

NORTH-STAR

INTERNATIONAL CO., LTD

Regular Meeting of Shareholders 2022

Agenda Handbook

Date: June 23, 2022

Location: No. 118, Jinding Road, Sanmin District, Kaohsiung City (conference room on 3F, Jin Shi Hu Hotel)

Mode of meeting: On-site

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NORTH-STAR INTERNATIONAL CO., LTD

Procedure for the Regular Meeting of Shareholders 2022

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Management Presentation
- IV. Proposals
- V. Discussions
- VI. Elections
- VII. Other Matters
- VIII. Extempore Motions
- IX. Adjournment

NORTH-STAR INTERNATIONAL CO., LTD

Regular Meeting of Shareholders 2022 Agenda

Mode of meeting: On-site

Date: 10 a.m. on June 23, 2022 (Thursday)

Location: No. 118, Jinding Road, Sanmin District, Kaohsiung City (conference room on 3F, Jin Shi Hu Hotel)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

1. Business report 2021
2. Supervisors' review report 2021
3. Distribution of employees' compensation and remuneration of directors and supervisors 2021
4. Issuance of the 5th secured convertible bonds and the 6th unsecured convertible bonds (domestically)
5. Issuance of the 1st corporate bonds in 2022 (domestically)
6. Change in the accounting policy to the weighted average cost method of inventory valuation
7. Amendments to the Company's internal policies:
 - (1) Amendment to the "Code of Ethics and Conduct for Employees"
 - (2) Amendment to the "Code of Ethics and Conduct for Directors, Supervisors, and Managerial Officers" (new name: Code of Ethics and Conduct for Directors and Managerial Officers)

IV. Proposals

1. Business report, parent company only financial statements, and

consolidated financial statements 2021

2. Distribution of earnings 2021

V. Discussions

1. Issuance of new shares for capital increase from capital surplus

2. Amendment to the “Articles of Incorporation”

3. Amendment to the “Procedures for the Provision of Endorsements/Guarantees”

4. Amendment to the “Regulations for the Election of Directors and Supervisors” (new name: “Regulations for the Election of Directors”)

5. Amendment to the “Rules of Procedure for Shareholders’ Meetings”

6. Amendment to the “Regulations for the Acquisition or Disposal of Assets”

7. Abolishment of the “Rules Governing the Scope of Powers of Supervisors”

VI. Elections

Election of Directors (Including Independent Directors)

VII. Other Matters

Release of non-compete restrictions on newly elect directors and their representatives

VIII. Extempore Motions

IX. Adjournment

I. Management Presentation

Presentation 1

Subject: Business report 2021

Description: The business report 2021 is as follows:

NORTH-STAR INTERNATIONAL CO., LTD Business Report 2021

I. Operating Results 2021

1. Implementation of business plan

(1) Revenue

The Company reported operating revenue of NT\$5,531,032 thousand in 2021, an increase of NT\$1,119,439 thousand, or 25.37%, from NT\$4,411,593 thousand in 2020 mainly due to the higher prices of oil products. As of the end of 2021, the Company had a total of 61 operations.

(2) Sales

The sales of oil products over the past years are as follows:

Unit: NT\$1,000; %

Product Year	92	95	98	Premium Diesel	Others	Total
	Unleaded Gas	Unleaded Gas	Unleaded Gas			
2021	685,651	3,155,775	332,218	1,179,853	177,535	5,531,032
2020	568,003	2,620,025	268,389	797,461	157,715	4,411,593
Increase/Decrease	117,648	535,750	63,829	382,392	19,820	1,119,439
Change (%)	20.71%	20.44%	23.78%	47.95%	12.56%	25.37%

2. Budget implementation

According to the “Regulations Governing the Publication of Financial Forecasts of

Public Companies,” the Company was not required to prepare financial forecasts for 2021.

3. Analysis of receipts, expenditures, and profitability

(1) Receipts and expenditures

Unit: NT\$1,000

Item	2021	2020
Operating revenue	5,531,032	4,411,593
Operating profit	808,889	753,440
Net income	136,263	114,666

(2) Profitability

Item	2021	2020	
Return on assets (%)	2.41	2.57	
Return on equity (%)	4.75	5.39	
Percentage of paid-in capital (%)	Operating profit	2.76	5.75
	Income before tax	6.84	7.52
Profit margin (%)	2.53	2.73	
Earnings per share (NT\$)	0.69	0.63	

4. Research and development work

The Company mainly engages in the purchase and sale of products and does not invest in research and development. Over the years, the Company has trained employees for oil products, refueling equipment, and the spirit of service, so as to cultivate their excellent attitude and quality at work. Keeping this spirit in mind, the Company will continue to serve customers and achieve better results.

II. Summary of Business Plan for 2022

1. Business policy
 - (1) Enhance enterprise value and maximize the happiness and interests of customers, shareholders, and employees.
 - (2) Comply with laws and regulations, protect the environment, and fulfill corporate social responsibility.
 - (3) Offer quality services.

2. Sales volume forecast and its basis

The Company prepares sales volume forecasts based on the changes in and developments of the overall external environment. The Company then sets annual operating goals according to the sales volume forecasts, past operating results, and current and future development trends. However, the Company does not disclose the financial forecasts for 2022, so no sales volume forecast is disclosed.

3. Important production and sales policies

- (1) Add self-service to gas stations in response to an increase in labor costs and the uncertainty of personnel recruitment.
- (2) Replace business locations for better operating results.
- (3) Develop top customers for long-term partnership to secure operating revenue.
- (4) Strengthen member management, improve customer loyalty, and enable the steady growth of oil volume.
- (5) Promote asset revitalization and boost profits through diversification and cross-industry alliance.
- (6) Diversify business activities.
- (7) Improve the capability of preventing and controlling pollution.

III. Future Development Strategy

1. Improve business performances

Develop profitable sites, promote horizontal alliances at gas stations, and optimize car wash service.

