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I. Meeting Procedures

Soft-World International Corporation

Procedure for the 2019 Annual Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Company Reports

IV. Proposals

V. Discussion

VI. Questions and Motions

VII. Adjournment

II. Meeting Agenda

Soft-World International Corporation

The 2019 Annual Meeting of Shareholders Agenda

Time: 9:30 a.m. February, June 18, 2019

Location: Howard Plaza Hotel, Kaohsiung, Banquet Hall (M3F, No. 311,
Qixian 1st Road, Kaohsiung City, Taiwan)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Company Reports

(1) The 2018 Business Report.

(2) Supervisors' Review Report on 2018 Financial Statements.

(3) 2018 Director Supervisor and Employee Recompense Distribution Report.

IV. Proposals

(1) The Company's 2018 Financial Statements.

(2) The Company's 2018 earnings appropriation.

V. Discussion

(1) Amendments to the Articles of Incorporation.

(2) Amendments to the Regulations Governing the Acquisition and Disposal of Assets

(3) Amendments to the Operational Procedures for Loaning Funds to Others

(4) Amendment to Regulations Governing Making of Endorsement and Guarantees.

(5) Dismissal of the Directors' Non-competition Restriction.

VI. Questions and Motions

VII. Adjournment

III. Company Reports

I. The 2018 Business Report

Soft-World International Corporation

The 2018 Business Report

With great efforts by our employees and the full support of all our clients, Soft-World's 2018 consolidated revenues totaled NT\$5.553 billion. Net profits attributable to owners of the parent company were NT\$461 million and earnings per share were NT\$3.70.

The Soft-World Group is fully devoted to the development of three major business areas. We have been engaged in the game industry for decades. In recent years, we've also stepped into digital marketing and FinTech. Each company of the Group individually specializes in game development, game operation, game distribution, digital marketing and financial payment innovation to diversify operation so that we can move towards the diversification of the internet group territory.

The scale of Soft-World's main service, "MyCard", grows steadily every year. The MyCard Payment Gateway provides value-added service for digital content, with over 5.5 million members and the biggest market share in Taiwan, Hong Kong and Macau. Soft-World is more actively expanding its platform operations and is also providing promotion strategies, for instance exclusive dominated channels (e-PLAY), MyCard Bonus APP, interactive video advertising platforms, exhibition activities, and games multimedia channel etc. Soft-World could be considered the first choice in cooperation for local and overseas game companies.

On the game side, after years of transformation and sedimentation, the developer subsidiary Chinese Gamer had a great success last year. In 2018, Chinese Gamer launched the Japanese action RPG mobile game "Code: Reborn", and started focusing on transplanting classic online game to mobile game. The popular Three Kingdoms Chibi game "TS Online" was completely restored as an MMORPG mobile game, "TS M", and launched in September. It successfully won the favor of gamers and created brilliant results. For overseas plan, "TS M" authorized cooperation with ASIASOFT, a well-known game publisher in Southeast Asia, entering the Southeast Asian market and expanding service to overseas gamers this year. In 2019, we still have two famous classic mobile games, "Love Box M" and "Huang Yi M" to be launched.

In 2018, game operation subsidiary Game Flier International Corp. published a variety of new games, including the large vehicle shooting online game "Crossout" and the mobile games "One Hundred Thousand Bad Jokes - extra part", "Long Zhan Si Fang" and "Battle Storm". Its popular online game products also constantly bring splendid updated content and rich events in order to provide gamers with diversified game choices and localized professional services.

The global game market is constantly growing and the demand for game arts and music production services is strong. Zealot Digital International Corp. has more than 20 years of experience in game art and has solid creative grounding. In recent years, it has been actively involved in the field of game art production and specializes in the

production of 2D/3D characters and scenes, action/special effects, and GUI interfaces. In 2018, it obtained large-scale art cooperation orders from two Korean and four Japanese game companies. Besides these, there are more than ten cooperating companies in the Chinese region as well. Soft-World Music Production Center also obtained incidental music cooperation for the mobile game “King of Kings 3D” from well-known Chinese game publisher Loong Entertainment. Its creative strength is highly recognized.

Game First International Corp. has also expanded its operation directions according to developing trends in the game industry. In addition to being involved in professional value-added services for game customer service and social media operation, last year it further connected 300 cybercafes from Taiwan, Hong Kong and Macau to plan the largest-scale offline eSports “MyCard Cybercafe League,” joining hands with a vast number of game publishers to bring a variety of popular game competitions to create a high-profile and nationwide eSports stage. Besides, Game First International Corp. also obtained distribution cooperation from the PC version of popular global game “PlayerUnknown’s Battlegrounds” in May 2018 and launched “MyCard PlayerUnknown’s Battlegrounds” in Taiwan and Hong Kong.

For the digital marketing business division, subsidiaries Efun International Corporation and Re:AD Media Corporation have earned the Google Partner badge. In 2018, they have further obtained official authorization to become advertising agents of Facebook and Yahoo, providing the global partners comprehensive and professional digital advertising solutions and deepening the internet marketing applications to create more market opportunities.

To consider the development demands of the overall payment market in the future, the Soft-World Group has made significant resolutions in 2018 to integrate its payment subsidiaries Pay2go Technology Corporation and Smartpath Digital Tech Corporation with Neweb Technologies Co., Ltd. of Chander Electronics Corp. via share swap. It was the first case of large-scale integration of two large listed companies in Taiwan’s mobile payment industry. This brand-new holding structure of FinTech business consolidated the market advantages of both corporations to enhance the abilities of the following four aspects: payment platform operation, cultivate financial technology talents, mobile payment market share and financial management. In 2018, this business division has made a big breakthrough in growth and successfully leapt into the leading brand of mobile payment companies domestically.

In order to enhance the corporate identify and service qualities of the brand, Pay2go Technology Corporation has rebranded to ezPay Co., Ltd., and fully promotes the electronic payment service with the e-wallet brand “ezPay”. In 2018, “ezPay” has been cooperating with New Taipei City’ payment platform “New Taipei e-pay” to allow users to using ezPay to checkout at stores which alliances with New Taipei City. In September, it also jointly promoted the “Taipei Food Festival” event with the Taipei City government, and joined Taipei City’s smart payment platform “pay.taipei” so that people can easily pay for water bills, roadside parking fees and medical expenses. In addition, it has also opened up cross-border payment services for online stores, introduced Alipay from China, to open overseas inbound payment opportunities for online stores in Taiwan.

Looking forward to the future, Neweb Technologies Co. Ltd and ezPay Co. Ltd will be fully devoted to two major services: Collections and Payment Transfer & E-Wallet service, and developing a new offline payment service “ezAIO smart payment system” which integrated mainstream payment tools into one swipe device. This service will also help to actively expand the physical channel which can accept payment by using ezPay. Most importantly, main business objective of this year will be entering offline channel, developing multiple payment gateway and pushing up market scale and the growth of members.

Thanks to all employees’ countless efforts and the full support of our shareholders, directors, and supervisors, the business results of 2018 is as follows:

(1) 2018 Business Plan Result

The 2018 annual statement, examined by Deloitte Taiwan, consolidated net sales is NT\$5,552,667 thousand. Consolidated net profits for company owners is NT\$461 million. After tax EPS is NT\$3.70.

(2) Budget execution in 2018

No financial forecasting for 2018. This is not applicable.

(3) Financial income and expenditure, and profitability analysis

1. Financial Revenue and Expenditure

Unit: NT\$ thousand

Item	2018	2017	Increase (decrease) in amount	increase / decrease %
Operating revenue	5,552,667	15,611,929	(10,059,262)	(64.43)
Gross profit	3,101,350	2,703,321	398,029	14.72
Operating expenses	2,515,524	2,291,827	223,697	9.76
Net income	585,826	411,494	174,332	42.37
Net profit before taxation	652,880	493,547	159,333	32.28
Net income in current year	472,019	367,278	104,741	28.52
Profit attributable to the company’s shareholders	461,322	417,558	43,764	10.48
Net loss belonging to non-controlling interest	10,697	(50,280)	60,977	(121.27)

2. Profitability analysis

Item	2018	2017	
Return on assets %	4.00	3.25	
Return on shareholders’ equity (%)	7.17	5.70	
Proportion of Paid-in Capital %	Net income	45.96	32.28
	Net profit before taxation	51.22	38.72
Net profit margin (%)	8.50	2.35	
After tax EPS (NT\$) (Note)	3.70	3.28	

(4) Research and development

Soft-World Group has been focusing on game products, manufacturing original games and proactively investing in game music and sound effect production. Research and development cost on 2018 Consolidated Statement totals NT\$418,388 thousand.

We wish all shareholders

Health and prosperity in the future.

Chairman: Chun-Po Wang

Manager: Chun-Po Wang

Accounting Supervisor: Ya Chuan Huang

II. Supervisors' Review Report on 2018 Financial Statements

Soft-World International Corporation Supervisors' Review Report

The Board of Directors send out 2018 individual financial statements and consolidated financial statements to be examined by Deloitte Taiwan. The Examination Report, Business Report, and Disposition of Net Profit Report were all approved by Supervisors. All rules are in compliance with the Company Act. Report as stated in Article 219 in the Company Act.

Please review the information.

To:

2019 Annual General Meeting

Supervisor: Chin-Cheng Chien

Supervisor: Hung Yuan Chang

March 21, 2019

Soft-World International Corporation

Supervisors' Review Report

The Board of Directors send out 2018 individual financial statements and consolidated financial statements to be examined by Deloitte Taiwan. The Examination Report, Business Report, and Disposition of Net Profit Report were all approved by Supervisors. All rules are in compliance with the Company Act. Report as stated in Article 219 in the Company Act.

Please review the information.

To:

2019 Annual General Meeting

Supervisor: Chin-Cheng Chien

Supervisor: Hung Yuan Chang

March 21, 2019

III. 2018 Director Supervisor and Employee Recompense Distribution Report

- (1) By Articles of Incorporation Article 22, shall allocate no less than 2% for employee recompense and no more than 2% for Directors and Supervisors.
- (2) NT\$6,256,170 is allocated to Directors and Supervisors while NT\$31,281,000 is allocated to employees. All aforementioned payment is by 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. The Chairman is fully authorized for this act.

IV. Proposals

No. 1: Proposed by the Board

Subject: 2018 Financial Statements propose to approve.

Description: 1. 2018 Business Report, individual financial statements and consolidated financial statements are complete. By Article 228 and 230 in the Company Act, has been approved by the Board and the supervisors. Propose to approve.
2. Please refer to page 3 to page 6 in this manual and page 12 to page 35 of Attachment 1 for the related aforesaid Financial Statements.

Resolutions:

No. 2: Proposed by the Board

Subject: The Company's 2018 Earnings Distribution proposes to approve.

Description: 1. 2018 Distribution of Profits has been approved by the Board and the supervisors.
2. According to the Company Act and Articles of Incorporation, allocate NT\$280,443,530 from the 2018 Distribution of Profits by cash dividend (NT\$2.2 per share). Cash dividend amount less than NT\$1 will be account for Other Income of the Company.
3. For share bought back, treasury stock converted or cancelled, employee stock option certificates, capital increased by cash...etc, that effect average shares outstanding and cause dividend per share rate float, will have the Board to modify the rating issue.
4. Distribution of Profits comply with the Company Act and Articles of Incorporation can be found in page 36 of Attachment 2.

Resolutions:

V. 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 37 of Attachment 3 for the comparison of the aforesaid amended clauses.

Resolutions:

No. 2: Proposed by the Board

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

Description: 1. It is proposed to amend parts of the articles of the Regulations Governing the Acquisition and Disposal of Assets according to Letter Jin-Guan-Zheng-Fa Zi No. 1070341072 on November 26, 2018 released by the Financial Supervisory Commission.
2. Please refer to page 38 to page 54 of Attachment 4 for the comparison of the aforesaid amended clauses.

Resolutions:

No. 3: Proposed by the Board

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

Description: 1. It is proposed to amend parts of the articles of the Procedures of Loaning Funds to Other Parties according to Letter Jin-Guan-Zheng-Shen Zi No. 1080304826 on March 7, 2019 released by the Financial Supervisory Commission.
2. Please refer to page 55 to page 59 of Attachment 5 for the comparison of the aforesaid amended clauses.

Resolutions:

No. 4: Proposed by the Board

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

Description: 1. It is proposed to amend parts of the articles of the Regulations Governing Making of Endorsement and Guarantees according to Letter Jin-Guan-Zheng-Shen Zi No. 1080304826 on March 7, 2019 released by the Financial Supervisory Commission.
2. Please refer to page 60 to page 64 of Attachment 6 for the comparison of the aforesaid amended clauses.

Resolutions:

No. 5: Proposed by the Board

Subject: **Dismissal of the directors' non-competition restriction.**

Description: According to Article 209 of the Company Act, it is proposed to the shareholder meeting to agree the dismissal of non-competition restriction for the following directors and independent directors during their term as directors: Chun-Po Wang, Chiung-Fen Wang, Ching-Jung Chen, Ming-Hao Shih, Ai-Yun Wu and Hsuan-Chu Lin. Please refer to page 65 of Attachment 7 for the non-competition content of the director.

Resolutions:

VI. Questions and Motions

VII. Adjournment

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, 2018 and 2017, the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, 2018. 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 matters of the Corporation's parent company only financial statements for the year ended December 31, 2018 is stated as follows.

Recognition of Revenue

As disclosed in Note 4 to the parent company only financial statements, the Corporation is an agent in its exclusive card (MyCard) transactions, and other financial liabilities are recognized at the time when MyCard points are sold. When the customers used MyCard in exchange for game points via the online platform, the Corporation recognized service revenue for the net amount after deducting receipts needed to be transferred to the related game operators. We considered the risk of material misstatement of the recognition of revenue as the risk of not correctly recording the aforementioned game points after they have been exchanged for, and the recognized revenue might not be the net amount. Therefore, we focused on the correctness of the recognition of service revenue.

The main audit procedures which we performed included the following:

1. We tested the shipping orders and collection of MyCard on a sample basis to confirm the amounts as each unit of MyCard was shipped and recognized as other financial liabilities.
2. We understood the mechanism for the exchange of MyCard for games and the mechanism of verifying deposits effectively, and reviewed the programming code's effectiveness on a sample basis.
3. We implemented computer-assisted audit techniques to test the accuracy of the points which were deposited, exchanged and consumed; we verified whether the information of exchange and consumption on the MyCard platform was the same as that of the reporting period.
4. We tested the amounts transferred from other financial liabilities, and verified the game operators' contracts to calculate the amount needed to be transferred to the related game operators, as well as to confirm service revenue for the net amount was accurate.

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 supervisors, 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the 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, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chiu-Yen Wu and Jia-Ling Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

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, 2018 AND 2017

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2018		December 31, 2017		LIABILITIES AND EQUITY	December 31, 2018		December 31, 2017	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,477,867	25	\$ 2,427,673	25	Contract liabilities - current (Note 21)	\$ 86,338	1	\$ -	-
Notes receivable (Notes 4, 5 and 7)	2,226	-	41,350	1	Notes payable (Note 16)	9,897	-	21,299	-
Notes receivable - related parties (Notes 4, 5, 7 and 28)	-	-	530	-	Notes payable - related parties (Notes 16 and 28)	157,689	2	145,387	2
Accounts receivable, net (Notes 4, 5 and 7)	77,532	1	1,977,652	21	Accounts payable (Note 16)	43,477	-	2,189,580	23
Accounts receivable - related parties (Notes 4, 5, 7 and 28)	67,969	1	110,119	1	Accounts payable - related parties (Notes 16 and 28)	60,144	1	168,653	2
Other receivables (Notes 4 and 7)	1,796,372	18	17,215	-	Other payables (Notes 17 and 19)	2,674,167	27	496,905	5
Other receivables - related parties (Notes 4, 7 and 28)	221,871	2	6,538	-	Other payables - related parties (Note 28)	253,687	2	10,156	-
Inventories (Notes 4 and 8)	25,379	1	34,341	-	Current tax liabilities (Notes 4 and 23)	77,893	1	69,610	1
Other financial assets - current (Notes 9 and 29)	1,292,589	13	1,193,979	12	Provisions - current (Note 4)	-	-	1,888	-
Other current assets	113,343	1	105,325	1	Other financial liabilities - current (Notes 4 and 18)	687,411	7	-	-
Total current assets	6,075,148	62	5,914,722	61	Advances received (Notes 4 and 18)	-	-	787,481	8
					Deferred revenue - current (Notes 4 and 28)	-	-	16,069	-
NON-CURRENT ASSETS					Other current liabilities	12,425	-	17,558	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 10)	312,574	3	-	-	Total current liabilities	4,063,128	41	3,924,586	41
Available-for-sale financial assets - noncurrent (Notes 4 and 11)	-	-	241,108	3	NON-CURRENT LIABILITIES				
Financial assets measured at cost - noncurrent (Notes 4 and 12)	-	-	45,500	-	Deferred tax liabilities (Notes 4 and 23)	21,858	-	14,108	-
Investments accounted for using the equity method (Notes 4 and 13)	3,028,149	31	3,096,630	32	Net defined benefit liabilities (Notes 4 and 19)	81,342	1	79,932	1
Property, plant and equipment (Notes 4, 14 and 29)	351,923	4	354,512	4	Guarantee deposits received	225	-	395	-
Other intangible assets (Notes 4 and 15)	27,151	-	3,319	-	Other noncurrent liabilities (Note 13)	5,187	-	5,570	-
Deferred tax assets (Notes 4 and 23)	34,864	-	31,546	-	Total non-current liabilities	108,612	1	100,005	1
Refundable deposits	2,839	-	3,242	-	Total liabilities	4,171,740	42	4,024,591	42
Other financial assets - noncurrent (Note 9)	9,358	-	7,089	-	EQUITY (Note 20)				
Other noncurrent assets	-	-	148	-	Share capital	1,274,743	13	1,274,743	13
Total non-current assets	3,766,858	38	3,783,094	39	Capital surplus	1,744,934	18	1,529,865	16
					Retained earnings				
TOTAL	\$ 9,842,006	100	\$ 9,697,816	100	Legal reserve	930,645	10	888,889	9
					Special reserve	25,117	-	25,117	-
					Unappropriated earnings	1,981,052	20	1,821,197	19
					Total retained earnings	2,936,814	30	2,735,203	28
					Other equity	163,078	2	133,414	1
					Treasury shares	(449,303)	(5)	-	-
					Total equity	5,670,266	58	5,673,225	58
					TOTAL	\$ 9,842,006	100	\$ 9,697,816	100

