> both produce a value that is lower than the transaction price. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p><u>1.</u> Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction</p>	<p><u>2.</u> Subparagraphs (1) and (2), Paragraph 1 of <u>this Article</u> shall apply to real property or right-of-use assets acquired from related parties if the valuation methods described in <u>this Article 14</u> both produce a value that is lower than the transaction price. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p><u>1</u> Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit</p>	

<p>division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p>	<p>margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(2) Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p>	
Article <u>20</u> :	Article <u>14</u> :	The original

<p>Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Public companies that account the Company as an investment using the equity method shall also recognize a portion of the Company's special reserves according to their respective shareholding percentages. 2. Audit Committee shall comply with Article 218 of the Company Act. 3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.</p> <p>When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Public companies that account the Company as an investment using the equity method shall also recognize a portion of the Company's special reserves according to their respective shareholding percentages. 2. Audit Committee shall comply with Article 218 of the Company Act. 3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.</p> <p>When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>Article 14 is revised as Article 20 with the content of the original article remaining unchanged.</p>
Section 4 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares		Additional sections are added.
Article <u>21</u> : The Company that conducts a merger,	Article <u>19</u> : The Company that conducts a merger,	The original Article 19 is

<p>demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</p>	<p>demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</p>	<p>revised as Articles 21 and 22 in accordance with the Regulations, and with the text added or amended in accordance with the Regulations.</p>
<p>Article <u>22</u>: The company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the <u>paragraph 1</u> of preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	<p>The company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding <u>paragraph</u> when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	

<p><u>Article 23:</u> For the merger, spins-off, or acquisition of a company, unless otherwise required by law or due to special factors must report to the competent authorities in advance, the board meeting and the shareholders' meeting should be convened in the same day to resolve the matters related to the corporate merger, spins-off, and acquisition.</p> <p>For the assignment of shares of a company, unless otherwise required by law or due to special factors must report to the competent authorities in advance, the board meeting should be convened in the same day.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <ol style="list-style-type: none"> 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information. 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting. 3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors' meetings. <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days</p>	<p><u>Article 20:</u> For the merger, spins-off, or acquisition of a company, unless otherwise required by law or due to special factors must report to the competent authorities in advance, the board meeting and the shareholders' meeting should be convened in the same day to resolve the matters related to the corporate merger, spins-off, and acquisition.</p> <p>For the assignment of shares of a company, unless otherwise required by law or due to special factors must report to the competent authorities in advance, the board meeting should be convened in the same day.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <ol style="list-style-type: none"> 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information. 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting. 3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors' meetings. <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days</p>	<p>The original Article 20 is revised as Article 23 with the content of the original article remaining unchanged.</p>
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<p>counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.</p>	<p>counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.</p>	
<p><u>Article 24:</u> <u>Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.</u></p>		<p>The Company's operations have been handled in accordance with the provisions of Article 26 of the Regulations, and this article is newly added.</p>
<p><u>Article 25:</u> The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</p> <ol style="list-style-type: none"> 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities. 2. An action, such as a disposal of major assets, that affects the company's financial operations. 3. An event, such as a major disaster or 	<p><u>Article 21:</u> The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</p> <ol style="list-style-type: none"> 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities. 2. An action, such as a disposal of major assets, that affects the company's financial operations. 3. An event, such as a major disaster or 	<p>The original Article 21 is revised as Article 25, 26, and 27 in accordance with the Regulations, and the content of the original articles remains unchanged.</p>