2. Strengthen information platforms

- (1) Promote cross-industry marketing through the membership card platform to expand the scope of brick-and-mortar outlets.

- (2) Integrate internal information platforms, build an ERP system, strengthen information integration and sharing, and streamline operating procedures.

3. Continue the investment in photovoltaic industries such as solar energy and energy storage and forge alliances.

4. Provides electric vehicle charging service in line with the government's green energy policy.

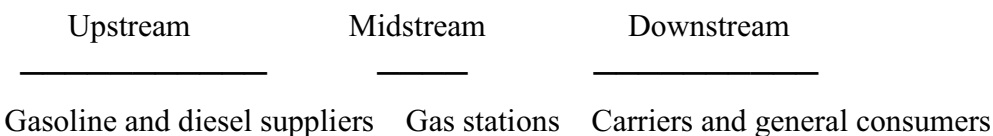
IV. Effect of External Competition, the Legal Environment, and the Overall Business Environment

1. Current status and development of the industry

The Company mainly operates gas stations. In recent years, the Company's gross profit margin has decreased due to competition (including price wars, promotions, and inaccessibility of new operations) and the overall business environment (e.g., fluctuations

in international oil prices). In addition to the increasing public awareness of environmental protection, competent authorities have imposed stringent regulations on gas stations. On the whole, it is becoming more and more difficult to operate gas stations. Nonetheless, the Company strives to maximize shareholders' equity with the support of all shareholders and employees.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain



3. Development trends and competition for products

In the future market where winners take it all, consolidation in the industry will become frequent; moreover, gas stations will offer distinct services that highlight their characteristics, as well as diversified business activities, to increase visibility among consumers. Operating under conglomerates, gas stations will attract consumers with more creative marketing and a consistent service process to increase customer loyalty. This not only makes consumers accustomed to quality services but improves customer satisfaction, allowing customers to expend at gas stations without pressure.

4. Oil prices

In 2021, oil prices trended upward at a slow pace. The Company took advantage of weekly unit price adjustments to keep oil levels high or low, greatly reducing operating costs and increasing operating profits with effective inventory management.

5. Lifestyles

People's lifestyles have changed gradually with the launch of MRT in the metropolitan area, the rising cost of parking downtown, and the increasing awareness of environmental protection. As a low-carbon lifestyle becomes prevailing, the percentage of people taking public transportation has increased, resulting in decrease in demand for oil products. The Company is adopting different marketing strategies in response to the fluctuating sales volume due to a number of favorable and unfavorable factors of lifestyles.

6. Legal environment

There has been no major change in the regulations regarding the installation of gas stations in recent years. In terms of gas station management, competent authorities have paid more attention to the monitoring and management of environmental pollution. To

comply with laws and regulations and fulfill its corporate social responsibility, the Company has an oil and gas recovery system in place, regularly inspects oil storage equipment and soil and groundwater pollution, and strengthens employee training, hoping to reduce pollution and environmental impacts arising from personnel negligence. The Company has also installed barrier-free spaces and facilities to meet the needs of people with disabilities.

Chairman: Chung, Chia-Tsun

President: Liao, Shun-Ching

Accounting Officer: Han, Chia-Hsien

Presentation 2

Subject: Supervisors' review report 2021

Description: The supervisors' review report is as follows:

Supervisors' Review Report 2021

NORTH-STAR INTERNATIONAL CO., LTD

Supervisor's Review Report

I hereby certify that:

I have reviewed the financial statements audited by CPAs Huang, Yong-Hua and Chen, Kuo-Tsung from KPMG Taiwan, the business report, and the distribution of earnings for 2021 submitted by the Board of Directors and found no discrepancy therein. According to Article 219 of the Company Act, I make a report of my findings and opinions herein.

Sincerely,

NORTH-STAR INTERNATIONAL CO., LTD

Supervisor: (signed)

March 17, 2022

NORTH-STAR INTERNATIONAL CO., LTD

Supervisor's Review Report

I hereby certify that:

I have reviewed the financial statements audited by CPAs Huang, Yong-Hua and Chen, Kuo-Tsung from KPMG Taiwan, the business report, and the distribution of earnings for 2021 submitted by the Board of Directors and found no discrepancy therein. According to Article 219 of the Company Act, I make a report of my findings and opinions herein.

Sincerely,

NORTH-STAR INTERNATIONAL CO., LTD

Supervisor: (signed)

March 17, 2022

Presentation 3

Subject: Distribution of employees' compensation and remuneration of directors and supervisors
2021

Description:

1. The distribution of employees' compensation and remuneration of directors and supervisors 2021 was proposed in accordance with Article 235-1 of the Company Act and the Company's Articles of Incorporation.
2. The Company's income before tax in 2021, net of employees' compensation and remuneration of directors and supervisors to be distributed, was NT\$172,139,244, and 1% of income before tax, NT\$1,730,042, was to be distributed as employees' compensation and 3% of income before tax, NT\$5,164,933, as remuneration of directors and supervisors in the form of cash. Employees of the Company, including employees of subordinate companies meeting certain specific requirements, were entitled to employees' compensation.
3. The distribution of employees' compensation and remuneration of directors and supervisors 2021 was passed in the 9th meeting of the 4th Remuneration Committee on March 17, 2022 and submitted to the 20th meeting of the 11th Board of Directors for adoption on the same day.