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, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4 and 21)	\$ 2,402,463	100	\$ 14,425,722	100
OPERATING COSTS (Notes 4, 8, 22 and 28)	<u>408,544</u>	<u>17</u>	<u>12,498,369</u>	<u>86</u>
GROSS PROFIT	1,993,919	83	1,927,353	14
REALIZED GAIN ON TRANSACTIONS	<u>16,069</u>	<u>1</u>	<u>2,657</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,009,988</u>	<u>84</u>	<u>1,930,010</u>	<u>14</u>
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	1,250,383	52	1,246,473	9
General and administrative expenses	183,645	8	147,925	1
Research and development expenses	38,609	1	23,419	-
Expected credit loss (Note 7)	<u>14,668</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,487,305</u>	<u>62</u>	<u>1,417,817</u>	<u>10</u>
OPERATING INCOME	<u>522,683</u>	<u>22</u>	<u>512,193</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 22)	37,112	1	34,492	-
Other gains and losses (Note 22)	12,316	-	63,109	1
Share of profit (loss) of subsidiaries and associates accounted for using the equity method (Note 4)	<u>15,966</u>	<u>1</u>	<u>(93,172)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>65,394</u>	<u>2</u>	<u>4,429</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	588,077	24	516,622	4
INCOME TAX EXPENSE (Notes 4 and 23)	<u>126,755</u>	<u>5</u>	<u>99,064</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>461,322</u>	<u>19</u>	<u>417,558</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	(6,314)	-	(2,096)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Note 20)	25,966	1	-	-
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	(5,924)	-	1,168	-

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	\$ 1,956	-	\$ 357	-
	<u>15,684</u>	<u>1</u>	<u>(571)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 20)	11,140	-	(44,330)	-
Unrealized loss on available-for-sale financial assets (Note 20)	-	-	(141,128)	(1)
Share of other comprehensive gain (loss) of subsidiaries and associates accounted for using the equity method (Note 20)	1,034	-	(16,597)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 20 and 23)	(2,956)	-	7,490	-
	<u>9,218</u>	<u>-</u>	<u>(194,565)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>24,902</u>	<u>1</u>	<u>(195,136)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 486,224</u>	<u>20</u>	<u>\$ 222,422</u>	<u>2</u>
EARNINGS PER SHARE (Note 24)				
Basic	\$ 3.70		\$ 3.28	
Diluted	\$ 3.68		\$ 3.26	

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, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity			Subtotal	Treasury Shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2017	\$ 1,274,743	\$ 1,521,190	\$ 846,793	\$ 25,117	\$ 1,701,255	\$ 19,356	\$ 308,623	\$ -	\$ 327,979	\$ -	\$ 5,697,077
Appropriation of 2016 earnings (Note 20)	-	-	42,096	-	(42,096)	-	-	-	-	-	-
Legal reserve	-	-	42,096	-	(42,096)	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(254,949)	-	-	-	-	-	(254,949)
	-	-	42,096	-	(297,045)	-	-	-	-	-	(254,949)
Net profit in 2017	-	-	-	-	417,558	-	-	-	-	-	417,558
Other comprehensive loss in 2017, net of income tax	-	-	-	-	(571)	(39,941)	(154,624)	-	(194,565)	-	(195,136)
Total comprehensive income (loss) in 2017	-	-	-	-	416,987	(39,941)	(154,624)	-	(194,565)	-	222,422
Changes in percentage ownership interests in subsidiaries	-	2,347	-	-	-	-	-	-	-	-	2,347
Changes in capital surplus from investments in associates accounted for using the equity method	-	6,328	-	-	-	-	-	-	-	-	6,328
BALANCE AT DECEMBER 31, 2017	1,274,743	1,529,865	888,889	25,117	1,821,197	(20,585)	153,999	-	133,414	-	5,673,225
Effect of retrospective application and retrospective restatements (Note 3)	-	-	-	-	-	-	(153,999)	153,999	-	-	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	1,274,743	1,529,865	888,889	25,117	1,821,197	(20,585)	-	153,999	133,414	-	5,673,225
Appropriation of 2017 earnings (Note 20)	-	-	41,756	-	(41,756)	-	-	-	-	-	-
Legal reserve	-	-	41,756	-	(41,756)	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(254,949)	-	-	-	-	-	(254,949)
	-	-	41,756	-	(296,705)	-	-	-	-	-	(254,949)
Net profit in 2018	-	-	-	-	461,322	-	-	-	-	-	461,322
Other comprehensive income (loss) in 2018, net of income tax	-	-	-	-	(4,762)	9,218	-	20,446	29,664	-	24,902
Total comprehensive income in 2018	-	-	-	-	456,560	9,218	-	20,446	29,664	-	486,224
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	59,351	-	-	-	-	-	-	-	-	59,351
Changes in percentage ownership interests in subsidiaries	-	145,350	-	-	-	-	-	-	-	-	145,350
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	-	(450,715)	(450,715)
Disposal of the Corporation's shares held by subsidiaries	-	9	-	-	-	-	-	-	-	1,412	1,421
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	10,359	-	-	-	-	-	-	-	-	10,359
BALANCE AT DECEMBER 31, 2018	\$ 1,274,743	\$ 1,744,934	\$ 930,645	\$ 25,117	\$ 1,981,052	\$ (11,367)	\$ -	\$ 174,445	\$ 163,078	\$ (449,303)	\$ 5,670,266

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, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 588,077	\$ 516,622
Adjustments for:		
Depreciation expenses	5,238	6,142
Amortization expenses	23,502	18,468
Expected credit loss recognized on accounts receivable	14,668	-
Impairment loss recognized on accounts receivable	-	9,638
Interest income	(18,551)	(17,811)
Dividend income	(1,668)	(4,853)
Share of profit (loss) of subsidiaries and associates accounted for using the equity method	(15,966)	93,172
Gain on disposal of investments	-	(67,650)
Loss (gain) on inventories	(672)	703
Realized gain on the transactions with subsidiaries and associates	(16,069)	(2,657)
Others	174	464
Changes in operating assets and liabilities		
Notes receivable	39,124	19,388
Notes receivable - related parties	530	(131)
Accounts receivable	(31,554)	243,842
Accounts receivable - related parties	(40,131)	(1,549)
Other receivables	138,408	(15,529)
Other receivables - related parties	(133,052)	2,269
Inventories	11,187	11,127
Other current assets	(9,571)	6,072
Contract liabilities	20,184	-
Notes payable	(11,402)	(6,498)
Notes payable - related parties	12,302	(125,378)
Accounts payable	(7,131)	72,068
Accounts payable - related parties	1,573	(53,662)
Other payables	83,989	(90,228)
Other payables - related parties	133,449	8,206
Provisions	-	(3,793)
Advances received	-	(151,341)
Other financial liabilities	(33,916)	-
Other current liabilities	(55,000)	(11,750)
Net defined benefit liabilities	(4,904)	(4,256)
Cash generated from operations	692,818	451,095
Interest received	17,992	17,870
Dividends received	125,812	145,340
Income tax paid	(115,040)	(55,018)
Net cash generated from operating activities	<u>721,582</u>	<u>559,287</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale financial assets	-	88,478

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

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

	2018	2017
Acquisition of investments accounted for using the equity method	\$ (384,455)	\$ (32,298)
Proceeds from sale of subsidiaries	80,053	-
Proceeds from shares return due to capital reduction of investments accounted for using the equity method	36,312	-
Payments for property, plant and equipment	(369)	(12,327)
Increase in refundable deposits	(1,542)	-
Decrease in refundable deposits	1,945	735
Payments for intangible assets	(47,334)	(17,749)
Increase in other financial assets	(1,225,859)	(149,733)
Decrease in other financial assets	<u>1,124,980</u>	<u>-</u>
Net cash used in investing activities	<u>(416,269)</u>	<u>(122,894)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	-	20
Decrease in guarantee deposits received	(170)	-
Cash dividends distributed	<u>(254,949)</u>	<u>(254,949)</u>
Net cash used in financing activities	<u>(255,119)</u>	<u>(254,929)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	50,194	181,464
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,427,673</u>	<u>2,246,209</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,477,867</u>	<u>\$ 2,427,673</u>

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Soft-World International Corporation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

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

Recognition of Revenue

As disclosed in Note 4 to the consolidated financial statements, the Corporation is an agent in its exclusive card (MyCard) transactions, and other financial liabilities are recognized at the time when MyCard points are sold. When the customers used MyCard in exchange for game points via the online platform, the Corporation recognized service revenue for the net amount after deducting receipts needed to be transferred to the related

game operators. We considered the risk of material misstatement of the recognition of revenue as the risk of not correctly recording the aforementioned game points after they have been exchanged for, and the recognized revenue might not be the net amount. Therefore, we focused on the correctness of the recognition of service revenue.

The main audit procedures which we performed included the following:

1. We took samples and tested the shipping orders and amount received from the sale of MyCard points to confirm the amounts as each unit of MyCard was shipped and recognized as other financial liabilities.
2. We understood the mechanism for the exchange of MyCard points for games and the mechanism of verifying deposits effectively, and reviewed the programming code's effectiveness on a sample basis.
3. We implemented computer-assisted audit techniques to test the accuracy of the points which were deposited, exchanged and consumed; we verified whether the information of exchange and consumption on the MyCard platform was the same as that of the reporting period.
4. We tested the amounts transferred from other financial liabilities, and verified the game operators' contracts to calculate the amount needed to be transferred to the related game operators, as well as to confirm service revenue for the net amount was accurate.

Merger and Acquisition

As disclosed in Note 28 to the consolidated financial statements, according to IFRS 3 "Business Combinations", the Corporation reversely acquired Neweb Technologies Co., Ltd. (Neweb Technologies) in the form of shares exchange in April, 2018. According to the accounting for business combinations, the hired appraiser released an analysis report about the estimated allocation of the purchase price for Neweb Technologies. The amount of goodwill was \$357,377 thousand, and was recognized in the consolidated financial statements. As the preparation of the analysis report about the estimated allocation of the purchase price involves management's subjective judgment regarding the main assumptions made, which is subject to internal and external factors, there is a high level of uncertainty. Therefore, the reasonableness of the allocation of purchase price was deemed as a key audit matter.

The main audit procedures we performed included the following:

1. We assessed the professional qualification, competence, and independence of the appraiser hired by the Corporation, and discussed with the management the scope of work performed by the independent appraiser, reviewed the contract terms and conditions signed by the Corporation and the appraiser, and we identified no concerns over the appraiser's objectivity or any restriction imposed on the scope of the work.
2. We assessed the reasonableness of the valuation method adopted and related assumptions in the independent appraiser's report about the estimated allocation of purchase price.

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chiu-Yen Wu and Jia-Ling Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

Notice to Readers

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

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

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

ASSETS	December 31, 2018		December 31, 2017		LIABILITIES AND EQUITY	December 31, 2018		December 31, 2017	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,054,401	41	\$ 4,805,007	43	Short-term borrowings (Notes 18 and 33)	\$ 105,059	1	\$ -	-
Notes receivable (Notes 4, 5 and 7)	8,160	-	41,350	-	Contract liabilities - current (Note 24)	327,692	3	-	-
Accounts receivable, net (Notes 4, 5 and 7)	420,001	3	2,217,795	20	Notes payable (Note 19)	17,026	-	31,128	-
Accounts receivable - related parties (Notes 4, 5, 7 and 32)	1,206	-	30,705	-	Notes payable - related parties (Notes 19 and 32)	6,137	-	7,438	-
Other receivables (Notes 4, 7 and 32)	2,033,248	16	23,885	-	Accounts payable (Note 19)	318,317	3	2,364,151	21
Current tax assets (Note 26)	1,045	-	10,269	-	Accounts payable - related parties (Notes 19 and 32)	3,351	-	5,095	-
Inventories (Notes 4 and 8)	39,644	-	62,768	1	Other payables (Notes 20, 22 and 32)	3,154,632	25	760,049	7
Prepayments for royalty (Note 4)	76,503	1	77,125	1	Current tax liabilities (Notes 4 and 26)	96,958	1	75,896	1
Other financial assets - current (Notes 9 and 33)	2,962,060	24	2,725,815	24	Provisions - current (Note 4)	-	-	1,890	-
Other current assets	184,672	2	163,546	1	Other financial liabilities - current (Notes 3, 4 and 21)	1,414,588	11	-	-
Total current assets	10,780,940	87	10,158,265	90	Deferred revenue - current (Notes 3, 4 and 21)	-	-	1,065,063	9
					Other current liabilities (Notes 3 and 21)	39,739	-	470,649	4
					Total current liabilities	5,483,499	44	4,781,359	42
NONCURRENT ASSETS					NONCURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - noncurrent (Note 10)	464,405	4	-	-	Deferred tax liabilities (Notes 4 and 26)	27,349	-	18,357	-
Available-for-sale financial assets - noncurrent (Notes 4 and 11)	-	-	368,360	3	Net defined benefit liabilities (Notes 4 and 22)	91,097	1	84,184	1
Financial assets measured at cost - noncurrent (Notes 4 and 12)	-	-	45,500	-	Guarantee deposits received	44,026	1	2,545	-
Investments accounted for using the equity method (Notes 4 and 14)	55,778	1	75,981	1	Other noncurrent liabilities (Note 9)	-	-	2,000	-
Property, plant and equipment (Notes 4, 15 and 33)	423,285	3	390,129	4	Total noncurrent liabilities	162,472	2	107,086	1
Investment properties (Notes 4 and 16)	50,625	-	54,346	1	Total liabilities	5,645,971	46	4,888,445	43
Goodwill (Note 4)	457,621	4	104,398	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)				
Other intangible assets (Notes 4 and 17)	61,320	1	23,311	-	Share capital	1,274,743	10	1,274,743	11
Deferred tax assets (Notes 4, 5 and 26)	52,170	-	45,078	-	Capital surplus	1,744,934	14	1,529,865	14
Prepayments for equipment	761	-	-	-	Retained earnings				
Refundable deposits	15,572	-	11,730	-	Legal reserve	930,645	8	888,889	8
Prepayments for long-term investments	-	-	2,502	-	Special reserve	25,117	-	25,117	-
Net defined benefit assets (Notes 4 and 22)	18,653	-	17,575	-	Unappropriated earnings	1,981,052	16	1,821,197	16
Other financial assets - noncurrent (Notes 9 and 33)	11,005	-	7,640	-	Total retained earnings	2,936,814	24	2,735,203	24
Other noncurrent assets	3,558	-	2,571	-	Other equity	163,078	1	133,414	1
Total noncurrent assets	1,614,753	13	1,149,121	10	Treasury shares	(449,303)	(3)	-	-
					Total equity attributable to owners of the corporation	5,670,266	46	5,673,225	50
					NON-CONTROLLING INTERESTS (Note 23)	1,079,456	8	745,716	7
					Total equity	6,749,722	54	6,418,941	57
TOTAL	\$ 12,395,693	100	\$ 11,307,386	100	TOTAL	\$ 12,395,693	100	\$ 11,307,386	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, 2018 AND 2017

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

	2018		2017	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 3, 4, 24 and 32)	\$ 5,552,667	100	\$ 15,611,929	100
OPERATING COSTS (Notes 4, 8, 25 and 32)	<u>2,451,317</u>	<u>44</u>	<u>12,908,608</u>	<u>83</u>
GROSS PROFIT	<u>3,101,350</u>	<u>56</u>	<u>2,703,321</u>	<u>17</u>
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	1,708,632	31	1,547,321	10
General and administrative expenses	359,175	6	330,844	2
Research and development expenses	418,388	8	413,662	2
Expected credit loss (Note 7)	<u>29,329</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>2,515,524</u>	<u>45</u>	<u>2,291,827</u>	<u>14</u>
OPERATING INCOME	<u>585,826</u>	<u>11</u>	<u>411,494</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 25)	91,266	1	73,931	-
Other gains and losses (Note 25)	(11,140)	-	36,479	-
Share of loss of associates accounted for using the equity method (Notes 4 and 14)	<u>(13,072)</u>	<u>-</u>	<u>(28,357)</u>	<u>-</u>
Total non-operating income and expenses	<u>67,054</u>	<u>1</u>	<u>82,053</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	652,880	12	493,547	3
INCOME TAX EXPENSE (Notes 4, 5 and 26)	<u>180,861</u>	<u>4</u>	<u>126,269</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>472,019</u>	<u>8</u>	<u>367,278</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	(7,915)	-	(1,038)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	24,183	1	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>2,486</u>	<u>-</u>	<u>177</u>	<u>-</u>
	<u>18,754</u>	<u>1</u>	<u>(861)</u>	<u>-</u>