<p>major change in technology, that affects shareholder equity or share price.</p> <p>4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p>6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p>The agreement for the Company to engage the merger, demerger, acquisition, or transfer of shares shall comply with the regulations to specify the relevant items in order to protect the rights and benefits for participating companies.</p>	<p>major change in technology, that affects shareholder equity or share price.</p> <p>4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p>6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p>The agreement for the Company to engage the merger, demerger, acquisition, or transfer of shares shall comply with the regulations to specify the relevant items in order to protect the rights and benefits for participating companies.</p>	
<p>Article 26:</p> <p>The contract for participation by <u>the</u> Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:</p> <p>1. Handling of breach of contract.</p> <p>2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</p> <p>3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.</p> <p>4. The manner of handling changes in the number of participating entities or companies.</p> <p>5. Preliminary progress schedule for plan execution, and anticipated completion date.</p> <p>6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and</p>	<p>The contract for participation by a <u>public</u> company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:</p> <p>1. Handling of breach of contract.</p> <p>2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</p> <p>3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.</p> <p>4. The manner of handling changes in the number of participating entities or companies.</p> <p>5. Preliminary progress schedule for plan execution, and anticipated completion date.</p> <p>6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and</p>	

relevant procedures.	relevant procedures.	
<p><u>Article 27:</u> After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.</p>	<p>After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.</p>	
<p><u>Article 28:</u> <u>Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the disposition procedures.</u></p>		<p>The relevant provisions of this operational procedure refer to Articles 23 and 24 in accordance with the provisions of Article 30 of the Regulations. In order to avoid being affected by changes in subsequent articles, it has been pointed out in the description but not written in the content of the article.</p>
<u>Chapter 3 Public Disclosure of Information</u>		Additional chapters are added.

<p>Article 29: Under any of the following circumstances, <u>The</u> Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount regulated in this procedure. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> (1) Public companies with paid-in capital of less than NT\$10 billion and amount of transaction exceeds NT\$500 million. (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets 	<p>Article 9: Under any of the following circumstances, <u>a public</u> company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount regulated in this procedure. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> (1) Public companies with paid-in capital of less than NT\$10 billion and amount of transaction exceeds NT\$500 million. (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets 	<p>The original Article 9 is revised as Article 29 with text added and amended in accordance with the Regulations.</p>
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<p>thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are</p>	<p>thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are</p>	
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<p>offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative amount of the same marketable securities acquired or disposed of (amount accumulated separately) within one year; <p><u>“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</u></p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public</p>	<p>offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative amount of the same marketable securities acquired or disposed of (amount accumulated separately) within one year; <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public</p>	
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<p>companies and enter the information in the prescribed format into the information reporting website designated by the competent authority by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>companies and enter the information in the prescribed format into the information reporting website designated by the competent authority by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	
<p><u>Article 30</u>: Timing of announcement and report</p> <p>If the transactions reported and announced by the Company in accordance with the provision referred to above are found with any of the following circumstances, the Company should have the related information announced and reported on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. 	<p><u>Article 10</u>: Timing of announcement and report</p> <p>If the transactions reported and announced by the Company in accordance with the provision referred to above are found with any of the following circumstances, the Company should have the related information announced and reported on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. 	<p>The original Article 10 is revised as Article 30 with the content of the original article remaining unchanged.</p>
<p><u>Chapter 4 Additional Provisions</u></p>		<p>Additional chapters are added.</p>
<p><u>Article 31</u>:</p> <p>Any matter that is not mentioned in this procedure shall be conducted in accordance with the applicable laws and regulations.</p>	<p><u>Article 25: Supplemental Provisions</u></p> <p>Any matter that is not mentioned in this procedure shall be conducted in accordance with the applicable laws and regulations.</p>	<p>The original Article 25 is revised as Article 31 with the content of the</p>

		original article remaining unchanged.
<p>Article <u>32</u>:</p> <p>This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 23, 2006; 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 27, 2012; the 6th amendment was made on June 19, 2014; the 7th amendment was made on June 22, 2017; the 8th amendment was made on June 18, 2019; the 9th amendment was made on June 21, 2022; <u>and the 10th amendment was made on June 24, 2024.</u></p>	<p>Article <u>26</u>:</p> <p>This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 23, 2006; 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 27, 2012; the 6th amendment was made on June 19, 2014; the 7th amendment was made on June 22, 2017; the 8th amendment was made on June 18, 2019 and the 9th amendment was made on June 21, 2022.</p>	<p>The original Article 26 is revised as Article 32. The date of the most recent amendment made is added.</p>

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 activities 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 Shares

- Article 6: The authorized capital of the Company is NT\$2 billion, 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: This company shall appropriate a minimum of 2% and a maximum of 2% of net earnings of profit as profit sharing for employees and directors respectively. The distribution proposal shall be submitted to AGM for approval. 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 4, 1984; the 2nd amendment was made on November 26, 1988; 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, 2006; the 23rd amendment was made on June 26, 2007; the 24th amendment was made on June 26, 2007; 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; the 33rd amendment was made on July 30, 2021; and the 34th amendment was made on June 21, 2022.