Presentation 4

Subject: Issuance of the 5th secured convertible bonds and the 6th unsecured convertible bonds (domestically)

Description: To repay borrowings and strengthen its financial structure, the Company issued the 5th secured convertible bonds domestically at the total amount of NT\$600 million on December 23, 2020 and the 6th unsecured convertible bonds domestically at the total amount of NT\$300 million on December 10, 2021. According to Article 246 of the Company Act, the Company reported the reasons for the issuance of corporate bonds as well as other relevant matters as follows:

NORTH-STAR INTERNATIONAL CO., LTD Issuance of Corporate Bonds

Type of corporate Bonds	Domestic 5th secured convertible bonds	Domestic 6th unsecured convertible bonds
Date of Board resolution	August 19, 2020	August 5, 2021
FSC approval letter	Jin-Guan-Zheng-Fa-Zi No. 1090370778 dated November 11, 2020	Jin-Guan-Zheng-Fa-Zi No. 11003599331 dated October 19, 2021
Date of issuance	December 23, 2020	December 10, 2021
Amount of issuance	The total par value of corporate bonds is NT\$600 million. Each bond has a par value of NT\$100,000. A total of 1,000 bonds are issued at 102% of par value.	The par value of convertible bonds is NT\$100,000, and a total of 3,000 bonds are issued, with the par value totaling NT\$300 million. The convertible bonds are publicly underwritten through auction. The issue price is based on the par value. The amount of bonds issued totals NT\$307,728 thousand.
Issue price	NT\$102 (102% of bond par value)	Bond par value
Interest rate	Coupon rate of 0%	Coupon rate of 0%
Term	5 years; mature on December 23, 2025	3 years; mature on December 10, 2024
Underwriter	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Securities Co., Ltd.
Trustee	JihSun International Commercial Bank Co., Ltd.	Bank SinoPac Co., Ltd.

Redemption and method	deadline	When the convertible bonds mature, the Company will redeem the bonds held by the bondholders in cash in one lump sum at par value, except for conversion into ordinary shares in accordance with Article 10 of the Conversion Regulations, the exercise of put options in accordance with Article 19 of the Conversion Regulations, the early redemption in accordance with Article 18 of the Conversion Regulations, or the buyback of shares from the over-the-counter market for retirement.	When the convertible bonds mature, the Company will redeem the bonds held by the bondholders in cash in one lump sum at 100.7519% of par value (with the real yield at 0.25%) within seven business days from the next day of maturity, except for conversion into ordinary shares in accordance with Article 10 of the Conversion Regulations, the exercise of put options in accordance with Article 19 of the Conversion Regulations, the early redemption in accordance with Article 18 of the Conversion Regulations, or the buyback of shares from the over-the-counter market for retirement.
Expected benefits		The total amount of funds is NT\$612,000 thousand, which will be fully used to repay loans from financial institutions. Based on the estimated loan interest rate, the Company expects to save NT\$721 thousand in interest expenses in 2020 and NT\$8,649 thousand in interest expenses each year in the future after repaying the loan; in addition, it can strengthen the Company's solvency, improve its financial structure, and add flexibility to capital flows.	
Number of ordinary shares converted		15,754,199 shares (as of book closure date on April 25, 2022)	99,908 shares (as of book closure date on April 25, 2022)
Balance of bonds not yet converted		NT\$315,200,000 (as of book closure date on April 25, 2022)	NT\$296,600,000 (as of book closure date on April 25, 2022)

Presentation 5

Subject: Issuance of the 1st corporate bonds in 2022 (domestically)

Description:

1. To repay borrowings from financial institutions, reinvest in subsidiaries, and replenish working capital, the Company plans to issue corporate bonds. The total par value of issuance is capped at NT\$3.8 billion. The conditions of issuance are as follows:
 - (1) Name of bond: NORTH-STAR INTERNATIONAL CO., LTD bonds
 - (2) Total amount: The total amount of issuance is up to NT\$3.8 billion. Depending on market conditions, the bonds may be issued in one lump sum or in installments within one year at the discretion of the chairman.
 - (3) Par value: NT\$1 million; issue at par value.
 - (4) Term: Up to five years, at the discretion of the chairman.
 - (5) Coupon rate: The bonds are issued at a fixed rate according to market conditions at the time of pricing and at the discretion of the chairman.
 - (6) Repayment of interest: Simple interest is paid once a year based on the balance of outstanding bonds and at the coupon rate.
 - (7) Repayment of principal: The principal is repaid in one lump sum upon maturity of the bonds.
 - (8) Guarantee bank: To be determined at the discretion of the chairman.
 - (9) Underwriting method: The bonds are publicly underwritten through a securities firm in the form of a negotiated sale.
2. In case of a change in the above conditions of issuance, together with other issuance matters, the selection of institutions, and issuance in one lump sum or in installments, it shall be settled at the discretion of the chairman according to market conditions. According to Article 8 of the Securities and Exchange Act, the Company may issue corporate bonds without printing physical securities. After the issuance of corporate bonds is reported to the competent authority and becomes effective, the Company shall apply to Taipei Exchange for trading.
3. In the light of the issuance of the Company's corporate bonds, the chairman was authorized to sign all the contracts and documents required for the issuance of the corporate bonds and handle all matters in relation to such issuance on behalf of the Company.
4. Matters not specified herein are settled at the discretion of the chairman.
5. The issuance of the 1st corporate bonds in 2022 (domestically) was passed in the 20th meeting of the 11th Board of Directors on March 17, 2022.

Presentation 6

Subject: Change in the accounting policy to the weighted average cost method of inventory valuation

Description:

1. In the light of the introduction of the operating system and industry standards, the Company proposed changing the inventory valuation policy from “first-in, first-out (FIFO)” to “weighted average method,” effective on April 1, 2022. The change is described as follows:
 - (1) Prior periods affected by retrospective application of the new accounting policy:
April 1, 2022
 - (2) Line items affected and the actual effect for the immediately preceding financial year:
The change in the accounting policy reduced the cost of goods sold in 2011 by NT\$14,841 thousand.
 - (3) Actual effect on the opening balance of retained earnings for the immediately preceding financial year: The change in the accounting policy reduced the amount of retained earnings on January 1, 2021 by NT\$4,461 thousand.
 - (4) Reasonableness and necessity for the change in accounting policy or accounting estimate after the beginning of the financial year: The provision of more comparable and relevant financial information is to eliminate differences with other industry players.
2. For the supervisors’ review report, refer to Appendix 2.
3. The CPAs have reviewed the reasonableness and necessity for the change in accounting policy after the beginning of the financial year and provided an item-by-item analysis and review opinion on the reasonableness of those and other relevant matters in accordance with Article 6 of the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.” For more information, refer to Appendix 3.