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

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

	2018		2017	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	\$ 12,213	-	\$ (54,106)	-
Unrealized loss on available-for-sale financial assets (Note 23)	-	-	(145,034)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 23 and 26)	(2,956)	-	9,959	-
	<u>9,257</u>	<u>-</u>	<u>(189,181)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>28,011</u>	<u>1</u>	<u>(190,042)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 500,030</u>	<u>9</u>	<u>\$ 177,236</u>	<u>1</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 461,322	8	\$ 417,558	2
Non-controlling interests	<u>10,697</u>	<u>-</u>	<u>(50,280)</u>	<u>-</u>
	<u>\$ 472,019</u>	<u>8</u>	<u>\$ 367,278</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 486,224	9	\$ 222,422	1
Non-controlling interests	<u>13,806</u>	<u>-</u>	<u>(45,186)</u>	<u>-</u>
	<u>\$ 500,030</u>	<u>9</u>	<u>\$ 177,236</u>	<u>1</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 3.70</u>		<u>\$ 3.28</u>	
Diluted	<u>\$ 3.68</u>		<u>\$ 3.26</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, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Other Equity			Treasury shares	Total	Non-controlling Interests	Total Equity	
	Retained Earnings					Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Financial Assets at Fair Value Through Other	Comprehensive Income					Subtotal
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings									
BALANCE AT JANUARY 1, 2017	\$ 1,274,743	\$ 1,521,190	\$ 846,793	\$ 25,117	\$ 1,701,255	\$ 19,356	\$ 308,623	\$ -	\$ 327,979	\$ -	\$ 5,697,077	\$ 781,618	\$ 6,478,695	
Appropriation of 2016 earnings (Note 23)	-	-	42,096	-	(42,096)	-	-	-	-	-	-	-	-	
Legal reserve	-	-	42,096	-	(42,096)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(254,949)	-	-	-	-	-	(254,949)	-	(254,949)	
	-	-	42,096	-	(297,045)	-	-	-	-	-	(254,949)	-	(254,949)	
Cash dividends distributed by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(2,154)	(2,154)	
Net profit in 2017	-	-	-	-	417,558	-	-	-	-	-	417,558	(50,280)	367,278	
Other comprehensive income (loss) in 2017, net of income tax	-	-	-	-	(571)	(39,941)	(154,624)	-	(194,565)	-	(195,136)	5,094	(190,042)	
Total comprehensive income (loss) in 2017	-	-	-	-	416,987	(39,941)	(154,624)	-	(194,565)	-	222,422	(45,186)	177,236	
Changes in percentage of ownership interests in subsidiaries	-	2,347	-	-	-	-	-	-	-	-	2,347	(2,347)	-	
Changes in capital surplus from investments in associates accounted for using the equity method	-	6,328	-	-	-	-	-	-	-	-	6,328	-	6,328	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	13,785	13,785	
BALANCE AT DECEMBER 31, 2017	1,274,743	1,529,865	888,889	25,117	1,821,197	(20,585)	153,999	-	133,414	-	5,673,225	745,716	6,418,941	
Effect of retrospective application and retrospective restatement (Note 3)	-	-	-	-	-	-	(153,999)	153,999	-	-	-	-	-	
BALANCE AT JANUARY 1, 2018 AS RESTATED	1,274,743	1,529,865	888,889	25,117	1,821,197	(20,585)	-	153,999	133,414	-	5,673,225	745,716	6,418,941	
Appropriation of 2017 earnings (Note 23)	-	-	41,756	-	(41,756)	-	-	-	-	-	-	-	-	
Legal reserve	-	-	41,756	-	(41,756)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(254,949)	-	-	-	-	-	(254,949)	-	(254,949)	
	-	-	41,756	-	(296,705)	-	-	-	-	-	(254,949)	-	(254,949)	
Cash dividends distributed by the subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(21,007)	(21,007)	
Net profit in 2018	-	-	-	-	461,322	-	-	-	-	-	461,322	10,697	472,019	
Other comprehensive income (loss) in 2018, net of income tax	-	-	-	-	(4,762)	9,218	-	20,446	29,664	-	24,902	3,109	28,011	
Total comprehensive income in 2018	-	-	-	-	456,560	9,218	-	20,446	29,664	-	486,224	13,806	500,030	
Difference between consideration and carrying amount of subsidiaries acquired or disposed (Note 13)	-	59,351	-	-	-	-	-	-	-	-	59,351	-	59,351	
Changes in percentage of ownership interests in subsidiaries	-	145,350	-	-	-	-	-	-	-	-	145,350	(145,350)	-	
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	-	(450,715)	(450,715)	(268,837)	(719,552)	
Disposal of the Corporation's shares held by subsidiaries	-	9	-	-	-	-	-	-	-	1,412	1,421	831	2,252	
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	10,359	-	-	-	-	-	-	-	-	10,359	-	10,359	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	754,297	754,297	
BALANCE AT DECEMBER 31, 2018	\$ 1,274,743	\$ 1,744,934	\$ 930,645	\$ 25,117	\$ 1,981,052	\$ (11,367)	\$ -	\$ 174,445	\$ 163,078	\$ (449,303)	\$ 5,670,266	\$ 1,079,456	\$ 6,749,722	

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, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 652,880	\$ 493,547
Adjustments for:		
Depreciation expenses	30,098	23,206
Amortization expenses	76,356	76,036
Expected credit loss recognized on accounts receivable	29,329	-
Impairment loss recognized on accounts receivable	-	25,758
Interest income	(36,768)	(34,069)
Dividend income	(1,668)	(4,853)
Share of loss of associates accounted for using the equity method	13,072	28,357
Gain on disposal of property, plant and equipment	(288)	(178)
Gain on disposal of investments	-	(67,650)
Impairment loss on financial assets	-	15,597
Impairment loss on nonfinancial assets	14,383	-
Reversal of write-down of inventories	-	(4,671)
Loss on inventories	5,984	5,594
Others	2,086	1,861
Changes in operating assets and liabilities		
Notes receivable	33,200	21,934
Notes receivable - related parties	-	28
Accounts receivable	(212,022)	234,356
Accounts receivable - related parties	(1,081)	4,634
Other receivables	33,638	(14,906)
Current tax assets	9,224	23,852
Inventories	15,587	11,572
Prepayments for royalty	622	14,674
Other current assets	(5,111)	16,820
Contract liabilities	10,782	-
Notes payable	(15,752)	(4,070)
Notes payable - related parties	(1,301)	(2,083)
Accounts payable	146,043	87,007
Accounts payable - related parties	(1,744)	(5,105)
Other payables	181,230	(91,511)
Provisions	-	(3,791)
Deferred revenue	-	(120,918)
Other financial liabilities	236,458	-
Other current liabilities	(70,703)	171,109
Net defined benefit liabilities	(15,497)	(4,878)
Other noncurrent liabilities	(2,000)	2,000
Cash generated from operations	1,127,037	899,259
Interest received	35,737	33,999
Dividends received	12,027	6,458
Income tax paid	(150,676)	(76,772)
Net cash generated from operating activities	<u>1,024,125</u>	<u>862,944</u>

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	\$ (3,959)	\$ -
Proceeds from disposal of available-for-sale financial assets	-	88,478
Increase in prepayments for long-term investments	(767)	-
Net cash inflow on acquisition of subsidiaries (Note 28)	48,205	-
Proceeds from disposal of subsidiaries (Note 13)	79,478	-
Payments for property, plant and equipment	(4,792)	(19,309)
Proceeds from disposal of property, plant and equipment	1,169	422
Increase in refundable deposits	557	-
Decrease in refundable deposits	1,293	22,623
Payments for intangible assets	(90,694)	(68,295)
Increase in other financial assets	(599,662)	(911,103)
Decrease in other financial assets	638,010	128,398
Increase in other noncurrent assets	<u>(1,885)</u>	<u>(8)</u>
Net cash generated from (used in) investing activities	<u>66,953</u>	<u>(758,794)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(29,193)	-
Increase in guarantee deposits received	17,339	430
Decrease in guarantee deposits received	(1,852)	(15)
Cash dividends	(254,949)	(254,949)
Acquisition of the parent company's shares held by subsidiaries	(450,715)	-
Proceeds from disposal of the parent company's shares held by subsidiaries	1,421	-
Changes in non-controlling interests	<u>(78,182)</u>	<u>11,631</u>
Net cash used in financing activities	<u>(796,131)</u>	<u>(242,903)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(45,553)</u>	<u>(51,435)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	249,394	(190,188)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,805,007</u>	<u>4,995,195</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,054,401</u>	<u>\$ 4,805,007</u>

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

(Concluded)

Attachment 2

Soft-World International Corporation
Statement of Earnings Distribution
2018

Unit: NTD

Item	Amount	
	Subtotal	Total
2018 Net Profit		461,321,955
Legal reserve appropriated (10%)		(46,132,196)
Appropriation of special reserve		(95,406,506)
The defined benefit plans re-measured amount is recognized in the “retained earnings” account.		(4,762,567)
Earnings in 2018 Available for Distribution		315,020,686
Undistributed earnings - beginning		1,524,492,644
Accumulated earnings available for distribution at the end of 2017		1,839,513,330
Distribution		
Dividend to shareholders (Cash dividends: NT\$2.2 per share)		280,443,530
Undistributed earnings - ending		1,559,069,800

Note 1: The dividend distribution of the Company is calculated and rounded up to the dollar in accordance with 127,474,332 outstanding common stock shares issued by March 21, 2019. Should the Company buyback its shares, transfer treasury stocks to employees, encounter conversions of corporate bonds or engage in any transactions that affect the number of outstanding shares before the dividend base date, the Board of Directors shall be authorized to make the necessary changes with regards to dividend payout per shareholder.

- 2. Upon the approval of the annual shareholders’ meeting, the Board of Directors will be authorized upon the resolution reached in the shareholders’ meeting to have the ex-dividend date determined and the dividend distributed proportionally according to the latest shareholders’ registry.**
- 3. Earnings in 2018 is distributed in priority.**
- 4. The total number of odd shares for less than NT\$1 is transferred to other income of the Company.**

Chairman: Chun-Po Wang

Manager: Chun-Po Wang

Chief accountant: Ya-Chuan Huang

Attachment 3

Soft-World International Corporation

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

Clause	Clauses before the amendment	Clauses after the amendment	Amendment's basis and reasons
Article 2	<p>The Company's industry classifications are:</p> <ol style="list-style-type: none"> 1. F218010 Retail Sale of Computer Software 2. CC01110 Computers and Computing Peripheral Equipments Manufacturing 3. F118010 Wholesale of Computer Software 4. I301010 Software Design Services 5. F113070 Wholesale of Telecom Instruments 6. I301030 Digital Information Supply Services 7. E701010 Telecommunications Construction 8. F401010 International Trade 9. J303010 Magazine and Periodical Publication 10. I401010 General Advertising Services 11. J602010 Agents and Managers for Performing Arts, Entertainers, and Models 12. J305010 Audio Tape and Record Publishers 13. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles 14. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles 15. JZ99050 Agency Services 16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. 17. <u>G902011 Type II Telecommunications Enterprise</u> 	<p>The Company's industry classifications are:</p> <ol style="list-style-type: none"> 1. F218010 Retail Sale of Computer Software 2. CC01110 Computers and Computing Peripheral Equipments Manufacturing 3. F118010 Wholesale of Computer Software 4. I301010 Software Design Services 5. F113070 Wholesale of Telecom Instruments 6. I301030 Digital Information Supply Services 7. E701010 Telecommunications Construction 8. F401010 International Trade 9. J303010 Magazine and Periodical Publication 10. I401010 General Advertising Services 11. J602010 Agents and Managers for Performing Arts, Entertainers, and Models 12. J305010 Audio Tape and Record Publishers 13. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles 14. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles 15. JZ99050 Agency Services 16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. 	Amendment due to the business demand
Article 24	<p>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;... (Omit)...; the 30th amendment was made on June 23, 2016; and the 31st amendment was made on June 22, 2017.</p>	<p>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; ... (Omit)...; the 30th amendment was made on June 23, 2016; the 31st amendment was made on June 22, 2017; <u>and the 32nd amendment was made on June 18, 2019.</u></p>	Add amendment date