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.

This Corporate 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: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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 venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time 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 appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 7: Proceedings of shareholders meetings of the Company shall be recorded in audio or video in their entirety. Such recordings shall be maintained for at least 1 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 at shareholders meetings shall be calculated based on numbers of shares.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, 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; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. 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 to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card

number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. 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: Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be 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: A shareholder shall be entitled to one vote for each share held, except when the

shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The 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: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification 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: These Rules are implemented after approval by shareholders resolution. The same shall be applicable to any amendment.

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 chairman shall appoint some shareholder to perform the respective duties of vote monitoring, and shall appoint others as 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: A ballot is invalid under 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

Procedures for the Acquisition or Disposal of Assets

Article 1: Purpose: This Procedure is established for the purpose of strengthening asset management and achieving full disclosure.

Article 2: The scope of assets.

1. Securities: include shares, government bonds, corporate bonds, bank debentures, securities that represent fund entitlements, depository receipts, call/put options, beneficiary securities and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Intangible assets: including patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3: Definition

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly

authorized by law to engage in the value appraisal of real property, equipment and assets.

5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue (“OTC venue,” “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
10. “Within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been announced or have obtained an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the procedure or have been approved by the Board of Directors and recognized by the Audit Committee in accordance with the procedure need not be counted toward the transaction amount.
11. The term “latest financial statements” mentioned here shall refer to the Company’s audited/auditor-reviewed financial statements that were published prior to acquiring or disposing the assets.
12. The requirement of 10% of the total assets is based on the total assets in the latest proprietary or independent financial statements governed by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

Article 4: The acquisition or disposal of the assets by the Company shall be conducted in accordance with the procedures. Unless otherwise provided in the financial related law and regulations.

Article 5: The determining procedure and reference basis of transaction conditions for the acquisition

or disposal of the assets by the Company shall be conducted based on the following situations:

1. Acquisition or disposal of securities that have been traded in the Stock Exchange Market or OTC shall be determined by the transaction amount at the time.
2. Acquiring or disposing of securities that are not traded in the Stock Exchange Market or OTC shall take into account their net worth per share, profitability, future development potential and reference to the transaction price at the time to make decision. In the case of a company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20% of paid-in capital according to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, 10% of equity attributable to owners of the parent company shall be substituted. For the Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent company shall be substituted.
3. Acquiring or disposing of bonds that are not traded in the Stock Exchange Market or OTC shall take into account the market interest rates at the time, bonds coupon rate, and the debtor's creditability to make decision.
4. Acquisition or disposal of real estate shall take into account the announced current value, the assessed value and the trading value of the adjacent real estate to make decision.
5. Acquisition or disposal of other fixed assets should be processed in accordance with parity, negotiations or tender.

The acquisition or disposal of the assets of the Company shall be decided by the authorized department within the scope of delegation:

1. For the acquisition or disposal of the long-term security investment and real estate, if the amount is NT\$30 million or less, it shall be approved by the Chairman. If the amount is between NT\$30 million and NT\$100 million (inclusive), it shall be decided by the Chairman for execution, but shall be reported to the latest Board of Directors meeting. If the transaction amount exceeds NT\$100 million, it shall be approved by the Board of Directors before implementation.
2. For the acquisition or disposal of the short-term security investment and other fixed assets, if the amount is NT\$30 million or less, it shall be approved by the presidents. If the amount is between NT\$30 million and NT\$100 million (inclusive), it shall be approved by the Chairman. If the transaction amount exceeds NT\$100 million, it shall be approved by the Board of Directors before implementation.