Presentation 7

Subject: Amendments to the Company’s internal policies

Description:

1. Amendment to the “Code of Ethics and Conduct for Employees”

The “Code of Ethics and Conduct for Employees” was amended in accordance with the amendments to laws and regulations. The comparison table before and after the amendment is as follows:

Code of Ethics and Conduct for Employees before and after Amendment

After Amendment	Before Amendment	Description
<p>Article 9 (Encouraging Reporting on Illegal or Unethical Activities) The Company shall raise awareness of ethics internally and encourage employees to report to a company <u>independent director</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, accept anonymous reporting, and make employees aware that the Company will use its best efforts to ensure the safety of whistle-blowers and protect them from reprisals.</p>	<p>Article 9 (Encouraging Reporting on Illegal or Unethical Activities) The Company shall raise awareness of ethics internally and encourage employees to report to a company <u>supervisor</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, <u>accept anonymous reporting</u>, and make employees aware that the Company will use its best efforts to ensure the safety of <u>whistle-blowers</u> and protect them from reprisals.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>
<p>Article 13 (Enforcement) The Code, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors and submitted to a shareholders' meeting.</p>	<p>Article 13 (Enforcement) The Code, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors, <u>delivered to each supervisor, and</u> submitted to a shareholders' meeting.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>

<p>Article 14 The first amendment to the Code was passed in the 11th meeting of the 9th Board of Directors on December 24, 2014. The second amendment was passed in the 15th meeting of the 11th Board of Directors on May 5, 2021. <u>The third amendment was passed in the 20th meeting of the 11th Board of Directors on March 17, 2022.</u></p>	<p>Article 14 The first amendment to the Code was passed in the 11th meeting of the 9th Board of Directors on December 24, 2014. The second amendment was passed in the 15th meeting of the 11th Board of Directors on May 5, 2021.</p>	<p>The history of the amendment was updated.</p>
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2. Amendment to the “Code of Ethics and Conduct for Directors, Supervisors, and Managerial Officers” (new name: “Code of Ethics and Conduct for Directors and Managerial Officers”)

As the Audit Committee was to be established in place of supervisors, the “Code of Ethics and Conduct for Directors, Supervisors, and Managerial Officers” was amended accordingly and renamed “Code of Ethics and Conduct for Directors and Managerial Officers.” The comparison table before and after the amendment is as follows:

Code of Ethics and Conduct for Directors and Managerial Officers (formerly Code of Ethics and Conduct for Directors, Supervisors, and Managerial Officers) before and after Amendment

After Amendment	Before Amendment	Description
<p>Article 2 (Scope of Application) The Code is applied to directors and managerial officers of the Company, including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company.</p>	<p>Article 2 (Scope of Application) The Code is applied to directors, <u>supervisors</u>, and managerial officers of the Company, including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>

<p>Article 3 (Prevention of Conflicts of Interest)</p> <p>Directors and managerial officers of the Company shall avoid conflicts of interest that occur when personal interest intervenes or is likely to intervene in the overall interest of the Company and shall abide by the following principles:</p> <ol style="list-style-type: none"> 1. Perform their duties in an objective and efficient manner 2. Avoid taking advantage of their positions in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. 3. Voluntarily explain whether there is any potential conflict between them and the Company. 4. Avoid other similar conflicts of interest. <p>The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or managerial officer referred to in the preceding paragraph works.</p> <p>The Company shall establish a policy aimed at preventing conflicts of interest and shall offer appropriate means for directors and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.</p>	<p>Article 3 (Prevention of Conflicts of Interest)</p> <p>Directors, <u>supervisors</u>, and managerial officers of the Company shall avoid conflicts of interest that occur when personal interest intervenes or is likely to intervene in the overall interest of the Company and shall abide by the following principles:</p> <ol style="list-style-type: none"> 1. Perform their duties in an objective and efficient manner 2. Avoid taking advantage of their positions in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. 3. Voluntarily explain whether there is any potential conflict between them and the Company. 4. Avoid other similar conflicts of interest. <p>The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, <u>supervisor</u>, or managerial officer referred to in the preceding paragraph works.</p> <p>The Company shall establish a policy aimed at preventing conflicts of interest and shall offer appropriate means for directors, <u>supervisors</u>, and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>
<p>Article 4 (Minimizing Incentives to Pursue Personal Gain)</p> <p>The Company shall prevent its directors and managerial officers from engaging in any of the following activities:</p> <ol style="list-style-type: none"> 1. Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions; 	<p>Article 4 (Minimizing Incentives to Pursue Personal Gain)</p> <p>The Company shall prevent its directors, <u>supervisors</u>, and managerial officers from engaging in any of the following activities:</p> <ol style="list-style-type: none"> 1. Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions; 	<p>The amendment was made to tie in with the dismissal of supervisors.</p>

<p>2. Obtaining personal gain by using company property or information or taking advantage of their positions; or 3. Competing with the company. When the Company has an opportunity for profit, it is the responsibility of the directors and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.</p>	<p>2. Obtaining personal gain by using company property or information or taking advantage of their positions; or 3. Competing with the company. When the Company has an opportunity for profit, it is the responsibility of the directors, <u>supervisors</u>, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.</p>	
<p>Article 5 (Confidentiality) The directors and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.</p>	<p>Article 5 (Confidentiality) The directors, <u>supervisors</u>, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>
<p>Article 6 (Fair Trade) Directors and managerial officers of the Company shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.</p>	<p>Article 6 (Fair Trade) Directors, <u>supervisors</u>, and managerial officers of the Company shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>
<p>Article 7 (Safeguarding and Proper Use of Company Assets) All directors and managerial officers of the Company have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft,</p>	<p>Article 7 (Safeguarding and Proper Use of Company Assets) All directors, <u>supervisors</u>, and managerial officers of the Company have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>