Attachment 4

Soft-World International Corporation

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

Clause	Clauses before the amendment	Clauses after the amendment	Remark
Article 2	<p>The scope of assets</p> <ol style="list-style-type: none"> 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 estate (including land, building, investment properties, <u>land use rights</u>, and construction inventory) and equipment. 3. Membership card 4. Intangible assets: include patents, copyrights, trademarks, licenses and other intangible assets. 5. Claims (including receivables, foreign exchange purchase discount and loans, and delinquent loans) of financial institutions 6. Derivatives 7. The assets acquired or disposed of by legal merger, demerger, acquisition or transfer of shares 8. Other important assets 	<p>The scope of assets</p> <ol style="list-style-type: none"> 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 estate (including land, building, investment properties, and construction inventory) and equipment. 3. Membership card 4. Intangible assets: include patents, copyrights, trademarks, licenses and other intangible assets. 5. <u>Right-of-use assets.</u> 6. Claims (including receivables, foreign exchange purchase discount and loans, and delinquent loans) of financial institutions. 7. Derivatives 8. The assets acquired or disposed of by legal merger, demerger, acquisition or transfer of shares 9. Other important assets 	Amendment due to laws and regulations
Article 3	<p>Definitions</p> <ol style="list-style-type: none"> 1. Derivatives: refers to the forward contracts, options contracts, futures contracts, leveraged margin contracts, swaps contracts, and the compound contracts of the instruments <u>referred to above with the values derived from assets, interest rate, exchange rate, index, or other interests.</u> The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <u>contracts.</u> 2. The assets acquired or disposed of by merger, demerger, acquisition or transfer of shares: Refers to the assets acquired or disposed of through merger, demerger, or 	<p>Definition</p> <ol style="list-style-type: none"> 1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a <u>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.</u> The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <u>contracts.</u> 2. The acquisition or disposal of assets by merger, demerger, acquisition, or assignment of shares lawfully: Refers to the acquisition or disposal of assets by merger, demerger, or 	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>acquisition in accordance with the Business Merger Act, Financial Holding Company Act, Financial Institution Merger Act or any other law; or issuance of new shares in exchange for the stock shares of other companies in accordance with Paragraph 6, Article 156 of the Company Act (hereinafter referred to as “transfer of shares”).</p> <p>3. Related party and subsidiaries: It should be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.</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>5. Date of event: Refers to the transaction contract signing date, payment date, commission Closing Date, transfer date and the Board resolution date or the date the counterparty and transaction amount sufficiently determined whichever is earlier or sooner. For investments that are subject to the approval of the competent authorities, one of the dates of event referred to above or the date of approval by the competent authorities whichever is earlier or sooner shall prevail.</p> <p>6. Investment in Mainland China: Refers to the investments engaged in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs Investment or conducted in accordance with the Technical Cooperation Licensing Requirements.</p> <p>7. The alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the procedures.</p> <p>8. 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>purchase in accordance with the Business Mergers and Acquisitions Act, the Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or, assignment of other company’s shares by issuing stock shares in accordance with Article 156-3 of the Company Act (hereinafter referred to as “assignment of shares”)</p> <p>3. Related party and subsidiaries: It should be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.</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>5. Date of event: Refers to the transaction contract signing date, payment date, commission Closing Date, transfer date and the Board resolution date or the date the counterparty and transaction amount sufficiently determined whichever is earlier or sooner. For investments that are subject to the approval of the competent authorities, one of the dates of event referred to above or the date of approval by the competent authorities whichever is earlier or sooner shall prevail.</p> <p>6. Investment in Mainland China: Refers to the investments engaged in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs Investment or conducted in accordance with the Technical Cooperation Licensing Requirements.</p> <p>7. <u>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</u></p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
		<p>they are located.</p> <p>8. <u>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.</u></p> <p>9. <u>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.</u></p> <p>10. <u>"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 supervisors in accordance with the procedure need not be counted toward the transaction amount.</u></p> <p>11. <u>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.</u></p> <p>12. <u>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."</u></p>	
Article 4	The acquisition or disposal of the assets by the Company shall be conducted in accordance with the <u>Regulations</u> . Unless otherwise provided in the <u>other</u> law and regulations.	The acquisition or disposal of the assets by the Company shall be conducted in accordance with the <u>procedures</u> . Unless otherwise provided in the <u>financial related</u> law and regulations.	Amendment due to laws 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:	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:	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>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.</p> <p>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 under the Regulations, 10% of equity attributable to owners of the parent company shall be substituted.</p> <p>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.</p> <p>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.</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 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</p>	<p>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.</p> <p>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 <u>the Regulations Governing the Acquisition and Disposal of Assets by Public Companies</u>, 10% of equity attributable to owners of the parent company shall be substituted. <u>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></p> <p>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.</p> <p>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.</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 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</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
Article 8	<p>The Evaluation Report for Real Estate or Equipment:</p> <p>In the event that the transaction amount for acquiring or disposing of real property, <u>or</u> equipment, 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 government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment.</p> <p>1. When the particular price, specific price, or special price is applied as a reference for determining the transaction price due to special reasons, the transactions should be resolved by the Board of Directors in advance, <u>so do the changes in trading conditions</u>.</p> <p>2. Transactions amounting to NT\$1 billion or more should have two or more professional appraisers invited to appraise.</p> <p>3. If the professional appraiser's appraisal results fall in one of the following circumstances, unless the valuation of the asset acquired is higher than the transaction amount or when the valuation of the asset disposed is lower than the transaction amount, a CPA should be contracted</p>	<p>The Evaluation Report for Real Estate or Equipment:</p> <p>In the event that the transaction amount for acquiring or disposing of real property, <u>equipment, or its right-of-use assets</u> 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 <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or its right-of-use assets</u> held for business use.</p> <p>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; <u>the same</u> procedure shall also be followed whenever there is any <u>subsequent</u> change to the terms and conditions of the transaction.</p> <p>2. Transactions amounting to NT\$1 billion or more should have two or more professional appraisers invited to appraise.</p> <p>3. If the professional appraiser's appraisal results fall in one of the following circumstances, unless the valuation of the asset acquired is higher than the transaction amount or when the valuation of the asset disposed is lower than the transaction amount, a CPA should be contracted</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>to have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 of the ROC Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) with an opinion issued on the reasons for the difference and the adequacy 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. The difference between the reporting date of the professional appraiser and the contract date may not be more than three months. However, if it is subject to the announced present value of the same period and that is not more than six months away, an opinion can be issued by the original 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>to have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 of the ROC Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) with an opinion issued on the reasons for the difference and the adequacy 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. The difference between the reporting date of the professional appraiser and the contract date may not be more than three months. However, if it is subject to the announced present value of the same period and that is not more than six months away, an opinion can be issued by the original 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>	
Article 9	<p>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:</p> <p>1. The Company has acquired or disposed of property or assets other than property from or to the related parties for an amount exceeding 20% of the paid-in capital, 10% of the total assets or NT\$300 million. This shall not apply to trading of government bonds or <u>securities</u> under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Handling merger, demerger, acquisition or transfer of shares;</p> <p>3. Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount</p>	<p>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:</p> <p>1. The acquisition or disposal of real estate from and to the related party <u>or right-of-use assets</u>, or the acquisition or disposal of assets other than real estate from and to the related party for an amount exceeds 20% of the paid-in capital, 10% of the total assets, or NT\$300 million. This shall not apply to trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic <u>securities</u> investment trust enterprises.</p> <p>2. Handling merger, demerger, acquisition or transfer of shares;</p> <p>3. Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>regulated in the <u>handling procedures</u>.</p> <p>4. Acquisition or disposal <u>assets are equipment</u> for business use from an unrelated party at a transaction amount meets any one of the following criteria:</p> <p>(1) Public companies with paid-in capital of less than NT\$10 billion and amount of transaction exceeds NT\$500 million.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Acquisition or disposal by a public company in the construction business of real property thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</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 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% or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <p>(1) Bond trade</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC</p>	<p>regulated in <u>this procedure</u>.</p> <p>4. Acquisition or disposal of equipment <u>or its right-of-use assets</u> for business operations from an unrelated party at a transaction amount meets any one of the following criteria:</p> <p>(1) Public companies with paid-in capital of less than NT\$10 billion and amount of transaction exceeds NT\$500 million.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Acquisition or disposal by a public company in the construction business of real property <u>or right-of-use assets</u> thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; <u>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.</u></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, <u>and furthermore the transaction counterparty is not a related party,</u> 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% or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <p>(1) <u>Domestic</u> bond trade.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the primary market, 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 transaction amount referred to above is calculated in accordance with the following methods:</p> <ol style="list-style-type: none"> 1. The amount of each 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 amount of the property acquired or disposed (amount accumulated separately) of the same underlying development project within one year; 4. The cumulative amount of the same marketable securities acquired or disposed of (amount accumulated separately) within one year; <p><u>“Within the previous year” as claimed in the preceding paragraph refers to the one year before the date of acquisition. The part disclosed according to these Procedures will be exempted.</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 companies and enter the information in the prescribed format into the information reporting website designated by the <u>FSC</u> by the 10th day of each month.</p> <p>When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and</p>	<p>markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics <u>(excluding subordinated debt) that are 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.</u></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 transaction amount referred to above is calculated in accordance with the following methods:</p> <ol style="list-style-type: none"> 1. The amount of each transaction; 2. The cumulative amount of the acquisition or disposal of the same underlying subject with the same counterparty within one year; 3. The accumulated amount of the acquisition or disposal (itemized accumulation of acquisition and disposal) of real estate <u>or its right-of-use assets</u> of the same development project within one 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 companies and enter the information in the prescribed format into the information reporting website designated by the <u>competent authority</u> by the 10th day of each month.</p> <p>When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	reported again within 2 days from the date of learning of the discrepancy. 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.	the items should be published and reported again within 2 days from the date of learning of the discrepancy. The Company should have the contract, minutes of meeting, book, appraisal reports, the opinions of CPAs, attorneys, or underwriters related to the acquisition or disposal of assets ready at the Company's premise for at least 5 years unless otherwise provided by law.	
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 The originally signed trade contract is modified, terminated, or revoked. 2. Merger, demerger, acquisition, or assignment of shares is not completed in accordance with the deadline stated in the contract signed. 3. Changes are made to the original announcement and report.	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. The originally signed trade contract is modified, terminated, or revoked. 2. Merger, demerger, acquisition, or assignment of shares is not completed in accordance with the deadline stated in the contract signed. 3. Changes are made to the original announcement and report.	Amendment due to laws and regulations
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% 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 <u>Paragraph 2, Article 9</u> herein. The legal form and the real relationship should be considered in determining whether the counterparty is a related party.	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% 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 <u>the procedures</u> . The legal form and the real relationship should be considered in determining whether the counterparty is a related party.	Amendment due to laws and regulations
Article 12:	In the acquisition or disposition of property 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	In the acquisition or disposition of property <u>or right-of-use assets</u> 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	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>Supervisors before entering into agreement on the transactions and effecting payment except for the trading of 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.</p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits of the acquisition or disposal of assets 2. Reason for choosing the concerned party as trading counterpart 3. With respect to the acquisition of real property thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with of this <u>Article 13</u>. 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. Expected monthly cash income and expense statement within one year from the contracted month, and assessing the necessity of the transactions and the reasonableness of the funds application 6. Obtain an appraisal report issued by a professional appraiser in accordance with the provisions <u>referred to above</u> or a CPA’s opinion. 7. Restrictive conditions and other important stipulations of the transaction <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9, herein, 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 approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p> <p>When the Company acquires or disposes the equipment for business use with its parent company or subsidiaries, 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>	<p>ratification of the Supervisors before entering into agreement on the transactions and effecting payment except for the trading of <u>domestic</u> 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.</p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits of the acquisition or disposal of assets 2. Reason for choosing the concerned party as trading counterpart 3. With respect to the acquisition of real estate <u>or right-of-use assets</u> from a related party, it shall assess the relevant information for the reasonableness of the preliminary transaction terms in accordance with <u>the procedure</u>. 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. Expected monthly cash income and expense statement within one year from the contracted month, and assessing the necessity of the transactions and the reasonableness of the funds application 6. Obtain an appraisal report issued by a professional appraiser in accordance with <u>the procedures</u> or a CPA’s opinion. 7. Restrictive conditions and other important stipulations of the transaction <p>When the transactions listed below are conducted between the Company and its parent company, subsidiaries, <u>or between the subsidiaries that the Company directly or indirectly holds 100% of the issued shares or authorized capital</u>, 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</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>Where the position of independent director has been created in accordance with the provisions <u>of the Act</u>, 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>Where an audit committee has been established in accordance with the provisions <u>of the Act</u>, the matters for which Paragraph 1 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Paragraphs 4 and 5, Article 6 of <u>“Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</u>.</p>	<p>ratified by the next Board of Directors meeting:</p> <ol style="list-style-type: none"> 1. <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u> 2. <u>Acquisition or disposal of real property or right-of-use assets thereof held for business use.</u> <p>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.</p> <p>Where an audit committee has been established according to the regulations, the matters that required recognition by the supervisor according to the first Paragraph shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for resolution, and shall apply the <u>applicable regulations of the Procedure</u>.</p>	
Article 13	<p>Evaluation on reasonable cost of transactions</p> <ol style="list-style-type: none"> 1. The Company should assess the reasonableness of the transaction costs for the acquisition of real property from the related party in accordance with the following methods: <ol style="list-style-type: none"> (1) Based on the transactions price of the related party plus the necessary funds interest cost and buyer’s cost by law The so-called necessary capital interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets are acquired by the Company; however, it may not be higher than the non-financial industry maximum loan interest rate as announced by the Ministry of Finance. (2) If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. 	<p>Evaluation on reasonable cost of transactions</p> <ol style="list-style-type: none"> 1. The Company should assess the reasonableness of the transaction costs for the acquisition of real property <u>or right-of-use assets</u> from the related party in accordance with the following methods: <ol style="list-style-type: none"> (1) Based on the transactions price of the related party plus the necessary funds interest cost and buyer’s cost by law The so-called necessary capital interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets are acquired by the Company; however, it may not be higher than the non-financial industry maximum loan interest rate as announced by the Ministry of Finance. (2) If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. 	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>However, the actual accumulated lending value of the subject matter granted by the financial institutions should reach over 70% of the assessed gross lending value for a lending period over one year. However, it is not applicable if the financial institution and the counterparty are related to one another.</p> <p>The transaction cost of the same underlying land and building purchased can be assessed in accordance with any of the cost methods listed in the preceding paragraph.</p> <p>When acquiring real property 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.</p> <p>2. When the results of the company's appraisal conducted in accordance with to Subparagraphs (1) and (2), Paragraph 1 of this Article are</p>	<p>However, the actual accumulated lending value of the subject matter granted by the financial institutions should reach over 70% of the assessed gross lending value for a lending period over one year. However, it is not applicable if the financial institution and the counterparty are related to one another.</p> <p>For the combined purchase <u>or lease</u> of the same underlying land and house, the transaction costs of land and house can be assessed by any of the methods referred to above.</p> <p>When acquiring real property <u>or right-of-use assets</u> from related parties, property costs shall be evaluated according to Subparagraphs (1) and (2), Paragraph 3 of this Article. A certified public accountant shall also be engaged to verify and opine on the transaction.</p> <p><u>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, Paragraph 1 of this Article:</u></p> <p>(1) <u>The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</u></p> <p>(2) <u>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.</u></p> <p>(3) <u>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.</u></p> <p>(4) <u>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.</u></p> <p>2. Subparagraphs (1) and (2), Paragraph 1 of this Article shall apply to real property <u>or right-of-use assets</u> acquired from related parties if the</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>uniformly lower than the transaction price, the matter shall be handled in compliance with Article 14. However, as a result due to the following circumstances and with the objective evidence presented and an appraisal report collected from the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:</p> <p>(1) Related party that has obtained prime land or rental land for construction must submit the proof of complying with the following conditions:</p> <ol style="list-style-type: none"> 1. The prime land is assessed in accordance with the methods referred to above. House is assessed in accordance with the sum of the construction costs and a reasonable profit exceeding the actual transaction price. The term “reasonable construction profit” is based on the average gross profit rate in the last three years of the related party’s construction department or the latest gross profit rate of the construction industry announced by the Ministry of Finance whichever is lower. 2. The <u>successful trade</u> of other floors of the same underlying house and land or the successful trade of the unrelated party in the neighborhood within one year with the similar floor area; also, the trade conditions are assessed to be equivalent in accordance with the reasonable floors or regional spread in general practice of real estate trade. 3. <u>The lease of other floors of the same underlying house and land or the lease of the unrelated party within one year are assessed to be equivalent in accordance with the reasonable floors or spread in general practice of real estate lease.</u> <p>(2) The Company evidences that the trade terms of acquiring the real estate from the related parties are similar to the successful trade of the unrelated party in the neighborhood within one year with</p>	<p>valuation methods described in this Article 14 both produce a value that is lower than the transaction price. However, as a result due to the following circumstances and with the objective evidence presented and an appraisal report collected from the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:</p> <p>(1) Related party that has obtained prime land or rental land for construction must submit the proof of complying with the following conditions:</p> <ol style="list-style-type: none"> 1. The prime land is assessed in accordance with the methods referred to above. House is assessed in accordance with the sum of the construction costs and a reasonable profit exceeding the actual transaction price. The term “reasonable construction profit” is based on the average gross profit rate in the last three years of the related party’s construction department or the latest gross profit rate of the construction industry announced by the Ministry of Finance whichever is lower. 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 <u>transaction terms</u> are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale <u>or leasing</u> practices. <p>(2) Where the company acquiring real property, <u>or obtaining real property right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the transaction are similar to the terms</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>the similar floor area. Successful trade 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 successful trade 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.</p> <p>3. The Company that acquires real estate 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 Paragraph 1 of this Article:</p> <p>(1) The related party acquired the real property thereof through inheritance or as a gift.</p> <p>(2) Related party's contracting for the acquisition of real estate 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>of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. <u>Completed transactions</u> 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 <u>transactions completed</u> 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 <u>or obtainment of the right-of-use assets thereof</u>.</p>	
Article 14	<p>Where the company acquires real property thereof from a related party and the results of appraisals conducted in accordance with the uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with against the difference between the real property transaction price and the appraised cost, and may not be distributed or</p>	<p>Where the company acquires real property <u>or right-of-use assets</u> 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> <p>1. A special reserve shall be set aside in accordance with against the difference between the real property <u>or right-of-use assets</u> transaction price and the appraised cost, and may not</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>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.</p> <p>2. Supervisors shall comply with Article 218 of the Company Act.</p> <p>3. The process in <u>Subparagraph 1 and Subparagraph 2</u> should be reported in the shareholders' meeting; also, the detailed transaction contents should be disclosed in the annual report and prospectus.</p> <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 at a premium, or they have been disposed of, 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 FSC has given its consent.</p> <p>The acquisition of real estate by the Company from the related party that is evidenced not in compliance with general business practices should be handled in accordance with the two Paragraphs referred to above.</p>	<p>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.</p> <p>2. Supervisors shall comply with Article 218 of the Company Act. <u>Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</u></p> <p>3. Actions taken pursuant to the <u>preceding</u> 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> <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 <u>or leased</u> at a premium, or they have been disposed of, <u>or the leasing contract has been terminated</u>, 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 FSC has given its consent.</p> <p>The acquisition of real estate <u>or its right-of-use assets</u> by the Company from the related party that is evidenced not in compliance with general business practices should be handled in accordance with the preceding two Paragraphs.</p>	
Article 15	<p>The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company's most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NT\$300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. The CPA that needs to adopt the report of an expert shall have it processed in accordance with the Statement of</p>	<p>The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company's most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NT\$300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. The CPA that needs to adopt the report of an expert shall have it processed in accordance with the Statement of</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation. However, exceptions are made if the marketable securities are with a quote in an active market or it is otherwise regulated by the Financial Supervisory Commission (<u>FSC</u>).	Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation. However, exceptions are made if the marketable securities are with a quote in an active market or it is otherwise regulated by the Financial Supervisory Commission.	
Article 16	In the event that the transaction amount for acquiring or disposing of intangible assets <u>or memberships</u> reaches twenty percent (20%) of paid-in capital or NT\$300 million or more, except for transactions with a government agency, the Company shall engage a certified public accountant prior to the date of event occurrence to render an opinion on the fairness of the transaction price. The certified public accountant shall render such an opinion in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	In the event that the transaction amount for acquires or disposes of intangible assets <u>or right-of-use assets thereof or memberships</u> and the transaction amount reaches twenty percent (20%) of paid-in capital or NT\$300 million or more, except for transactions with a <u>domestic</u> government agency, the Company shall engage a certified public accountant prior to the date of event occurrence to render an opinion on the fairness of the transaction price. The certified public accountant shall render such an opinion in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	Amendment due to laws and regulations
Article 17	For the appraisal report or the opinions obtained from the CPAs, attorney, or security underwriter by the Company, the professional appraisers and their appraising personnel, CPAs, attorneys, security underwriters, <u>and the trade parties must be not be related.</u>	For the appraisal report or the opinions obtained from the CPAs, attorney, or security underwriter by the Company, the professional appraisers and their appraising personnel, CPAs, attorneys and security underwriters, <u>shall meet the following requirements:</u> <ol style="list-style-type: none"> 1. <u>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.</u> 2. <u>Not a related party or a de facto related party of a counterpart of a transaction.</u> 3. <u>If an appraisal report must be issued by two or more professional appraisers, the two different professional appraisers or appraising personnel must be not related or de facto related parties to one another.</u> <u>When issuing an appraisal report or opinion, the personnel referred to in the</u>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
		<p>preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. <u>Prudently assess own professional competencies, practical experience, and independence prior to undertaking assignments.</u> 2. <u>For audit assignments, plan and implement appropriate processes to draw a conclusion as the basis of producing a report or expressing an opinion; and maintain a full record of the operating procedures, gathered data, and conclusions in the worksheet.</u> 3. <u>They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, 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.</u> 4. <u>Make a statement attesting to the professional competency and independence of personnel preparing the report or opinion, and assuring that the information contained in the report or opinion has been evaluated and found to be reasonable and accurate, and related laws and regulations are complied with.</u> 	
Article 18	<p>When the Company is engaged in derivatives trading, it shall comply with the “<u>Procedure for Derivatives Trading Engagement</u>” of the Company and pay attention to the risk management <u>and the audit matters. It shall be subsequently reported to the next Board of Directors meeting in order to fulfill the internal control system.</u></p>	<p>When the Company is engaged in derivatives trading, it shall comply with the “<u>Procedure for Derivatives Trading</u>” of the Company.</p>	Amendment due to laws and regulations
Article 19	<p>For the process of corporate merger, demerger, acquisition, or assignment of shares, the Company should have a CPA, lawyer, or securities underwriter invited to comment on the reasonableness of the exchange ratio, acquisition price, cash distributed to the shareholders, and the other assets and then presented in the board meeting for resolutions.</p> <p>For mergers between the public company and wholly-owned subsidiaries directly or indirectly, or for mergers between wholly-owned subsidiaries directly or indirectly, it is not necessary to obtain a reasonable opinion from the aforementioned experts.</p> <p>A public document to shareholders detailing important contractual content and matters relevant to the merger, demerger or acquisition shall be prepared</p>	<p>For the process of corporate merger, demerger, acquisition, or assignment of shares, the Company should have a CPA, lawyer, or securities underwriter invited to comment on the reasonableness of the exchange ratio, acquisition price, cash distributed to the shareholders, and the other assets and then presented in the board meeting for resolutions.</p> <p>For mergers between the public company and wholly-owned subsidiaries directly or indirectly, or for mergers between wholly-owned subsidiaries directly or indirectly, it is not necessary to obtain a reasonable opinion from the aforementioned experts.</p> <p><u>The company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important</u></p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>prior to the shareholders' meeting and be included along with the expert opinion under the previous paragraph and notice of the shareholders' meeting for reference in deciding whether to approve the merger, demerger or acquisition. However, the corporate merger, demerger, or acquisition that does not have to be resolved in the shareholders' meeting according to other governing regulations is not subject to the requirement.</p> <p>If any participant of the business merger, divestment, or takeover is unable to convene a shareholder meeting, produce a resolution, or if the motion is voted down by shareholders due to insufficient attendants, minimum votes, or other legal restrictions, then the participants of the business merger, divestment, or acquisition shall immediately announce to the public the causes of the discontinuance, their follow-up actions, and the estimated date of the next shareholder meeting.</p>	<p>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 Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, the corporate merger, demerger, or acquisition that does not have to be resolved in the shareholders' meeting according to other governing regulations is not subject to the requirement.</p> <p>If any participant of the business merger, divestment, or takeover is unable to convene a shareholder meeting, produce a resolution, or if the motion is voted down by shareholders due to insufficient attendants, minimum votes, or other legal restrictions, then the participants of the business merger, divestment, or acquisition shall immediately announce to the public the causes of the discontinuance, their follow-up actions, and the estimated date of the next shareholder meeting.</p>	
Article 20	<p>For participating in the merger, demerger, or acquisition of a company by <u>the Company</u>, 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, demerger, 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>For the merger, demerger, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the following information should be composed in writing and reserved for five years for inspection:</p> <ol style="list-style-type: none"> 1. Personnel information: including the title, name, and identity card number (or passport number for foreigners) of the personnel involved in a merger, demerger, acquisition, or assignment of shares, or, the plan executor. 2. Date of significant events: including the date of signing a letter of intent or 	<p>For the merger, demerger, 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, demerger, 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>For the merger, demerger, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the following information should be composed in writing and reserved for five years for inspection:</p> <ol style="list-style-type: none"> 1. Personnel information: including the title, name, and identity card number (or passport number for foreigners) of the personnel involved in a merger, demerger, acquisition, or assignment of shares, or, the plan executor. 2. Date of significant events: including the date of signing a letter of intent or memorandum, commissioning a 	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>memorandum, commissioning a financial or legal adviser, signing a contract, and convening a board meeting.</p> <p>3. Important documents and minutes of meeting: including the documents of the merger, demerger, acquisition, or assignment of shares plans, letters of intent or memorandum, important contracts, minutes of board meeting.</p> <p>For the merger, demerger, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the Company should have the information stated in Subparagraph 1 and Subparagraph 2 in the Paragraph referred to above reported on-line to the <u>FSC</u> for records in the designated format within 2 days after the resolution reached by the Board of Directors.</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 in <u>Paragraph 3 and Paragraph 4</u>.</p>	<p>financial or legal adviser, signing a contract, and convening a board meeting.</p> <p>3. Important documents and minutes of meeting: including the documents of the merger, demerger, acquisition, or assignment of shares plans, letters of intent or memorandum, important contracts, minutes of board meeting.</p> <p>For the merger, demerger, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the Company should have the information stated in Subparagraph 1 and Subparagraph 2 in the Paragraph referred to above reported on-line to the <u>competent authority</u> for records in the designated format within 2 days after the resolution reached by the Board of Directors.</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 <u>preceding two Paragraphs</u>.</p>	
Article 21	<p>For the Company's participating in the merger, demerger, acquisition, or assignment of shares, the swap ratio or purchase price, except for in the following circumstances, shall not be changed arbitrarily; also, the tolerable changes of the swap ratio or purchase price should be detailed in the merger, demerger, acquisition, or assignment of shares contract:</p> <ol style="list-style-type: none"> 1. Process cash capital increase and issue convertible bonds, stock dividends, bonds with stock option, preferred shares with stock option, stock options certificate, and other equity-type securities. 2. Disposal of major assets that affects the Company's financial operations 3. The occurrence of significant disasters and major changes in technology that affects the Company's shareholders' equity or securities price. 4. The adjustment of treasury stock repurchased lawfully by any company that participates in the merger, demerger, acquisition, or assignment of shares. 	<p>For the Company's participating in the merger, demerger, acquisition, or assignment of shares, the swap ratio or purchase price, except for in the following circumstances, shall not be changed arbitrarily; also, the tolerable changes of the swap ratio or purchase price should be detailed in the merger, demerger, acquisition, or assignment of shares contract:</p> <ol style="list-style-type: none"> 1. Process cash capital increase and issue convertible bonds, stock dividends, bonds with stock option, preferred shares with stock option, stock options certificate, and other equity-type securities. 2. Disposal of major assets that affects the Company's financial operations 3. The occurrence of significant disasters and major changes in technology that affects the Company's shareholders' equity or securities price. 4. The adjustment of treasury stock repurchased lawfully by any company that participates in the merger, demerger, acquisition, or assignment of shares. 	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>5. Changes in the entity or number of companies involved in the merger, demerger, acquisition, or assignment of shares.</p> <p>6. The other conditions for tolerable changes are defined in the contract and have been publicly disclosed.</p> <p>The Company’s agreement of 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>5. Changes in the entity or number of companies involved in the merger, demerger, acquisition, or assignment of shares.</p> <p>6. The other conditions for tolerable changes are defined in the contract and have been publicly disclosed.</p> <p>The agreement for the Company to <u>engage</u> 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><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.</u></p>	
Article 22	<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 <u>Article 30</u> of 	<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 	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>“Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, the parent company shall <u>conduct the announcement for its subsidiaries.</u></p> <p>Under the announcement standards of the subsidiaries, “20% of paid-in capital or 10% of total assets” refers to total assets in the parent company (the Company)’s only <u>or individual financial report in the latest period that are prepared based on the Regulations Governing the Preparation of Financial Reports.</u></p>	<p>Governing the Acquisition and Disposal of Assets by Public Companies”, the parent company <u>(the Company)</u> shall conduct the announcement for its subsidiaries.</p> <p>Under the announcement standards of the subsidiaries, the regulations for paid-in capital or total assets shall <u>refer to the paid-in capital or total assets</u> of the parent company (the Company).</p>	
Article 24	<p>Implementation and amendment</p> <p>The “Procedure for Acquisition or Disposition of Assets” of the Company shall be passed by the Board, forwarded to all Supervisors, and reported to the Shareholders’ Meeting for ratification before coming into force. The same procedure is applicable to any amendment thereto. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to all Supervisors. Besides this, if the Company has established the independent directors, each independent director’s opinions shall be fully taken into account when the “Procedure of Acquisition or Disposal of Assets” are reported to the Board of Directors for discussion, and <u>the opinions of consent or objection and the reasons shall be recorded in the meeting minutes.</u></p>	<p>Implementation and amendment</p> <p>The “Procedure for Acquisition or Disposition of Assets” of the Company shall be passed by the Board, forwarded to all Supervisors, and reported to the Shareholders’ Meeting for ratification before coming into force. The same procedure is applicable to any amendment thereto. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to all Supervisors. Besides, if the Company has established the independent directors, each independent director’s opinions shall be fully taken into account when the “Procedure for Acquisition and Disposal of Assets” are reported to the Board of Directors for discussion. Any objections or <u>qualified</u> opinions expressed by <u>independent directors</u> shall be <u>recorded in the meeting minutes for the Board of Directors.</u></p> <p><u>Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>The terms “all audit committee members” in Paragraph 3 and “all directors” in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	Amendment due to laws and regulations
Article	This Procedure was created on June 25,	This Procedure was created on June 25,	Add the date