Article 6: The Company's acquisition or disposal shall be implemented by the financial management center, using department (real estate and other fixed assets) and related authorized departments.

Article 7: The limited amount for the Company's acquisition and disposal of the assets shall be pursuant to the following regulations:

1. The sum of real estate for non-business use shall not be higher than 20% of the net worth.

2. The sum of securities investment shall not be higher than the net worth.
3. The investment on a single security shall not be higher than 50% of the net worth.

Subsidiaries:

The limited amount for the subsidiaries who are public companies to acquire and dispose the assets shall be pursuant to the “Procedure of Acquisition or Disposal of the Assets” established by the subsidiaries.

The limited amount for the subsidiaries who are not public companies to acquire and dispose the assets shall be pursuant to the regulations of the Company, and the limited amount shall be calculated based on the net worth of the parent company.

Article 8: The Evaluation Report for Real Estate or Equipment:

In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use.

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Transactions amounting to NT\$1 billion or more should have two or more professional appraisers invited to appraise.
3. Where any one of the following circumstances applies with respect to the professional appraiser’s appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The spread between the appraisal result and the transaction amount exceeds 20%
 - (2) The appraisal spread between the two or more appraisers exceeds 10% of the transaction amount
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
5. For assets acquired or disposed through court auctions, documentary proof issued by the court can be used in place of the valuation report or CPA’s opinion.

Article 9: Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC’s designated

website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount regulated in this procedure.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (1) Public companies with paid-in capital of less than NT\$10 billion and amount of transaction exceeds NT\$500 million.
 - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or redemption of

securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

- (3) The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative amount of the same marketable securities acquired or disposed of (amount accumulated separately) within one year;

The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Article 10: Timing of announcement and report

If the transactions reported and announced by the Company in accordance with the provision referred to above are found with any of the following circumstances, the Company should have the related information announced and reported on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 11: When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the

reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the procedures.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 12: In the acquisition or disposition of property or right-of-use assets with related parties, or in the acquisition or disposition of assets other than property with related parties at 20% of the paid-in capital or 10% of the total assets of the Company, or exceeding NT\$300 million, the following materials must be provided to the Board for resolution and the ratification of the Audit Committee before entering into agreement on the transactions and effecting payment except for the trading of domestic government bonds, R/P bonds or reverse R/P bonds, or the subscription or redemption of domestic money market funds issued by domestic securities investment trust firms.

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real estate or right-of-use assets from a related party, it shall assess the relevant information for the reasonableness of the preliminary transaction terms in accordance with the procedure.
4. The matters of the related party's original acquisition date and price, counterparty, and the relationship with the Company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.
6. Obtain an appraisal report issued by a professional appraiser in accordance with the procedures or a CPA's opinion.
7. Restrictive covenants and other important stipulations associated with the transaction.

When the transactions listed below are conducted between the Company and its parent company, subsidiaries, or between the subsidiaries that the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Board of Directors may, pursuant to the procedure, delegate the Chairman to decide such matters first when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created in accordance with the regulations, when reported to the Board for discussion in accordance with Paragraph 1, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.

The matters set out in Paragraph 1 shall be subject to the consent of one-half or more of the

entire membership of the Audit Committee and be submitted to the Board of Directors for a resolution; also, it is subject to the relevant regulations of the Procedures.

When the Company or the Company's subsidiary that is not itself a public company in Taiwan has conducted any transactions as specified in Paragraph 1 for a transaction amount exceeding 10% of the Company's total assets, the Company shall have the information as stated in Paragraph 1 submitted to the shareholder meeting for approval before having the transaction contract signed and payment made. This does not apply, however, to transactions between the Company and its subsidiaries, or between its subsidiaries.

The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with the Procedures and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been resolved by the shareholders' meeting and Board of Directors; also, recognized by the Audit Committee need not be counted toward the transaction amount.

Article 13: Evaluation on reasonable cost of transactions

1. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

When acquiring real property or right-of-use assets from related parties, property costs shall be evaluated according to Subparagraphs (1) and (2), Paragraph 1 of this Article. A certified public accountant shall also be engaged to verify and opine on the transaction.