<p>negligence in care, or waste of the assets will all directly impact the Company's profitability.</p>	<p>waste of the assets will all directly impact the Company's profitability.</p>	
<p>Article 9 (Encouraging Reporting on Illegal or Unethical Activities) The Company shall raise awareness of ethics internally and encourage employees to report to a company <u>independent director</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p>	<p>Article 9 (Encouraging Reporting on Illegal or Unethical Activities) The Company shall raise awareness of ethics internally and encourage employees to report to a company <u>supervisor</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>
<p>Article 10 (Disciplinary Measures) When a director or managerial officer of the Company violates the Code, the Company shall handle the matter in accordance with the disciplinary measures prescribed in relevant laws and regulations and the employee rules, and shall without delay disclose on the Market Observation Post System (MOPS) the violator's title and name, the date of the violation, reasons for the violation, the provisions of the Code violated, and the disciplinary measures taken. It is advisable that the Company establish a relevant complaint system to provide the violators with remedies.</p>	<p>Article 10 (Disciplinary Measures) When a director, <u>supervisor</u>, or managerial officer of the Company violates the Code, the Company shall handle the matter in accordance with the disciplinary measures prescribed in relevant laws and regulations and the employee rules, and shall without delay disclose on the Market Observation Post System (MOPS) the violator's title and name, the date of the violation, reasons for the violation, the provisions of the Code violated, and the disciplinary measures taken. It is advisable that the Company establish a relevant complaint system to provide the violators with remedies.</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>
<p>Article 11 (Procedures for Exemption) Any exemption for directors or managerial officers of the Company from compliance with the Code shall be adopted by a resolution of the Board of Directors. Information on the said personnel's title and name, the date on which the Board</p>	<p>Article 11 (Procedures for Exemption) Any exemption for directors, <u>supervisors</u>, or managerial officers of the Company from compliance with the Code shall be adopted by a resolution of the Board of Directors. Information on the said</p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>

<p>of Directors adopted the resolution for exemption, and the period of, reasons for, and principles behind the application of the exemption shall be disclosed without delay on the MOPS so that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the Code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>personnel's title and name, the date on which the Board of Directors adopted the resolution for exemption, and the period of, reasons for, and principles behind the application of the exemption shall be disclosed without delay on the MOPS so that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the Code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	
<p>Article 13 (Enforcement) The Code, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors and submitted to a shareholders' meeting.</p>	<p>Article 13 (Enforcement) The Code, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors, <u>delivered to each supervisor, and submitted to a shareholders' meeting.</u></p>	<p>The amendment was made to tie in with the dismissal of supervisors.</p>
<p>Article 14 The first amendment to the Code was passed in the 11th meeting of the 9th Board of Directors on December 24, 2014. <u>The second amendment was passed in the 20th meeting of the 11th Board of Directors on March 17, 2022.</u></p>	<p>Article 14 The first amendment to the Code was passed in the 11th meeting of the 9th Board of Directors on December 24, 2014.</p>	<p>The history of the amendment was updated.</p>

II. Proposals

Proposal 1

(Proposed by the Board of Directors)

Subject: Business report, parent company only financial statements, and consolidated financial statements 2021

Description:

1. The Board of Directors has resolved to pass the business report, parent company only financial statements and consolidated financial statements 2021. CPAs Huang, Yong-Hua and Chen, Kuo-Tsung from KPMG Taiwan have audited the said parent company only financial statements and consolidated financial statements and prepared an independent auditors' report accordingly.
2. The aforesaid business report, parent company only financial statements and consolidated financial statements have been reviewed by the supervisors.
3. For the Company's business report, parent company only financial statements and consolidated financial statements 2021, refer to Appendix 1.
4. Please acknowledge.

Resolution:

Subject: Distribution of earnings 2021

Description: The earnings distribution table was prepared according to Article 20-1 of the Articles of Incorporation. The distribution of cash dividends at NT\$0.6/share was proposed below:

NORTH-STAR INTERNATIONAL CO., LTD

Earnings Distribution Table

2021

Unit: NT\$

Undistributed earnings, beginning of year	52,275,659
Plus (minus): Net income (loss)	140,023,501
Items set aside:	
Legal reserve (10%)	(14,002,350)
Reversal of special reserve	17,737
Distributable earnings	178,314,547
Item distributed:	
Shareholder dividends – cash (NT\$0.6/share)	(148,227,818)
Undistributed earnings, end of year	30,086,729

Note:

1. Earnings for 2021 will be distributed first.
2. Cash dividends at NT\$0.6/share are to be distributed based on the number of 247,046,363 shares outstanding as of March 9, 2022.
3. In case of a change in the Company's share capital, which affects the number of outstanding shares and results in a change in the dividend payout ratio, it shall be handled at the discretion of the Board of Directors in accordance with the Company Act or other relevant laws and regulations.
4. The amount of cash dividends distributed less than NT\$1 will be recognized in other income.