Clause	Clauses before the amendment	Clauses after the amendment	Remark
26	2003; the 2 nd amendment was made on June 23, 2006; the 3 rd amendment was made on June 26, 2007; the 4 th amendment was made on June 19, 2009; the 5 th amendment was made on June 27, 2012; the 6 th amendment was made on June 19, 2014 and the 7 th amendment was made on June 22, 2017.	2003; the 2 nd amendment was made on June 23, 2006; the 3 rd amendment was made on June 26, 2007; the 4 th amendment was made on June 19, 2009; the 5 th amendment was made on June 27, 2012; the 6 th amendment was made on June 19, 2014; the 7 th amendment was made on June 22, 2017 and <u>the 8th amendment was made on June 18, 2019.</u>	of this amendment

Soft-World International Corporation

The comparison table of the Operational Procedures for Loaning Funds to Others before and after amendments

Clause	Clauses before the amendment	Clauses after the amendment	Remark
Article 1	The loaning to other parties conducted by the Company shall comply with this Procedure. Unless otherwise provided in the <u>other</u> law and regulations.	The loaning to other parties conducted by the Company shall comply with this Procedure. Unless otherwise provided in the <u>financial related</u> law and regulations.	Amendment due to laws and regulations
Article 2	<p>The counterparty and evaluation standards of the loaning funds to other parties of the Company:</p> <p>1. Restriction of the loaning counterparty</p> <p>(1) Businesses that the Company has business dealing with.</p> <p>(2) A company or firm with the necessity of the short-term financing funds. The financing amount shall not exceed 40% of the net worth of the lending company.</p> <p>The short term stated in the preceding paragraph refers to one year. However, if the business cycle of a company is longer than one year, it shall refer to the cycle of business.</p> <p>The financing amount refers to the accumulated balance of short-term financing funds of the Company.</p> <p>The loaning of funds between the foreign companies who the Company directly and indirectly holds 100% of voting shares shall not apply for the Paragraph 1. However, <u>it shall still comply with the limited amount and terms of loaning of funds stipulated in Article 3 and Article 5.</u></p>	<p>The counterparty and evaluation standards of the loaning funds to other parties of the Company:</p> <p>1. Restriction of the loaning counterparty</p> <p>(1) Businesses that the Company has business dealing with.</p> <p>(2) A company or firm with the necessity of the short-term financing funds. The financing amount shall not exceed 40% of the net worth of the lending company.</p> <p>The short term stated in the preceding paragraph refers to one year. However, if the business cycle of a company is longer than one year, it shall refer to the cycle of business.</p> <p>The financing amount refers to the accumulated balance of short-term financing funds of the Company.</p> <p>The loaning of funds between the foreign companies who the Company directly and indirectly holds 100% of voting shares, <u>or the foreign companies who the Company directly and indirectly holds 100% of voting shares loaning to the Company, shall not apply for Subparagraph 2 of the Paragraph 1. However, it shall set up the sum of loaning and limit of single counterparty, and shall specify the term of loaning of funds.</u></p> <p><u>When the Company's paid-in capital reaches NT\$1 billion or more and has joined the Taipei Leasing Association, and has proclaimed to comply with the voluntary code of practice, and has conducted itself according to the regulations of this procedure, its engagement of the short-term financing funds shall not be applied to the limit of the financing amount stated in Subparagraph 2 of the Paragraph 1. However, the loaning amount shall not</u></p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>2. The evaluation standards and necessity of the funds loaning to other parties.</p> <p>When the engagement in loaning of funds with other companies or firms is derived from the business relationship, the Company shall comply with the regulations stated in the Paragraph 2 of Article 3. The loaning caused by the necessity of short-term financing funds shall be limited to the following situations:</p> <p>(1) A company whose shares are more than 40% held by the Company has the necessity of the short-term financing funds due to business demand.</p> <p>(2) Other parties that are approved by the Board of Directors of the Company.</p>	<p><u>exceed 100% of its net worth.</u> <u>The responsible person of a company who has violated the proviso stipulated in the Paragraph 1 and the preceding paragraphs shall be liable, jointly with the borrower, for the repayment of the loaning and for the company's damage, if any.</u></p> <p>2. The evaluation standards and necessity of the funds loaning to other parties.</p> <p>When the engagement in loaning of funds with other companies or firms is derived from the business relationship, the Company shall comply with the regulations stated in the Paragraph 2 of Article 3. The loaning caused by the necessity of short-term financing funds shall be limited to the following situations:</p> <p>(1) A company whose shares are more than 40% held by the Company has the necessity of the short-term financing funds due to business demand.</p> <p>(2) Other parties that are approved by the Board of Directors of the Company.</p>	
Article 2-1	<p>The subsidiaries and the parent company stated in this Procedure shall be recognized according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>When the financial reports of the public company are prepared in accordance with IFRS, the net worth on <u>this Standard</u> refers to the parent company's equity on balance sheets according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>The public announcement refers to entry into the information announcement website designated by the Financial Supervisory Commission.</p> <p>"Date of occurrence" means the date of <u>transaction</u> contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the transaction counterparty and monetary amount of the <u>transaction</u>, whichever date is earlier.</p>	<p>The subsidiaries and the parent company stated in this Procedure shall be recognized according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>When the financial reports of the public company are prepared in accordance with IFRS, the net worth on <u>this Procedure</u> refers to the parent company's equity on balance sheets according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>The public announcement refers to entry into the information announcement website designated by the Financial Supervisory Commission.</p> <p>"Date of occurrence" means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the transaction counterparty and monetary amount of the transaction, whichever date is earlier.</p>	Amendment due to laws and regulations
Article 4	<p>The procedure of funds loaning processing and its review:</p> <p>1. Review procedures and loan approval:</p> <p>(1) Review and evaluation: For the process of the Company's</p>	<p>The procedure of funds loaning processing and its review:</p> <p>1. Review procedures and loan approval:</p> <p>(1) Review and evaluation: For the process of the Company's</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>loaning of funds, the borrowers shall provide the necessary information and financial information of their company to the Company in writing for the application of the financing facility. When the Company receives the application, its finance department shall investigate and evaluate the counterparties' business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report. The finance department shall conduct a detailed investigation and evaluation for the counterparty of the loaning. The evaluation items shall at least include:</p> <ol style="list-style-type: none"> 1. The necessity of and reasonableness of extending loans to others. <ol style="list-style-type: none"> (1) To measure the necessity of the loaning amount based on the financial position of the counterparty of the loaning. (2) Whether the accumulated amount of loaning is still within the limit. 2. The credit investigation for the loaning's counterparty and the risk assessment. 3. Impact on the company's business operations, financial condition, and shareholders' equity. 4. Whether collateral must be obtained and appraisal of the value thereof. <p>(2) Credit investigation: All the companies or firms that apply for the loan shall have a detailed credit investigation conducted, attaching the record for credit investigation and risk assessment on the loaning's counterparty. And attach funds to the loan and the symbolic letter and risk assessment record.</p> <p>2. Assurance: (1) For the Company's loaning to other parties, if the Board of Directors considers it necessary, the financing counterparty shall provide the collaterals that are equivalent with the amount of financing facility and</p>	<p>loaning of funds, the borrowers shall provide the necessary information and financial information of their company to the Company in writing for the application of the financing facility. When the Company receives the application, its finance department shall investigate and evaluate the counterparties' business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report. The finance department shall conduct a detailed investigation and evaluation for the counterparty of the loaning. The evaluation items shall at least include:</p> <ol style="list-style-type: none"> 1. The necessity of and reasonableness of extending loans to others. <ol style="list-style-type: none"> (1) To measure the necessity of the loaning amount based on the financial position of the counterparty of the loaning. (2) Whether the accumulated amount of loaning is still within the limit. 2. The credit investigation for the loaning's counterparty and the risk assessment. 3. Impact on the company's business operations, financial condition, and shareholders' equity. 4. Whether collateral must be obtained and appraisal of the value thereof. <p>(2) Credit investigation: All the companies or firms that apply for the loan shall have a detailed credit investigation conducted, attaching the record for credit investigation and risk assessment on the loaning's counterparty. And attach funds to the loan and the symbolic letter and risk assessment record.</p> <p>2. Assurance: (1) For the Company's loaning to other parties, if the Board of Directors considers it necessary, the financing counterparty shall provide the collaterals that are equivalent with the amount of financing facility and</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>shall secure the completeness of the rights. For the aforesaid collateral, if a debtor provides the persons or companies who have a certain degree of funds and credit as guarantee to replace the collaterals, the Board of Directors may refer to the finance department's investigated opinions to make a decision. With a company as the guarantee, such company shall set forth the guarantee clauses in the Articles of Incorporation, and the relevant resolutions of meeting minutes shall report to the shareholders meeting.</p> <p>(2) When the Company signs the financing agreement with the counterparty, it shall be conducted by the institution or group's seal registered with the governing authority and its responsible person's seal, and the <u>audit staff</u> shall review the debtor and guarantor's seal and the process of the signature.</p> <p>3. Delegation scope: After the finance department conducts the credit investigation on the Company's loaning, it shall be approved by the presidents and reported to the Board of Directors for resolution. It shall not delegate other persons to make a decision.</p> <p>The loaning between the Company and the subsidiaries, or between the subsidiaries shall be reported to the Board of Directors for resolution according to the regulations of the preceding paragraph. For the same loaning's counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the Board of Directors.</p> <p>For the certain facility stated in the preceding paragraph, in addition to meeting the regulations of Article 2, the authorized facility for the loaning of the Company or the subsidiaries on a single company shall not exceed 10% of the net worth in the latest financial statement.</p>	<p>shall secure the completeness of the rights. For the aforesaid collateral, if a debtor provides the persons or companies who have a certain degree of funds and credit as guarantee to replace the collaterals, the Board of Directors may refer to the finance department's investigated opinions to make a decision. With a company as the guarantee, such company shall set forth the guarantee clauses in the Articles of Incorporation, and the relevant resolutions of meeting minutes shall report to the shareholders meeting.</p> <p>(2) When the Company signs the financing agreement with the counterparty, it shall be conducted by the institution or group's seal registered with the governing authority and the responsible person's seal, as well as review the debtor and guarantor's seals and the process of the signature.</p> <p>3. Delegation scope: After the finance department conducts the credit investigation on the Company's loaning, <u>it shall be carefully assessed whether it meets the regulation of this procedure, combining the assessment result,</u> and shall be reported to the presidents for approval, then reported to the Board of Directors for resolution. It shall not delegate other persons to make the decision.</p> <p>The loaning between the Company and <u>its parent company</u> or its subsidiaries, or between the subsidiaries shall be reported to the Board of Directors for resolution according to the regulations of the preceding paragraph. For the same loaning's counterparty, the chairman may be delegated to remit in multiples or revolving credit within no more than one year and certain facility resolved by the Board of Directors.</p> <p>For the certain facility stated in the preceding paragraph, in addition to meeting the regulations of Article 2, the authorized facility for the loaning of the Company or the subsidiaries on a single company shall not exceed 10% of the net worth in the latest financial statement.</p>	