The Company that acquires real estate or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs in accordance with the Article 12. If one of the following situations occurs, and shall not apply for the preceding 3 subparagraphs of the first Paragraph of this procedure:

- (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- (2) Related party's contracting for the acquisition of real estate or its right-of-use

assets is over five years from the date of the trade contract signed.

- (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
2. Subparagraphs (1) and (2), Paragraph 1 of this Article shall apply to real property or right-of-use assets acquired from related parties if the valuation methods described in this Article 14 both produce a value that is lower than the transaction price. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - a. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - b. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (2) Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 14: Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Public companies that account the Company as an investment using the equity method shall also recognize a portion of the Company's special reserves according to their respective shareholding percentages.
2. Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 15: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

Article 16: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

Article 17: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years

have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

Article 18: When the Company is engaged in derivatives trading, it shall comply with the “Procedure for Derivatives Trading” of the Company.

Article 19: The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries’ issued shares or authorized capital.

The company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders’ meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger,

demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 20: For the merger, spins-off, or acquisition of a company, unless otherwise required by law or due to special factors must report to the competent authorities in advance, the board meeting and the shareholders' meeting should be convened in the same day to resolve the matters related to the corporate merger, spins-off, and acquisition.

For the assignment of shares of a company, unless otherwise required by law or due to special factors must report to the competent authorities in advance, the board meeting should be convened in the same day.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors' meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 21: The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with

warrants, stock warrants, or other equity-based securities.

2. An action, such as a disposal of major assets, that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

The agreement for the Company to engage the merger, demerger, acquisition, or transfer of shares shall comply with the regulations to specify the relevant items in order to protect the rights and benefits for participating companies.

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 22: Regulations governing a subsidiary's acquisition or disposal of assets:

1. The subsidiaries who are public companies shall comply with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" to establish the Procedures for Acquisition or Disposal of Assets and implement correspondingly.
2. For the acquisition or disposal of assets of the subsidiaries who are not public companies, they shall comply with the regulations of the parent company to establish the "Procedure for Acquisition and Disposal of Assets" and implement correspondingly. Their transaction amount shall be evaluated based on the authorized capital of the parent company.
3. For the subsidiaries who are not public companies, when the acquired or disposed assets reach the standards of announcement stipulated in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the parent company (the Company) shall conduct the announcement for its subsidiaries.

Under the announcement standards of the subsidiaries, the regulations for paid-in capital or total assets shall refer to the paid-in capital or total assets of the parent company (the Company).

Article 23: Penalty clauses

When the Company's employees conduct the acquisition and disposal of the assets in

violation of this procedure, such events shall be reported for appraisal regularly according to the personnel management policy and the employee handbook; and shall be punished based on the circumstances.

Article 24: Implementation and revision

The company's "Procedures of Acquisition or Disposal of Assets" and any amendment should be approved by the majority of the audit committee, and submitted to the general meeting for approval after resolved by the Board of Directors. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. When a transaction involving the acquisition or disposal of assets is submitted for discussion to the board of directors, the board of directors shall take into full consideration each independent director's opinions and any recommendations and reasons for agreement or objection shall be recorded in the minutes of the board of directors meeting.

In case where 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 entire body of members of the audit committee herein and the entire body of directors in this article shall be counted by the actual incumbents.

Article 25: Additional Provisions

Any matter that is not mentioned in this procedure shall be conducted in accordance with the applicable laws and regulations.

Article 26: This Regulations 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 23, 2006; 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 27, 2012; the 6th amendment was made on June 19, 2014; the 7th amendment was made on June 22, 2017; the 8th amendment was made on June 18, 2019 and the 9th amendment was made on June 21, 2022.

Appendix 5

Directors' Shareholding

Record date: April 26, 2024

Title	Name	Number of shares held on the date for suspension of share transfer	
		Shares	Shareholding ratio
Chairman	WANG, CHIN-PO	21,594,350	13.84%
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
Independent director	PAN, MING-TSAN	0	0
Total		21,605,460	13.84%

1. The number of shares issued by the Company is 156,074,332 shares as of April 26, 2024.
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.