To: Regular Meeting of Shareholders 2022

Chairman: Chung, Chia-Tsun President: Liao, Shun-Ching Accounting Officer: Han, Chia-Hsien

Resolution:

III. Discussions

Proposal 1

(Proposed by the board of directors)

Subject: Proposal to use the Company's capital reserve to be transferred to the capital to issue new shares

Description:

1. To strengthen the capital structure, the Company plans to use the capital reserve of NT\$247,046,360 to be transferred to the capital and issue 24,704,636 registered ordinary shares with a par value of NT\$10 per share. 100 shares are expected to be distributed free of charge for every 1000 shares.
2. In case of distribution of fractional shares that are less than one share, shareholders may merge them into one share by themselves, and register with the Company's stock affairs agency within five days from the date of closing the transfer. The overdue application will be converted into cash at the par value (round down any value less than NT\$1), and the chairman is authorized to contact a specific person to subscribe at the par value.
3. The rights and obligations of the new shares issued this time are the same as those of the original shares, which are registered ordinary shares.
4. The above-mentioned shareholder distribution rate is calculated based on the Company's outstanding shares of 247,046,363 shares as of March 9, 2022. If the Company's ordinary share capital changes subsequently, which affects the number of outstanding shares and the shareholder's distribution rate changes accordingly, it is proposed that the general meeting of shareholders will authorize the board of directors for handling relevant matters.
5. After this Proposal is approved by the general meeting of shareholders and submitted to the competent authority for approval, it is proposed that the general meeting of shareholders will authorize the board of directors for determining the capital increase base date, distribution date and other related matters, which will be announced at that specific time.
6. If the above-mentioned matters related to the capital increase shall be changed due to amendments to laws and regulations, objective circumstances or actual needs, it is proposed that the general meeting of shareholders will authorize the board of directors for handling relevant matters.
7. Please discuss.

Resolution:

Subject: Proposal of amendment to part of provisions of the Company’s Articles of Association.

Description:

1. Proposal to amend the Company’s Articles of Association in response to the Company’s future development of business operation and the establishment of the Audit Committee to take over the duties of supervisors. The comparison table for the amendment is as follows.
2. Please discuss.

Comparison Table for the Amendment of “Articles of Association”

Amended Provisions	Current Provisions	Notes
Article 5: The total capital of the Company is <u>NT\$8.8 billion</u> , which is divided into <u>880 million shares</u> , each with a value of NT\$10, of which unissued shares will be issued by the board of directors according to actual needs.	Article 5: The total capital of the Company is <u>NT\$3 billion</u> , which is divided into <u>300 million shares</u> , each with a value of NT\$10, of which unissued shares will be issued by the board of directors according to actual needs.	Amend the provisions in response to the future development and actual status of the Company.
Article 8-1: When the Company issues new shares, the employees who are eligible to subscribe to the shares include employees of controlling or affiliate companies that meet certain conditions.	—	Add new provisions in response to the actual needs of the Company.
Article 9-1: When convening the shareholders' meeting, it may be convened by video conference or other methods announced by the central competent authority. When a shareholders meeting is convened in the manner of a video conference, the shareholders who participate in the meeting by video shall be deemed to have attended the meeting in person.	—	Add new provisions in response to the Company Act.
Chapter Title Chapter IV. Directors	Chapter Title Chapter IV. Directors and Supervisors	Chapter title retitled
Article 13: The Company shall have seven to 9-	Article 13: The Company shall have seven to 9-	Amend provisions in

<p>13 directors with a term of office of 3 years, and they are eligible for re-election. The number of directors shall be authorized by the board of directors. The total shareholding ratio of all directors shall be determined in accordance with the regulations of the securities management authority.</p> <p>Among the number of directors in the preceding Paragraph, there shall be at least <u>3</u> independent directors. The election of directors adopts the candidate nomination system stipulated in Article 192-1 of the Company Act, and the candidates shall be elected by shareholders' meeting from the list of candidates. Matters related to the acceptance method and announcement of candidate nominations shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected altogether, and the number of seats to be elected shall be calculated separately.</p>	<p>13 directors <u>and 3 supervisors</u> with a term of office of 3 years, and they are eligible for re-election. The number of directors shall be authorized by the board of directors. The total shareholding ratio of all directors <u>and supervisors</u> shall be determined in accordance with the regulations of the securities management authority.</p> <p>Among the number of directors in the preceding Paragraph, <u>there shall be at least 2 independent directors which shall not be less than one-fifth of the total number of directors.</u></p> <p>The election of directors <u>and supervisors</u> adopts the candidate nomination system stipulated in Articles 192-1 <u>and 216-1</u> of the Company Act, and the candidates shall be elected by shareholders' meeting from the list of candidates. Matters related to the acceptance method and announcement of candidate nominations shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected altogether, and the number of seats to be elected shall be calculated separately.</p>	<p>response to the actual needs and the dismissal of positions of supervisor.</p>
<p>Article 13-1: When the number of vacancies in the board of directors equals one-third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies and the term of office shall expire on the expiry date of the original term.</p>	<p>Article 13-1: When the number of vacancies in the board of directors equals one-third of the total number of directors <u>or all supervisors are dismissed</u>, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies and the term of office shall expire on the expiry date of the original term.</p>	<p>Amend provisions in response to the dismissal of positions of supervisor.</p>
<p>Article 13-2: The Company's board meetings shall be convened at least once every quarter. A notice specifying the reason for convening a board meeting shall be sent to all directors seven (7) days before the scheduled meeting day;</p>	<p>Article 13-2: The Company's board meetings shall be convened at least once every quarter. A notice specifying the reason for convening a board meeting shall be sent to all directors <u>and supervisors</u> seven (7) days before the scheduled</p>	<p>Amend provisions in response to the dismissal of positions of supervisor.</p>