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p><u>And each independent director's opinions shall be fully taken into account. The consent or the specific opinions of objection and their reasons shall be recorded in the meeting minutes of the Board of Directors.</u></p>	<p><u>If the Company has established the independent directors, the loaning to other parties shall fully take into account each independent director's opinions. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes for the Board of Directors.</u></p>	
Article 7	<p>Internal Control:</p> <ol style="list-style-type: none"> 1. For the loaning events, the Company shall establish a memorandum book to record the detailed information in respect of the loaning's counterparty, amount, the date approved by the Board of Directors, the date remitted and other regulated information that shall be carefully assessed. 2. The Company's internal control staff shall audit the Operational Procedures for Loaning Funds to Others and implementation at least quarterly, and shall record in it writing. If there is any material violation, it shall notify each supervisor in writing immediately. If a material violation has been found, the managers and the persons in charge shall be punished according to the circumstances of violation. 3. When the loaning's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to every supervisor and shall be completed according to the planning schedule. 4. When the Company's managers and persons in charge conduct the loaning to other parties in violation of the <u>"Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies"</u>, such events shall be reported for appraisal regularly according to the "code of practice", and shall be punished based on the circumstances. 	<p>Internal Control:</p> <ol style="list-style-type: none"> 1. For the loaning events, the Company shall establish a memorandum book to record the detailed information in respect of the loaning's counterparty, amount, the date approved by the Board of Directors, the date remitted and other regulated information that shall be carefully assessed. 2. The Company's internal control staff shall audit the Operational Procedures for Loaning Funds to Others and implementation at least quarterly, and shall record it in writing. If there is any material violation, it shall notify each supervisor in writing immediately. <u>The items notified to the supervisors shall be notified to the independent directors in writing as well. If the audit committee has been established, it shall apply the same.</u> If a material violation has been found, the managers and the persons in charge shall be punished according to the circumstances of violation. 3. When the loaning's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to every supervisor and shall be completed according to the planning schedule. 4. When the Company's managers and persons in charge conduct the loaning to other parties in violation of <u>this Procedure</u>, such events shall be reported for appraisal regularly according to the "code of practice", and shall be punished based on the circumstances. 	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
Article 12:	<p>When the Operational Procedures for Loaning Funds to Others is submitted to every supervisor and reported to the shareholders meeting for resolution after the approval of the Board of Directors, the directors' expression of objections recorded or in writing, if any, shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same. Each independent director's opinions shall be fully taken into account when the Operational Procedures for Loaning Funds to Others is reported to the Board of Directors for discussion according to the regulations of the preceding paragraph. The consent or the specific opinions of objection and the reasons shall be recorded in the Board of Directors meeting minutes.</p>	<p>When the Operational Procedures for Loaning Funds to Others is submitted to every supervisor and reported to the shareholders meeting for resolution after the approval of the Board of Directors, the directors' expression of objections recorded or in writing, if any, shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same. When the Operational Procedures for Loaning Funds to Others is reported to the Board of Directors for discussion according to the regulations of the preceding paragraph, each independent director's opinions shall be fully taken into account. <u>Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the Board of Directors. Where an audit committee has been established, the establishment or amendment of this procedure shall be approved by more than one-half of all audit committee members and then submitted to the Board of Directors for a resolution, and shall not apply for the regulations of the first Paragraph. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	Amendment due to laws and regulations
Article 13	<p>This Procedure's 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 26, 2007; the 3rd amendment was made on June 19, 2009; the 4th amendment was made on June 17, 2010; the 5th amendment was made on June 27, 2012; the 6th amendment was made on June 19, 2013 and the 7th amendment was made on June 17, 2015.</p>	<p>This Procedure's 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 26, 2007; the 3rd amendment was made on June 19, 2009, the 4th amendment was made on June 17, 2010, the 5th amendment was made on June 27, 2012; the 6th amendment was made on June 19, 2013; the 7th amendment was made on June 17, 2015 and <u>the 8th amendment was made on June 18, 2019.</u></p>	Add the date of this amendment

Attachment 6

Soft-World International Corporation
The comparison table of the Regulations Governing Making of
Endorsement and Guarantees before and after amendments

Clause	Clauses before the amendment	Clauses after the amendment	Remark
Article 1	The Company's endorsement or guarantee to other parties shall comply with this procedure. Unless otherwise provided in the <u>other</u> law and regulations.	The Company's endorsement or guarantee to other parties shall comply with this procedure. Unless otherwise provided in the <u>financial related</u> law and regulations.	Amendment due to laws and regulations
Article 2	The term "endorsements/guarantees" as used in these Regulations refers to the <u>following</u> : 1. Financing endorsements/guarantees (1) Bill discount financing. (2) Endorsement or guarantee made to meet the financing needs of another company. (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself. 2. Customs duty endorsement/guarantee <u>Meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.</u> 3. Other endorsements/guarantees <u>Meaning endorsements or guarantees beyond the scope of the above two Paragraphs.</u> 4. Where the Company provides movable or immovable property to establish the pledges and mortgages for the purpose of the loan of other companies.	The endorsements and guarantees stated in the procedure refer to the <u>following items</u> : 1. Financing endorsements/guarantees, <u>include</u> : (1) Bill discount financing. (2) Endorsement or guarantee made to meet the financing needs of another company. (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself. 2. Customs duty endorsement/guarantee: Meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters. 3. Other endorsements/guarantees: Meaning endorsements or guarantees beyond the scope of the above two Paragraphs. 4. Where the Company provides movable or immovable property to establish the pledges and mortgages for the purpose of the loan of other companies.	Amendment due to laws and regulations
Article 3:	The counterparty of the endorsements and guarantees: In addition to where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry for the purpose of expanding the business or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding percentages, the counterparty of the endorsements and guarantees shall be limited to the following companies: 1. A company with which it does business. 2. A company in which the public	The counterparty of the endorsements and guarantees: In addition to where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry for the purpose of expanding the business or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding percentages, the counterparty of the endorsements and guarantees shall be limited to the following companies: 1. A company with which it does business. 2. A company in which the public	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>company directly and indirectly holds more than 50% of the voting shares.</p> <p>3. A company that directly and indirectly holds more than 50% of the voting shares in the public company. The companies that the Company directly and indirectly holds more than 90% of voting shares may endorse and guarantee each other, and the amount shall not exceed 10% of the net worth of the Company. However, the endorsements and guarantees between the companies that the Company directly and indirectly holds 100% of voting shares shall not apply for this restriction.</p> <p>Capital contribution referred to in the preceding Paragraph 1 shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.</p>	<p>company directly and indirectly holds more than 50% of the voting shares.</p> <p>3. A company that directly and indirectly holds more than 50% of the voting shares in the public company. The companies that the Company directly and indirectly holds more than 90% of voting shares may endorse and guarantee each other, and the amount shall not exceed 10% of the net worth of the Company. However, the endorsements and guarantees between the companies that the Company directly and indirectly holds 100% of voting shares shall not apply for this restriction.</p> <p><u>Where the company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two Paragraphs.</u></p> <p>Capital contribution referred to in the preceding Paragraph 1 shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.</p>	
Article 3-1:	<p>“Subsidiary” and “parent company” as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. When the financial reports of the public company are prepared in accordance with IFRS, the net worth on this standard refers to the parent company’s equity on balance sheets according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>The term “announce and report” means the process of entering data to the</p>	<p>“Subsidiary” and “parent company” as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the company’s financial reports are prepared according to the International Financial Reporting Standards, “net worth” in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>The term "announce and report" means</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>information reporting website designated by the Financial Supervisory Commission. “Date of occurrence” means the date of <u>transaction</u> contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the <u>transaction</u> counterparty and monetary amount of the <u>transaction</u>, whichever date is earlier.</p>	<p>the process of entering data to the information reporting website designated by the Financial Supervisory Commission. “Date of occurrence” means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the <u>endorsements/guarantees</u> counterparty and monetary amount of the transaction, whichever date is earlier.</p>	
<p>Article 5</p>	<p>Decision and authorization hierarchy</p> <ol style="list-style-type: none"> 1. The endorsements and guarantees matters shall be reported to the Board of Directors for resolution before execution. The Board of Directors may delegate the chairman to decide the execution first when the transaction is within NT\$30 million pursuant to the relevant regulations of the procedure, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting. 2. Where the company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit. 3. The endorsements and guarantees of the subsidiaries whose voting shares are more than 90% held by the Company directly and indirectly shall be reported to the Board of Directors of the Company for resolution before execution pursuant to Paragraph 2 of Article 3. However, the endorsements and guarantees between the companies that the Company directly and indirectly holds 100% of voting shares 	<p>Decision and authorization hierarchy</p> <ol style="list-style-type: none"> 1. The endorsements and guarantees matters shall be reported to the Board of Directors for resolution before execution. The Board of Directors may delegate the chairman to decide the execution first when the transaction is within NT\$30 million pursuant to the relevant regulations of the procedure, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting. 2. Where the company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit. <u>If the Company has established the independent directors, the preceding paragraph's discussion of the Board of Directors shall fully take each independent director's opinions into account. Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the Board of Directors.</u> 3. The endorsements and guarantees of 	<p>Amendment due to laws and regulations</p>

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>shall not apply for this restriction. <u>When the independent directors have been established, each independent director's opinions shall be fully taken into account during the discussion of the Board of Directors. The consent or the specific opinions of objection and the reasons shall be recorded in the meeting minutes of the Board of Directors.</u></p>	<p>the subsidiaries whose voting shares are more than 90% held by the Company directly and indirectly shall be reported to the Board of Directors of the Company for resolution before execution pursuant to Paragraph 2 of Article 3. However, the endorsements and guarantees between the companies that the Company directly and indirectly holds 100% of voting shares shall not apply for this restriction.</p>	
Article 6	<p>The processing procedure of the endorsements and guarantees and its audit:</p> <ol style="list-style-type: none"> 1. When the Company conducts the endorsements and guarantees, the endorsed and guaranteed company shall prepare the application form to the Company's finance department. The finance department shall conduct the credit investigation of the endorsed and guaranteed company, assess the risk and prepare the evaluation record. After passing the investigation, it shall be reported to the presidents and chairman for approval. If necessary, the collateral shall be obtained. 2. The credit investigation and risk evaluation on the endorsed and guaranteed company by the finance department shall include the following items: <ol style="list-style-type: none"> (1) The necessity and reasonableness of the endorsements and guarantees. <ol style="list-style-type: none"> 1. Measurement of the necessity of the endorsement amount based on the financial conditions of the endorsed and guaranteed company. 2. Whether the aggregate amount of the endorsements and guarantees is still within the amount of limit. 3. If the endorsements and guarantees is derived from business relationship, it is necessary to evaluate whether the amount of the endorsements and guarantees and the amount of business transactions are within limit. (2) Credit investigation on the counterparty of endorsements and guarantees and risk evaluation. (3) Impact on the company's business operations, financial condition, and 	<p>The processing procedure of the endorsements and guarantees and its audit:</p> <ol style="list-style-type: none"> 1. When the Company conducts the endorsements and guarantees, the endorsed and guaranteed company shall prepare the application form to the Company's finance department. The finance department shall conduct the credit investigation of the endorsed and guaranteed company, assess the risk and prepare the evaluation record. After passing the investigation, it shall be reported to the presidents and chairman for approval. If necessary, the collateral shall be obtained. 2. The credit investigation and risk evaluation on the endorsed and guaranteed company by the finance department shall include the following items: <ol style="list-style-type: none"> (1) The necessity and reasonableness of the endorsements and guarantees. <ol style="list-style-type: none"> 1. Measurement of the necessity of the endorsement amount based on the financial conditions of the endorsed and guaranteed company. 2. Whether the aggregate amount of the endorsements and guarantees is still within the amount of limit. 3. If the endorsements and guarantees is derived from business relationship, it is necessary to evaluate whether the amount of the endorsements and guarantees and the amount of business transactions are within limit. (2) Credit investigation on the counterparty of endorsements and guarantees and risk evaluation. (3) Impact on the company's business operations, financial condition, and 	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>shareholders' equity. (4) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>3. The Company shall establish a memorandum book to record the detail information in respect of the counterparty of the endorsements and guarantees, amount, the date approved by the Board of Directors or the date decided by the chairman, the date to execute the endorsements and guarantees and other information regulated in the preceding paragraph that shall be carefully assessed.</p> <p>4. The finance department shall assess or recognize the contingent loss of the endorsements and guarantees. The information of the endorsements and guarantees shall be disclosed in the financial report appropriately and the relevant information shall be provided for CPAs to conduct the necessary audit procedure.</p> <p>5. When the counterparty of the endorsements and guarantees is not in conformity with the regulations of this procedure due to the changes in circumstances, or the amount of endorsements and guarantees exceeds the limit due to the changes on the calculation basis, the Company shall eliminate the counterparty's guaranteed amount or exceeding amount at the expired date specified in the contract or make an improvement plan to eliminate it within a certain period. The relevant improvement plan shall be submitted to every supervisor and shall be reported to the Board of Directors.</p>	<p>shareholders' equity. (4) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>3. The Company shall establish a memorandum book to record the detail information in respect of the counterparty of the endorsements and guarantees, amount, the date approved by the Board of Directors or the date decided by the chairman, the date to execute the endorsements and guarantees and other information regulated in the preceding paragraph that shall be carefully assessed.</p> <p>4. The finance department shall assess or recognize the contingent loss of the endorsements and guarantees. The information of the endorsements and guarantees shall be disclosed in the financial report appropriately and the relevant information shall be provided for CPAs to conduct the necessary audit procedure.</p> <p>5. When the counterparty of the endorsements and guarantees is not in conformity with the regulations of this procedure due to the changes in circumstances, or the amount of endorsements and guarantees exceeds the limit due to the changes on the calculation basis, the Company shall eliminate the counterparty's guaranteed amount or exceeding amount at the expired date specified in the contract or make an improvement plan to eliminate it within a certain period. The relevant improvement plan shall be submitted to every supervisor and shall be reported to the Board of Directors.</p> <p><u>If The Company has established the independent directors, the improvement plans that are submitted to the supervisors shall be submitted to the independent directors as well.</u> <u>When the Company has established the audit committee, the regulations for the supervisors shall apply to the audit committee.</u></p>	
Article 8	<p>Internal control</p> <p>I. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall</p>	<p>Internal control</p> <p>1. The Company's internal control staff shall audit the procedure of endorsements and guarantees and its implementation at least quarterly, and shall record it in writing. If there is any material violation, it shall notify each</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	<p>promptly notify all the supervisors in writing of any material violation found.</p> <p>2. The Company's engagement in the endorsements and guarantees shall comply with <u>the regulations</u>. If there is any material violation, the managers and persons in charge shall be punished depending on the circumstances.</p>	<p>supervisor in writing immediately. <u>The items notified to the supervisors shall be notified to the independent directors in writing as well. If the audit committee has been established, it shall apply the same.</u></p> <p>2. The Company's engagement in the endorsements and guarantees shall be conducted in compliance with <u>the procedure</u>. If there is any material violation, the managers and the persons in charge shall be punished depending on the circumstances.</p>	
Article 10	<p>Announcement and reporting procedures: In addition to announcing the previous month's balance of endorsements and guarantees of the Company and the subsidiaries by the 10th day of each month, if the balance of endorsements and guarantees meets one of the following criteria, it shall be announced within 2 days from the date of the fact:</p> <ol style="list-style-type: none"> 1. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement. 2. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches 20% or more of the public company's net worth as stated in its latest financial statement 3. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a <u>long-term nature</u> in, and balance of loans to, such enterprise reaches 30% or more of public company's net worth as stated in its latest financial statement. 4. The amount of new endorsements/guarantees made by the company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the public company's net worth as stated in its latest financial statement. <p>For the subsidiaries who are not the public companies, when the subsidiaries have announcement matters stated in</p>	<p>Announcement and reporting procedures: In addition to announcing the previous month's balance of endorsements and guarantees of the Company and the subsidiaries by the 10th day of each month, if the balance of endorsements and guarantees meets one of the following criteria, it shall be announced within 2 days from the date of the fact:</p> <ol style="list-style-type: none"> 1. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement. 2. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches 20% or more of the public company's net worth as stated in its latest financial statement 3. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>book value of investment accounted for using equity method</u>, and balance of loans to, such enterprise reaches 30% or more of public company's net worth as stated in its latest financial statement. 4. The amount of new endorsements/guarantees made by the company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the public company's net worth as stated in its latest financial statement. <p>For the subsidiaries who are not the public companies, when the subsidiaries have announcement matters stated in</p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
	Subparagraph 4 of the preceding Paragraph, the Company shall conduct the announcement for the subsidiaries.	Subparagraph 4 of the preceding Paragraph, the Company shall conduct the announcement for the subsidiaries.	
Article 11	<p>The control procedure for the endorsements and guarantees of the subsidiaries:</p> <p>When the subsidiaries of the Company intend to provide the endorsement or guarantee to other parties, the Company shall instruct the subsidiaries to establish the procedure of endorsements and guarantees in accordance with the <u>“Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”</u>, and shall comply with the procedure established.</p>	<p>The control procedure for the endorsements and guarantees of the subsidiaries:</p> <p>When the subsidiaries of the Company intend to provide the endorsements or guarantees to other parties, the Company shall instruct the subsidiaries to establish the procedure of endorsements and guarantees in accordance with the regulations and shall comply with the procedure established.</p>	Amendment due to laws and regulations
Article 13	<p>After this Regulation has been approved by the Board of Directors, it shall be submitted to every supervisor and reported to the shareholders meeting for resolution. If a director expresses any objections, recorded or in writing, they shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same.</p> <p>Each independent director’s opinions shall be fully taken into account when the procedure is reported to the Board of Directors for discussion according to the regulations of the preceding paragraph. The consent or the specific opinions of objection <u>and the reasons shall be recorded in the meeting minutes of the Board of Directors.</u></p>	<p>After this Regulation has been approved by the Board of Directors, it shall be submitted to every supervisor and reported to the shareholders meeting for resolution. If a director expresses any objections, recorded or in writing, they shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same.</p> <p>If the Company has established the <u>independent directors</u>, each independent director’s opinions shall be fully taken into account when the procedure is reported to the Board of Directors for discussion according to the regulations in the preceding paragraph. <u>Any objections or qualified opinions expressed by independent directors shall be recorded in the meeting minutes of the Board of Directors.</u></p> <p><u>If the Company does not intend to provide the endorsement or guarantee to other parties, it may be exempted from the establishment of the procedure of the endorsements and guarantees according to the resolution of the Board of Directors. Afterwards, if the Company intends to conduct the endorsements and guarantees, it shall still comply with the regulations stated in the preceding 2 Paragraphs. Where an audit committee has been established, the establishment or amendment of this procedure shall be approved by more than one-half of all audit committee members and then submitted to the Board of Directors for a</u></p>	Amendment due to laws and regulations

Clause	Clauses before the amendment	Clauses after the amendment	Remark
		<u>resolution, and shall not apply for the regulations of the first Paragraph.</u> <u>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</u> <u>The entire body of members of the audit committee herein and the entire body of directors in the preceding paragraph shall be counted by the actual incumbents.</u>	
Article 14	This Regulations' 1 st amendment was made on June 25, 2003; the 2 nd amendment was made on June 23, 2006; the 3 rd amendment was made on June 26, 2007; the 4 th amendment was made on June 19, 2009; the 5 th amendment was made on June 17, 2010; the 6 th amendment was made on June 27, 2012; the 7 th amendment was made on June 19, 2013 and the 8 th amendment was made on June 14, 2018.	This Regulations' 1 st amendment was made on June 25, 2003; the 2 nd amendment was made on June 23, 2006; the 3 rd amendment was made on June 26, 2007; the 4 th amendment was made on June 19, 2009; the 5 th amendment was made on June 17, 2010; the 6 th amendment was made on June 27, 2012; the 7 th amendment was made on June 19, 2013; the 8 th amendment was made on June 14, 2018 and <u>the 9th amendment was made on June 18, 2019.</u>	Add the date of this amendment

Attachment 7

Dismissal of the Directors' Non-Competition Restriction, The content of their competition is as follows:

Director	Adjunct to the company	Job positions	Remarks
Chun-Po Wang	Chinese Gamer International Corporation	Chairman	(Institutional representative of Soft-World International Corporation)
	Game Flier International Corporation	Chairman	(Institutional representative of Soft-World International Corporation)
	Game First International Corporation	Chairman	(Institutional representative of Soft-World International Corporation)
	Dynasty International Information Co., Ltd.	Director	(Institutional representative of Soft-World International Corporation)
	PLAYGAME SDN. BHD	Director	(Institutional representative of GLOBAL CONCEPT CORPORATION)
	Taiwan Taomee Co., Ltd.	Chairman	(Institutional representative of PLAYGAME)
	Soft-World (Hong Kong) International Corporation	Director	(Institutional representative of Soft-World International Corporation)
	Zealot Digital International Corporation	Chairman	(Institutional representative of Soft-World International Corporation)
	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Chairman	(Institutional representative of Soft-World International Corporation)
	Neweb Technologies Co., Ltd.	Chairman	(Institutional representative of Soft-World International Corporation)
	ezPay Co.,Ltd.	Chairman	(Institutional representative of Neweb Technologies Co., Ltd.)
	Neweb Payments Co., Ltd.	Chairman	(Institutional representative of Neweb Technologies Co., Ltd.)
	Compete!Games interactive entertainment corporation	Chairman	(Institutional representative of Game Flier International Corporation)
	Efun International Corporation	Chairman	(Institutional representative of Soft-World International Corporation)
	SOFT-WORLD TECHNOLOGY PTE . LTD	Director	(Institutional representative of Soft-World International Corporation)
	Joy Children Technology Co., Ltd.	Chairman	(Institutional representative of Soft-World International Corporation)
	Mobile Flier International Corporation	Chairman	(Institutional representative of Game Flier International Corporation)
	Zealot Digital Pte. Ltd.	Director	
	Re:Ad Media (Taiwan) Corporation	Chairman	(Institutional representative of Soft-World International Corporation)
	Interactive Entertainment Technology Co.,Ltd	Director	
Interactive Entertainment Technology (Taiwan) Co., Ltd.	Chairman		
Chiung Fen Wang	Athena Best Financial Group	Chairman	
	Taiwan Steel Group Holding Company	Chairman	
	Gloria Material Technology Corp.	Chairman	
	S-TECH CORP.	Chairman	
	Chun Zu Machinery Industry Co., Ltd.	Vice Chairman	
	Kmc (Kuei Meng) International Inc.	Director	
	Taiwan Styrene Monomer Corporation	Director	
	Aeon Motor Co., Ltd.	Independent	

Director	Adjunct to the company	Job positions	Remarks
		director	
	Huang Long Development Co., Ltd.	Independent director	
Ching Jung Chen	Hengshang Construction and Development Enterprise Co., Ltd.	Chairman	
	Dynasty International Information Co., Ltd.	Chairman	
Ming Hao Shih	San Far Property Limited	Director	
Ai Yun Wu	Wayi International Digital Entertainment Co., Ltd.	Director	
Hsuan-Chu Lin	Chinese Gamer International Corporation	Independent director	
	Taiwan Cooperative Bank Co., Ltd.	Independent director	
	Taiwan Cooperative Financial Holding Co., Ltd.	Independent director	

Appendix 1

Articles of Association of Soft-World International Corporation

Chapter 1 General rules

- Article 1: The Company is incorporated according to The Company Act, and is named Soft-World International Corporation
- Article 2: The Company's industry classifications are:
1. F218010 Retail Sale of Computer Software
 2. CC01110 Computers and Computing Peripheral Equipments Manufacturing
 3. F118010 Wholesale of Computer Software
 4. I301010 Software Design Services
 5. F113070 Wholesale of Telecom Instruments.
 6. I301030 Digital Information Supply Services
 7. E701010 Telecommunications Construction.
 8. F401010 International Trade.
 9. J303010 Magazine and Periodical Publication.
 10. I401010 General Advertising Services.
 11. J602010 Agents and Managers for Performing Arts, Entertainers, and Models.
 12. J305010 Audio Tape and Record Publishers.
 13. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
 14. F109070 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
 15. JZ99050 Agency Services.
 16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
 17. G902011 Type II Telecommunications Enterprise.
- 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 Directors.
- Article 5: Deleted.

Chapter 2 Stock shares

- Article 6: The authorized capital of the Company is NT\$2,000 million, divided into 200 million shares with NT\$10 of par value. The total number of shares may be issued in installments. The unissued shares shall authorize the board of directors to resolve for issue according to actual demand.
- The total authorized capital in the first paragraph shall reserve NT\$50 million for the issue of share subscription warrant, bond with attached warrant or preferred stocks with attached warrants, totaling 5 million shares, and NT\$10 per share that may be issued in installments according to the resolution of the board of directors.
- The Company may transfer the shares to employees at a price lower than the average price of the actual buy back shares, or issue the employee stock warrant at an exercise price lower than market. However, it shall be approved by the shareholders meeting that is attended by the shareholders representing more than one-half of the total number of issued shares and be resolved by more than two-thirds of voting rights of the attending shareholders.
- Article 7: The Company issues owner-registered common shares only. Every share certificate

shall be signed or sealed by at least 3 directors and the Company's seal. After legal certification, it shall be issued within the prescribed period and may be integrated to reissue big par value of stocks. After the Company issues shares publicly, it is also exempt from printing stocks.

- 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 Shareholders Meetings

- 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.

- 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 one-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 Supervisors

- Article 13: The Company establishes 5 to 11 directors and 2 to 3 supervisors with the term of 3 years, who can be re-elected. Among the number of the directors in the preceding paragraph, the number of independent directors shall not be less than 2 persons, and shall not be less than one-fifth of the number of the directors. After the Company issues the shares publicly, the shareholding percentage of the entire body of the directors and supervisors shall comply with the regulations of the security management authority.

Elections of the Company's directors and supervisors shall proceed using the cumulative single-registered method. Each share is vested with voting rights equal to the number of directors and supervisors 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 and supervisors.

The entire body of the directors and supervisors shall be elected by the shareholders using the nomination system from the list of nominated candidates.

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 and supervisors 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 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 or the entire body of the supervisors is dismissed, the board of directors shall convene the special shareholders meeting within 30 days for by-election, and the term shall be the remaining term of the current board of directors. After the Company issues the shares publicly, the board of directors shall convene the special shareholders meeting within 60 days for re-election.
- Article 16: Regardless of operating profit or loss, the board of directors may be authorized to determine the remuneration of all directors and supervisors according to the general standard in the same industry.
- Article 17: The supervisors shall perform their duties pursuant to the laws, regulations, Articles of Incorporation and the authority that are delegated by the shareholders meeting.
- Article 17-1: The Company may purchase liability insurance for directors and supervisors in order to reduce the risk that directors and supervisors may be sued by the shareholders or other parties for performing their duties by laws.
- Article 17-2: When the government or institutions are the shareholders of the Company, their representatives shall not be elected or act as the directors and supervisors of the Company at the same time, except with the approval of the governing authority.

Chapter 5 Manager

- Article 18: The Company may set up one general manager, 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 left-listed reports, and they shall be submitted to the supervisors for review before 30 days of the general shareholders meeting, as well as reported to the general shareholders meeting by laws for recognition.
1. Business Report
 2. Financial statements
 3. Proposal for earnings distribution or loss offset
- Article 22: If the Company earns profit in the year, it shall reserve not less than 2% for the compensation of employees and not higher than 2% for the remuneration of the

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

The employees' compensation in the preceding paragraph may be paid by shares or by cash according to the resolution of the board of directors. The counterparty of the distribution may include the subsidiaries' employees who meet the certain conditions.

Article 22-1: The annual earnings concluded by the Company are first subject to taxation and offsetting the accumulated loss, followed by 10% of legal reserve; however, no further provision is needed when legal reserve has accumulated to the same amount as the paid-in capital. Any earnings remaining shall then be subject to provision or reverse of special reserve pursuant to the laws and business demand of the Company. The residual earnings are the distributable earnings in the year, added up undistributed earnings of beginning balance as the accumulated distributable earnings. The board of directors shall provide the proposal of earnings distribution according to this article's dividend policy and report to the shareholders meeting for resolution.

The Company's dividend policy takes into account the future expansion of the operating scale and deep research and development demand, matching up overall environment and industry characteristics, to achieve the target of sustainable business and pursuing shareholders' long-term interests. The shareholders' dividend is allocated from the accumulated distributable earnings which shall not be lower than 15% of the distributable earnings in the year; however, when the accumulated distributable earnings are lower than 25% of paid-in capital, it may not be distributed. The shareholders' dividend and bonus can be distributed by cash or by shares, and the cash dividend shall not be less than 10% of the total dividend.

Chapter 7 Appendix

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; and the 31st amendment was made on June 22, 2017.

Appendix 2

Soft-World International Corporation Rules of Procedure for Shareholder Meetings

- Article 1: The Rules of Procedure for Shareholder 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.
- 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 a Vice Chairman is not appointed or the Vice Chairman is also on leave, 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.
- Article 3: Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed.
- Article 4: The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.
- Article 5: The Company's meeting of shareholders shall be convened by the Board, unless otherwise provided by law. If the meeting of shareholders is convened by the Board, the Chairman of the Board is to chair the meeting. If the Chairman is on leave or is unable to exercise his/her powers for certain reasons, the Vice Chairman is to chair the meeting. If a 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 is to appoint one of the general directors to chair the meeting. If a general director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the Chairman, one of the general directors or directors should be elected among the board members to chair the meeting. If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.
- Article 6: The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.
- Article 7: The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.
- Article 8: Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings.
- The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.
- The Chairman shall call the meeting to order at the meeting time. If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the Chairman may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending shareholders

remaining do not constitute more than one third of the total number of shares issued after the two postponements, the Chairman may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the Chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 9: If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board; also, the meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

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

Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the Chairman. However, the Chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.

The Chairman may reply to the speaking shareholders personally or by the designated personnel.

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

For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding 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 shares without votes referred to above are not included in the calculation of the attending shareholders' votes.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

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

Voting rights can be exercised in writing or through the electronic method. Instructions for exercising voting rights in writing or through the electronic form must be clearly stated on the shareholders meeting advice. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, with respect to motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. 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 alternative for the same motion, the Chairman shall have the order of vote, including the original proposal, determined accordingly.

Chairman is to appoint the scrutineers and counting officers who must be shareholders.

The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record.

Article 13: If directors or supervisors 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 supervisors and the number of votes received.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 14: Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.

The Company's minutes of shareholders' meeting referred to above can be distributed by posting it on the MOPS.

The minutes of meeting should be prepared in accordance with the year, month, date, place, name of the Chairman, the resolution method, meeting procedure and the results, and shall be permanently reserved throughout the duration of the Company.

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

The Chairman may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the Chairman may stop shareholders who do not use the speaking device provided by the Company from speaking.

The Chairman may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the Chairman, intervene in the meeting proceedings and fail to comply

with the disciplinary act escrowed to leave the meeting place.

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

Appendix 3

Soft-World International Corporation Procedures for 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: Applicable 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 estate (including land, building, investment properties, land use rights, and construction inventory) and equipment.
 3. Membership card
 4. Intangible assets: include patents, copyrights, trademarks, licenses and other intangible assets.
 5. Claims (including receivables, foreign exchange purchase discount and loans, and delinquent loans) of financial institutions
 6. Derivatives
 7. The assets acquired or disposed of by legal merger, demerger, acquisition or transfer of shares
 8. Other important assets
- Article 3: Terms and Definitions
1. Derivatives: refers to the forward contracts, options contracts, futures contracts, leveraged margin contracts, swaps contracts, and the compound contracts of the instruments referred to above with the values derived from assets, interest rate, exchange rate, index, or other interests. 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 Paragraph 6, Article 156 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 or equipment.
 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. For investments that are subject to the approval of the competent authorities, one of the dates of event referred to above or the date of approval by the competent authorities whichever is earlier or sooner shall prevail.

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. The alleged "within one year" meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA's opinions acquired in accordance with the procedures.
8. 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.

Article 4: The Company's acquisition or disposal of the assets shall be conducted in accordance with this standard. Unless otherwise provided in the other 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 under the Regulations, 10% 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, or equipment, 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 government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment.

1. When the particular price, specific price, or special price is applied as a reference for determining the transaction price due to special reasons, the transactions should be resolved by the Board of Directors in advance, so do the changes in trading conditions.
2. Transactions amounting to NT\$1 billion or more should have two or more professional appraisers invited to appraise.
3. If the professional appraiser's appraisal results fall in one of the following circumstances, unless the valuation of the asset acquired is higher than the transaction amount or when the valuation of the asset disposed is lower than the transaction amount, a CPA should be contracted to have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 of the ROC Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) with an opinion issued on the reasons for the difference and the adequacy 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. The difference between the reporting date of the professional appraiser and the contract date may not be more than three months. However, if it is subject to the announced present value of the same period and that is not more than six months away, an opinion can be issued by the original 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. The Company has acquired or disposed of property or assets other than property from or to the related parties for an amount exceeding 20% of the paid-in capital, 10% of the total assets or NT\$300 million. This shall not apply to trading of government bonds or securities under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Handling merger, demerger, acquisition or transfer of shares;
3. Derivative trading losses amounting to the total contract loss limit or individual contract loss limit defined in the handling procedures.
4. Acquisition or disposal of operational equipment, where the counterparty is not a related party and the transaction amount meets any of the following requirements:
 - (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.
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 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% or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:
 - (1) Bond trade
 - (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the primary market, 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 transaction amount referred to above is calculated in accordance with the following methods:

1. The amount of each 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 amount of the property acquired or disposed (amount accumulated separately) of the same underlying development project within one year;
4. The cumulative amount of the same marketable securities acquired or disposed of (amount accumulated separately) within one year;

“Within the previous year” as claimed in the preceding paragraph refers to the one year before the date of acquisition. The part disclosed according to these Procedures will be exempted.

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 FSC by the 10th day of each month.

When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and reported again within 2 days from the date of learning of the discrepancy.

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. The originally signed trade contract is modified, terminated, or revoked.
2. Merger, demerger, acquisition, or assignment of shares is not completed in accordance with the deadline stated in the contract signed.
3. Changes are made to the original announcement and report.

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% 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 Paragraph 2, Article 9 herein.

The legal form and the real relationship should be considered in determining whether the counterparty is a related party.

Article 12: In the acquisition or disposition of property 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 Supervisors before entering into agreement on the transactions and effecting payment except for the trading of 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 expected benefits of the acquisition or disposal of assets
2. Reason for choosing the concerned party as trading counterpart
3. With respect to the acquisition of real property thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with of this Article 13.
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. Expected monthly cash income and expense statement within one year from the contracted month, and assessing the necessity of the transactions and the reasonableness of the funds application
6. Obtain an appraisal report issued by a professional appraiser in accordance with the provisions referred to above or a CPA's opinion.
7. Restrictive conditions and other important stipulations of the transaction

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9, herein, 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 approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.

When the Company acquires or disposes the equipment for business use with its parent company or subsidiaries, 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.

Where the position of independent director has been created in accordance with the provisions of the Act, 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.

Where an audit committee has been established in accordance with the provisions of the Act, the matters for which Paragraph 1 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application Paragraphs 4 and 5, Article 6, of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

Article 13: Evaluation on reasonable cost of transactions

1. The Company should assess the reasonableness of the transaction costs for the acquisition of real property from the related party in accordance with the following methods:
 - (1) Based on the transactions price of the related party plus the necessary funds interest cost and buyer's cost by law. The so-called necessary capital interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets are acquired by the Company; however, it may not be higher than the non-financial industry maximum loan interest rate as announced by the Ministry of Finance.
 - (2) If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. However, the actual accumulated lending value of the subject matter granted by the financial institutions should reach over 70% of the assessed gross lending value for a lending period over one year. However, it is not applicable if the financial institution and the counterparty are related to one another.

The transaction cost of the same underlying land and building purchased can be assessed in accordance with any of the cost methods listed in the preceding paragraph.

When acquiring real property 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.

2. When the results of the company's appraisal conducted in accordance with to Subparagraphs (1) and (2), Paragraph 1 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 14. As a result, due to the following circumstances and with the objective evidence presented and an appraisal report collected from the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:
 - (1) Related party that has obtained prime land or rental land for construction must submit the proof of complying with the following conditions:
 1. The prime land is assessed in accordance with the methods referred to above. House is assessed in accordance with the sum of the construction costs and a reasonable profit exceeding the actual transaction price. The term "reasonable construction profit" is based on the average gross profit rate in the last three years of the related party's construction department or the latest gross profit rate of the construction industry announced by the Ministry of Finance whichever is lower.
 2. The successful trade of other floors of the same underlying house and land or the successful trade of the unrelated party in the neighborhood within one year with the similar floor area; also, the trade conditions are assessed to be equivalent in accordance with the reasonable floors or regional spread in general practice of real estate trade.
 3. The lease of other floors of the same underlying house and land or the lease of the unrelated party within one year are assessed to be equivalent in accordance with the reasonable floors or spread in general practice of real estate lease.
 - (2) The Company evidences that the trade terms of acquiring the real estate from the related parties are similar to the successful trade of the unrelated

party in the neighborhood within one year with the similar floor area. Successful trade 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 successful trade 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.

3. The Company that acquires real estate 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 Paragraph 1 of this Article:
 - (1) The related party acquired the real property thereof through inheritance or as a gift.
 - (2) Related party's contracting for the acquisition of real estate 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.

Article 14: Where the company acquires real property 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 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. Supervisors shall comply with Article 218 of the Company Act.
3. The process in Subparagraph 1 and Subparagraph 2 should be reported in the shareholders' meeting; also, the detailed transaction contents should be disclosed in the annual report and 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 at a premium, or they have been disposed of, 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 FSC has given its consent.

The acquisition of real estate by the Company from the related party that is evidenced not in compliance with general business practices should be handled in accordance with the two Paragraphs referred to above.