provided, however, that a board meeting may be convened on short notice in the event of emergency. Upon the consent of each director, such notice may be sent in e-mail or facsimile form.	meeting day; provided, however, that a board meeting may be convened on short notice in the event of emergency. Upon the consent of each director, such notice may be sent in e-mail or facsimile form.	
<u>Article 13-3:</u> The Company has set up an Audit Committee, which shall be consisted of all independent directors. The Audit Committee or members of the Audit Committee shall be responsible for implementing the supervisory functions and powers stipulated by the Company Act, the Securities and Exchange Act and other laws and regulations.	—	Add new provisions in response to the establishment of Audit Committee to take over the duties of the supervisor.
Article 16: The remuneration of all directors shall be determined by the board of directors according to their engagement in the Company's operation and the value of their contribution, and shall take into account the standard among the industry.	Article 16: The remuneration of all directors <u>and supervisors</u> shall be determined by the board of directors according to their engagement in the Company's operation and the value of their contribution, and shall take into account the standard among the industry.	Amend provisions in response to the dismissal of positions of supervisor.
Article 16-1: The Company may purchase liability insurance for directors.	Article 16-1: The Company may purchase liability insurance for directors <u>and supervisors</u> .	Amend provisions in response to the dismissal of positions of supervisor.
(Deleted)	Article 17-1 The Company may hire consultants by the resolution of the board of directors.	Amend provisions in response to the actual needs
Article 18: The fiscal year of the Company starts from January 1st to December 31st of each year. The board of directors shall, at the end of each fiscal year, prepare and submit the following documents to the general meeting of shareholders for approval: (1) Business report. (2) Financial statements. (3) Proposal for allocation of profits or compensation of losses.	Article 18: At the end of each fiscal year of the Company, the board of directors shall prepare the following documents, and submit them to the supervisors for review 30 days before the general meeting of shareholders for recognition. (1) Business report. (2) Financial statements. (3) Proposal for allocation of profits or compensation of losses.	Amend provisions in response to the dismissal of positions of supervisor.
Article 20:	Article 20:	Amend provisions in response to the

<p>If the Company has any profits within a fiscal year, at least 1% of such profits shall be reserved as the employees' compensation to be distributed in shares or cash based on the resolution of the board's meeting. Those who are eligible to receive compensation may include employees of controlling or affiliate companies that meet certain conditions; the Company may upon the resolution of the board's meeting, allocate 3% of such profit as the directors' remuneration. The proposal of distribution of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting.</p> <p>However, in case of the accumulated losses, certain profits shall first be reserved to cover them. The employees' compensation and directors' remuneration shall be allocated according to the proportion in the preceding Paragraph.</p>	<p>If the Company has any profits within a fiscal year, at least 1% of such profits shall be reserved as the employees' compensation to be distributed in shares or cash based on the resolution of the board's meeting. Those who are eligible to receive compensation may include employees of controlling or affiliate companies that meet certain conditions; the Company may upon the resolution of the board's meeting, allocate 3% of such profit as the directors' <u>and supervisors'</u> remuneration. The proposal of distribution of employees' compensation and directors' <u>and supervisors'</u> remuneration shall be submitted to the shareholders' meeting.</p> <p>However, in case of the accumulated losses, certain profits shall first be reserved to cover them. The employees' compensation and directors' <u>and supervisors'</u> remuneration shall be allocated according to the proportion in the preceding Paragraph.</p>	<p>dismissal of positions of supervisor.</p>
<p>Article 22: Formulated on November 28, 1988. The 1st amendment on September 15, 1989. The 2nd amendment on September 18, 1989.</p> <p style="text-align: center;">.</p> <p style="text-align: center;">.</p> <p style="text-align: center;">.</p> <p>The 28th amendment on June 9, 2020. <u>The 29th amendment on June 23, 2022.</u> The Articles of Association will be implemented after the approval of</p>	<p>Article 22: Formulated on November 28, 1988. The 1st amendment on September 15, 1989. The 2nd amendment on September 18, 1989.</p> <p style="text-align: center;">.</p> <p style="text-align: center;">.</p> <p style="text-align: center;">.</p> <p>The 28th amendment on June 9, 2020. The Articles of Association will be implemented after the approval of the shareholders' meeting, and the same shall apply to amendments.</p>	<p>Add the date of amendment</p>

the shareholders' meeting, and the same shall apply to amendments.		
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Resolution:

Subject: Proposal of amendment to part o provisions to the Company’s Guidelines for Endorsement and Guarantee Procedures

Description:

1. Proposal to amend the Company’s Guidelines for Endorsement and Guarantee Procedures in response to the Company’s establishment of the Audit Committee to take over the duties of supervisors. The comparison table for the amendment is as follows.
2. Please discuss.

Comparison Table for the Amendment of “Guidelines for Endorsement and Guarantee Procedures”

Amended Provisions	Current Provisions	Notes
<p>Article 5: The Company has formulated the "Guidelines for Endorsement and Guarantee Procedures", <u>which shall be approved by more than half of all members of the Audit Committee, submitted to the board of directors and submitted to the shareholders' meeting for approval in order to become effective.</u> The same applies when the Guidelines are amended. <u>If the matters specified in the preceding Paragraph have not been approved by more than one-half of all the members of the Audit Committee, it may be implemented with the consent of more than two-thirds of all the directors, and the resolutions of the Audit Committee shall be recorded in the minutes of the board of directors.</u> <u>All members of the Audit Committee and all directors referred to in Paragraphs 1 and 2 shall be counted on the basis of the actual incumbents.</u> <u>When the Company submits the "Guidelines for Endorsement and Guarantee Procedures" to the board of directors for discussion in accordance with the provisions of the preceding Paragraph, it shall take into full consideration the opinions of each independent director; independent</u></p>	<p>Article 5: The Company has formulated the "Guidelines for Endorsement and Guarantee Procedures" in accordance with the provisions of the Standard, <u>which shall be approved by the board of directors, submitted to the supervisors and the shareholders' meeting for approval in order to become effective. If any director expresses an objection and there is a record or written statement, the Company shall submit such objection to supervisors the shareholders' meeting for discussion.</u> The same applies when the Guidelines are amended. <u>If the Company has set up independent directors, when submitting the "Guidelines for Endorsement and Guarantee Procedures" to the board of directors for discussion in accordance with the provisions of the preceding Paragraph, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.</u> (The following is omitted</p>	<p>Amend part of the provision in response to the dismissal of positions of supervisor and the establishment of Audit Committee.</p>