Article 15: The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company's most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NT\$300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. The CPA that needs to adopt

the report of an expert shall have it processed in accordance with the Statement of Auditing Standards (SAS) No. 20 published by the Accounting Research and Development Foundation. However, exceptions are made if the marketable securities are with a quote in an active market or it is otherwise regulated by the Financial Supervisory Commission (FSC).

Article 16: In the event that the transaction amount for acquiring or disposing of intangible assets or memberships reaches twenty percent (20%) of paid-in capital or NT\$300 million or more, except for transactions with a government agency, the Company shall engage a certified public accountant prior to the date of event occurrence to render an opinion on the fairness of the transaction price. The certified public accountant shall render such an opinion in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 17: With respect to valuation reports obtained and opinions issued by certified public accountants, lawyers or securities underwriters, the professional valuers, certified public accountants, lawyers, or securities underwriters shall not be related to transaction counterparties in any way.

Article 18: When the Company is engaged in derivatives trading, it shall comply with the "Procedure for Derivatives Trading" of the Company and pay attention to the risk management and the audit matters. It shall be subsequently reported to the next Board of Directors meeting in order to fulfill the internal control system.

Article 19: For the process of corporate merger, demerger, acquisition, or assignment of shares, the Company should have a CPA, lawyer, or securities underwriter invited to comment on the reasonableness of the exchange ratio, acquisition price, cash distributed to the shareholders, and the other assets and then presented in the board meeting for resolutions.

For mergers between the public company and wholly-owned subsidiaries directly or indirectly, or for mergers between wholly-owned subsidiaries directly or indirectly, it is not necessary to obtain a reasonable opinion from the aforementioned experts.

A public document to shareholders detailing important contractual content and matters relevant to the merger, demerger or acquisition shall be prepared prior to the shareholders' meeting and be included along with the expert opinion under the previous paragraph and notice of the shareholders' meeting for reference in deciding whether to approve the merger, demerger or acquisition. However, the corporate merger, demerger, or acquisition that does not have to be resolved in the shareholders' meeting according to other governing regulations is not subject to the requirement.

If any participant of the business merger, divestment, or takeover is unable to convene a shareholder meeting, produce a resolution, or if the motion is voted down by shareholders due to insufficient attendants, minimum votes, or other legal restrictions, then the participants of the business merger, divestment, or acquisition shall immediately announce to the public the causes of the discontinuance, their follow-up actions, and the estimated date of the next shareholder meeting.

Article 20: For participating in the merger, demerger, or acquisition of a company by the 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, demerger, 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.

For the merger, demerger, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the following information should be composed in writing and reserved for five years for inspection:

1. Personnel information: including the title, name, and identity card number (or passport number for foreigners) of the personnel involved in a merger, demerger, acquisition, or assignment of shares, or, the plan executor.
2. Date of significant events: including the date of signing a letter of intent or memorandum, commissioning a financial or legal adviser, signing a contract, and convening a board meeting.
3. Important documents and minutes of meeting: including the documents of the merger, demerger, acquisition, or assignment of shares plans, letters of intent or memorandum, important contracts, minutes of board meeting.

For the merger, demerger, acquisition, or assignment of shares of a listed company or the company with stock traded at the securities business premise, the Company should have the information stated in Subparagraph 1 and Subparagraph 2 in the Paragraph referred to above reported on-line to the FSC for records in the designated format within 2 days after the resolution reached by the Board of Directors.

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 in Paragraph 3 and Paragraph 4.

Article 21: For the Company's participating in the merger, demerger, acquisition, or assignment of shares, the swap ratio or purchase price, except for in the following circumstances, shall not be changed arbitrarily; also, the tolerable changes of the swap ratio or purchase price should be detailed in the merger, demerger, acquisition, or assignment of shares contract:

1. Process cash capital increase and issue convertible bonds, stock dividends, bonds with stock option, preferred shares with stock option, stock options certificate, and other equity-type securities.
2. Disposal of major assets that affects the Company's financial operations
3. The occurrence of significant disasters and major changes in technology that affects the Company's shareholders' equity or securities price.
4. The adjustment of treasury stock repurchased lawfully by any company that participates in the merger, demerger, acquisition, or assignment of shares.
5. Changes in the entity or number of companies involved in the merger, demerger, acquisition, or assignment of shares.
6. The other conditions for tolerable changes are defined in the contract and have been publicly disclosed.

The Company's agreement of 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.

- 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 Article 30 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the parent company shall conduct the announcement for its subsidiaries.

Under the announcement standards of the subsidiaries, "20% of paid-in capital or 10% of total assets" refers to total assets in the parent company (the Company)'s only or individual financial report in the latest period that are prepared based on the Regulations Governing the Preparation of Financial Reports.

Article 23: Penalty

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 Amendment

The "Procedure for Acquisition or Disposition of Assets" of the Company shall be passed by the Board, forwarded to all Supervisors, and reported to the Shareholders' Meeting for ratification before coming into force. The same procedure is applicable to any amendment thereto. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to all Supervisors. Besides, if the Company has established the independent directors, each independent director's opinions shall be fully taken into account when the "Procedure of Acquisition or Disposal of Assets" are reported to the Board of Directors for discussion, and the opinions of consent or objection and the reasons shall be recorded in the meeting minutes.

Article 25: Appendix

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

Article 26: This Procedure was created 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 and the 7th amendment was made on June 22, 2017.

Appendix 4

Soft-World International Corporation

Operational Procedures for Loaning Funds to Others

I. Subject:

Article 1: The Company's loaning to other parties shall comply with the procedure. Unless otherwise provided in the other law and regulations.

II. Content:

Article 2: The counterparty of the loaning to other parties and its evaluation standards:

1. Restriction of the loaning counterparty

(1) Businesses that the Company has business dealing with.

(2) A company or firm with the necessity of the short-term financing funds. The financing amount shall not exceed 40% of the net worth of the lending company.

The short term stated in the preceding paragraph refers to one year. However, if the business cycle of a company is longer than one year, it shall refer to the cycle of business.

The financing amount refers to the accumulated balance of short-term financing funds of the Company.

The loaning of funds between the foreign companies who the Company directly and indirectly holds 100% of voting shares shall not apply for the Paragraph 1. However, it shall still comply with the limited amount and terms of loaning of funds stipulated in Article 3 and Article 5.

2. The evaluation standards and necessity of the funds loaning to other parties.

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

(1) A company whose shares are more than 40% held by the Company has the necessity of the short-term financing funds due to business demand.

(2) Other parties that are approved by the Board of Directors of the Company.

Article 2-1: The subsidiaries and the parent company stated in the procedure shall be recognized according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

When the financial reports of the public company are prepared in accordance with IFRS, the net worth on this Standard refers to the parent company's equity on balance sheets according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

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

date is earlier.

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

1. The sum of the Company's loaning shall not exceed 50% of the net worth of the Company; however, the sum of the loaning between companies or firms caused by the necessity of short-term financing shall not exceed 40% of the net worth of the Company.
2. For the loaning to a company or firm who has a business relationship with the Company, the individual loaning amount shall not exceed both parties' transaction amount. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.
3. For a company or firm with the necessity of the short-term financing fund, the individual loaning amount shall not exceed 15% of the net worth of the Company.

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

1. Review procedures and loan approval:

(1) Review and evaluation:

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

When the Company receives the application, its finance department shall investigate and evaluate the counterparties' business, financial position, solvency, credit, profitability and the purpose of loan, and prepare the report.

The finance department shall conduct a detailed investigation and evaluation for the counterparty of the loaning. The evaluation items shall at least include:

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

(2) Credit investigation:

All the companies or firms that apply for the loan shall have a detailed credit investigation conducted, attaching the record for credit investigation and risk assessment on the loaning's counterparty. And attach funds to the loan and the symbolic letter and risk assessment record.

2. Assurance:

(1) For the Company's loaning to other parties, if the Board of Directors consider it necessary, the financing counterparty shall provide the collaterals that are equivalent with the amount of financing facility and shall secure the completeness of the rights. For the aforesaid collateral, if a debtor provides the persons or companies who have a

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

- (2) When the Company signs the financing agreement with the counterparty, it shall be conducted by the institution or group's seal registered with the governing authority and its responsible person's seal, and the audit staff shall review the counterparty and guarantor's seal and the process of the signature.

3. Delegation scope:

After the finance department conducts the credit investigation on the Company's loaning, it shall be approved by the presidents and reported to the Board of Directors for resolution. It shall not delegate other persons to make a decision.

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

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

And each independent director's opinions shall be fully taken into account. The consent or the specific opinions of objection and their reasons shall be recorded in the meeting minutes of the Board of Directors.

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

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

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

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

1. After the amount of the loaning is remitted, the debtors and guarantors' financial, business and related credit status shall always be paid attention to. If there is collateral, the changes in the collateral's value shall also be paid attention to. In the event of significant changes, the chairman shall be notified immediately, and they shall be treated appropriately according to instruction.
2. When the debtor repays the loan at the expiration of loan or before expiration, the payable interest shall be calculated first. After payable

interest and principal are paid, the notes can be cancelled and returned to the debtor or process the cancellation of mortgage.

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

Article 7: Internal Control:

1. For the loaning, the Company shall establish a memorandum book to record the detail information in respect of the loaning's counterparty, amount, the date approved by the Board of Directors, the date remitted and other regulated information that shall be carefully assessed.
2. The Company's internal control staff shall audit the Operational Procedures for Loaning Funds to Others and implementation at least quarterly, and shall record in it writing. If there is any material violation, it shall notify each supervisor in writing immediately. If a material violation has been found, the managers and the persons in charge shall be punished according to the circumstances of violation.
3. When the loaning's counterparty is not in conformity with the regulations of this procedure or exceeds the limit due to the changes in circumstances, the Company shall make an improvement plan. The relevant improvement plan shall be sent to every supervisor and shall be completed according to the planning schedule.
4. When the Company's managers and persons in charge conduct the loaning to other parties in violation of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", such events shall be reported for appraisal regularly according to the "code of practice", and shall be punished based on the circumstances.

Article 8: Announcement and reporting procedures:

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

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

III. Other matters

Article 9: When the subsidiaries of the Company intend to provide the loaning to other parties, the Company shall instruct the subsidiaries to establish the

Operational Procedures for Loaning Funds to Others in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, and shall conduct itself according to the procedure.

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

Article 11: The matters that are not covered in the procedure shall be conducted in accordance with the applicable laws and the related articles of the Company.

IV. Effectiveness and amendment:

Article 12: The Operational Procedures for Loaning Funds to Others shall be submitted to every supervisor and reported to the shareholders meeting for resolution after the approval of the Board of Directors. The directors’ expression of objections recorded or in writing, if any, shall also be submitted to every supervisor and reported to the shareholders meeting for discussion. The amendment shall apply the same.

Each independent director’s opinions shall be fully taken into account when the Operational Procedures for Loaning Funds to Others is reported to the Board of Directors for discussion according to the regulations of the preceding paragraph. The consent or the specific opinions of objection and the reasons shall be recorded in the Board of Directors meeting minutes.

Article 13: This Procedure’s 1st amendment was made on June 25, 2003; the 2nd amendment was made on June 26, 2007; the 3rd amendment was made on June 19, 2009; the 4th amendment was made on June 17, 2010; the 5th amendment was made on June 27, 2012; the 6th amendment was made on June 19, 2013 and the 7th amendment was made on June 17, 2015.

Soft-World International Corporation

Regulations Governing Making of Endorsement and Guarantees

Article 1: The Company's endorsement or guarantee to other parties shall comply with this procedure. Unless otherwise provided in the other law and regulations.

Article 2: The term "endorsements/guarantees" as used in these Regulations refers to the following,

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

Article 3: Counterparty of endorsements and guarantees:
In addition to where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry for the purpose of expanding the business or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding percentages, the counterparty of the endorsements and guarantees shall be limited to the following companies:

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

The companies that the Company directly and indirectly holds more than 90% of voting shares may endorse and guarantee each other, and the amount shall not exceed 10% of the net worth of the Company. However, the endorsements and guarantees between the companies that the Company directly and indirectly holds 100% of voting shares shall not apply for this restriction.

Capital contribution referred to in the preceding Paragraph 1 shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Article 3-1: The subsidiaries and the parent company stated in the procedure shall be recognized according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. When the financial reports of the public company are prepared in accordance with IFRS, the net worth on this standard refers to the parent company's equity on balance sheets according to the Regulations Governing the Preparation of

Financial Reports by Securities Issuers.

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

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

Article 4: The limited amount for the endorsements and guarantees

1. The sum of external endorsements and guarantees by the Company shall not exceed 50% (50% excluded) of the current net worth.

2. The endorsements and guarantees on a single company shall not exceed 20% of the current net worth.

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

3. If the endorsements and guarantees are derived from business relationship, except for the aforesaid limit, the individual amount of the endorsements and guarantees shall not exceed the business transactions amounts. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.

4. The sum of the entirety of endorsements and guarantees for the Company and its subsidiaries shall not exceed 50% (50% excluded) of the current net worth of the Company, and the endorsements and guarantees on a single company shall not exceed 30% of the current net worth of the Company. If the sum of the entirety of endorsements and guarantees for the Company and its subsidiaries reaches 50% or more of the net worth of the Company, the necessity and reasonableness shall be explained in the shareholders meeting.

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

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

Article 5: Decision and authorization hierarchy

1. The endorsements and guarantees matters shall be reported to the Board of Directors for resolution before execution. The Board of Directors may delegate the chairman to decide the execution first when the transaction is within NT\$30 million pursuant to the relevant regulations of the procedure, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

2. Where the company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors

for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

3. The endorsements and guarantees of the subsidiaries whose voting shares are more than 90% held by the Company directly and indirectly shall be reported to the Board of Directors of the Company for resolution before execution pursuant to Paragraph 2 of Article 3. However, the endorsements and guarantees between the companies that the Company directly and indirectly holds 100% of voting shares shall not apply for this restriction.

When the independent directors have been established, each independent director's opinions shall be fully taken into account during the discussion of the Board of Directors. The consent or the specific opinions of objection and the reasons shall be recorded in the meeting minutes of the Board of Directors.

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

1. When the Company conducts the endorsements and guarantees, the endorsed and guaranteed company shall prepare the application form to the Company's finance department. The finance department shall conduct the credit investigation of the endorsed and guaranteed company, assess the risk and prepare the evaluation record. After passing the investigation, it shall be reported to the presidents and chairman for approval. If necessary, the collateral shall be obtained.
2. The credit investigation and risk evaluation on the endorsed and guaranteed company by the finance department shall include the following items:
 - (1) The necessity and reasonableness of the endorsements and guarantees.
 1. Measurement of the necessity of the endorsement amount based on the financial conditions of the endorsed and guaranteed company.
 2. Whether the aggregate amount of the endorsements and guarantees is still within the amount of limit.
 3. If the endorsements and guarantees is derived from business relationship, it is necessary to evaluate whether the amount of the endorsements and guarantees and the amount of business transactions are within limit.
 - (2) Credit investigation on the counterparty of endorsements and guarantees and risk evaluation.
 - (3) Impact on the company's business operations, financial condition, and shareholders' equity.
 - (4) Whether collateral must be obtained and appraisal of the value thereof.
3. The Company shall establish a memorandum book to record the detail information in respect of the counterparty of the endorsements and guarantees, amount, the date approved by the Board of Directors or the date decided by the chairman, the date to execute the endorsements and guarantees and other information regulated in the preceding paragraph that shall be carefully assessed.
4. The finance department shall assess or recognize the contingent loss of the endorsements and guarantees. The information of the endorsements and guarantees shall be disclosed in the financial report appropriately and the relevant information shall be provided for CPAs to conduct the necessary audit procedure.

5. When the counterparty of the endorsements and guarantees is not in conformity with the regulations of this procedure due to the changes in circumstances, or the amount of endorsements and guarantees exceeds the limit due to the changes on the calculation basis, the Company shall eliminate the counterparty's guaranteed amount or exceeding amount at the expired date specified in the contract or make an improvement plan to eliminate it within a certain period. The relevant improvement plan shall be submitted to every supervisor and shall be reported to the Board of Directors.

Article 7: Cancellation of endorsements and guarantees:

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

Article 8: Internal Control

1. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.
2. The Company's engagement in the endorsements and guarantees shall comply with the regulations. If there is any material violation, the managers and persons in charge shall be punished depending on the circumstances.

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

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

Article 10: Announcement and reporting procedures:

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

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

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

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

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

Article 11: The control procedure for the endorsements and guarantees of the subsidiaries:
When the subsidiaries of the Company intend to provide the endorsement or guarantee to other parties, the Company shall instruct the subsidiaries to establish the procedure of endorsements and guarantees in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" by Securities and Futures Bureau, and shall comply with the procedure established.

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

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

Each independent director's opinions shall be fully taken into account when the procedure is reported to the Board of Directors for discussion according to the regulations of the preceding paragraph. The consent or the specific opinions of objection and the reasons shall be recorded in the meeting minutes of the Board of Directors.

Article 14: 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 17, 2010; the 6th amendment was made on June 27, 2012; the 7th amendment was made on June 19, 2013 and the 8th amendment was made on June 14, 2018.

Appendix 6

Number of shares held by entire body of directors and supervisor recorded in the shareholders' register on April 20, 2019.

Record date: April 20, 2019

Title	Name	Number of shares held on the date for suspension of share transfer	
		Quantity	Ratio of Shareholding
Chairman	WANG,CHIN-PO	21,594,350	16.94%
Director	WANG, CHIUNG-FEN	0	0
Director	CHEN, CHING-JUNG	0	0
Director	SHIH, MING-HAO	11,110	0.01%
Director	WU,AI-YUN	0	0
Independent director	LI, MING-HSIEN	0	0
Independent director	LIN, HSUAN-CHU	0	0
Total		21,605,460	16.95%
Supervisor	CHIEN, CHIN-CHENG	0	0
Supervisor	CHANG, HUNG-YUAN	0	0
Total		0	0%

The number of shares issued by the Company is 127,474,332 shares as of April 20, 2019.

The minimum legal number of shares held by the entire body of directors is 8,000,000 shares.

The minimum legal number of shares held by the entire body of supervisors is 800,000 shares.

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.