<p>directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting. (The following is omitted intentionally)</p>	<p>intentionally)</p>	
<p>Article 8: Paragraph 1 omitted. Internal auditors shall perform auditing on the Procedures and the implementation of the Procedures every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the <u>Audit Committee</u>.</p>	<p>Article 8: Paragraph 1 omitted. Internal auditors shall perform auditing on the Procedures and the implementation of the Procedures every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the <u>supervisors and independent directors</u>.</p>	<p>Amend part of the provision in response to the dismissal of positions of supervisor and the establishment of Audit Committee.</p>
<p>Article 9: If the party to whom the Company provides endorsement and/or guarantee no longer satisfies the criteria set forth in Article 2 herein, or the Subsidiary's net worth below 50% of issued capital, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be submitted to the <u>Audit Committee</u> and the Board of Directors and the proposed correction actions should be implemented within the period specified in the plan.</p>	<p>Article 9: If the party to whom the Company provides endorsement and/or guarantee no longer satisfies the criteria set forth in Article 2 herein, or the Subsidiary's net worth below 50% of issued capital, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be submitted to the <u>supervisors and independent directors</u> and the Board of Directors and the proposed correction actions should be implemented within the period specified in the plan.</p>	<p>Amend part of the provision in response to the dismissal of positions of supervisor and the establishment of Audit Committee.</p>
<p>Article 14: These Guidelines shall come into force after being submitted to the chairman of the board for approval and the board of directors for resolution, and then submitted to the shareholders' meeting for approval. The same applies to amendments. Formulated on May 29, 2018. The 1st amendment on June 18, 2019. The 2nd amendment on August 4, 2021. The 3rd amendment on March 17, 2022.</p>	<p>Article 14: These Guidelines shall come into force after being submitted to the chairman of the board for approval and the board of directors for resolution, and then submitted to the shareholders' meeting for approval. The same applies to amendments. Formulated on May 29, 2018. The 1st amendment on June 18, 2019. The 2nd amendment on August 4, 2021.</p>	

Resolution:

Subject: Proposal to amend part of the provisions of Guidelines for Election of Directors and Supervisors which are retitled as Guidelines for Election of Directors.

Description:

1. Proposal to amend of the Company’s Guidelines for Election of Directors and Supervisors and retitle them as Guidelines for Election of Directors in response to the Company’s establishment of the Audit Committee to take over the duties of supervisors. The comparison table for the amendment is as follows.
2. Please discuss.

Comparison Table for the Amendment of “Guidelines for Election of Directors”
(formerly known as “Guidelines for Election of Directors and Supervisors”)

Amended Provisions	Current Provisions	Notes
<p>I. The election and appointment of directors of the Company shall be handled in accordance with these Guidelines, unless otherwise stipulated by laws and regulations or Articles of Association.</p>	<p>I. The election and appointment of directors <u>and supervisors</u> of the Company shall be handled in accordance with these Guidelines, unless otherwise stipulated by laws and regulations or Articles of Association.</p>	<p>Amend part of the provision in response to the dismissal of positions of supervisor and the amendment of laws and regulations.</p>
<p>II. The overall composition of the board of directors shall be taken into consideration in the selection of the Company’s directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards: (1) Basic requirements and values: Gender, age,</p>	<p>II. <u>Upon electing the directors during the shareholders’ meeting, except as otherwise specified in the Articles of Association, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u></p>	<p>Add new provisions and rearrange the provisions in response to the amendment of laws and regulations.</p>

<p>nationality, and culture.</p> <p>(2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.</p> <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <p>(1) The ability to make judgments about operations.</p> <p>(2) Accounting and financial analysis ability.</p> <p>(3) Business management ability.</p> <p>(4) Crisis management ability.</p> <p>(5) Knowledge of the industry.</p> <p>(6) An international market perspective.</p> <p>(7) Leadership ability.</p> <p>(8) Decision-making ability.</p> <p>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</p> <p>The board of directors of the Company shall consider adjusting its composition based on the results of the performance evaluation.</p>		
<p>III.</p> <p>The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing</p>	<p>III.</p> <p><u>At the beginning of the election, the chairman shall designate several scrutineers and clerks to perform various related election tasks.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors and amendment of legal</p>

<p>Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Taiwan, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/Taipei Exchange Listed Companies.</p>	<p><u>For the election of directors and supervisors, ballot boxes shall be set up by the board of directors, and the scrutineers shall open the boxes for inspection in public before voting.</u></p>	<p>regulations.</p>
<p>IV.</p> <p>Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the</p>	<p><u>IV.</u></p> <p><u>(1) The directors and supervisors of the Company shall be elected by the shareholders' meeting from the list of candidates, and in accordance with the number of candidates specified in the Articles of Association of the Company, and those obtaining the highest number of votes shall be elected as directors or supervisors respectively. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</u></p> <p><u>(2) The election of directors and supervisors of the Company adopts the candidate nomination system.</u></p> <p><u>(3) Independent directors and non-independent directors shall be elected together, and the number of independent directors and non-independent</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors and amendment of legal regulations.</p>

<p>next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p><u>directors to be elected is calculated separately, and those obtaining the highest votes shall be elected in turn.</u></p>	
<p>V. The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</p>	<p>V. <u>The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected, and each of the ballots shall contain the number of voting rights of the corresponding shareholder.</u></p>	<p>Amend and rearrange the provisions in response to the amendment of legal regulations.</p>
<p>VI. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p>	<p>VI. <u>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a nonshareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</u> <u>However, this does not apply to shareholders exercising their voting rights via electronic voting.</u></p>	<p>Amend and rearrange the provisions in response to amendment of legal regulations.</p>

<p>VII.</p> <p>The number of directors will be as specified in the Company’s articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	<p>VII.</p> <p><u>A ballot is invalid under any of the following circumstances:</u></p> <p>(1) <u>Using the ballot not stipulated in Article 5 herein.</u></p> <p>(2) <u>A blank ballot is placed in the ballot box.</u></p> <p>(3) <u>The number of candidates filled in exceeds the specified number of candidates to be elected; or the ballots are blank</u></p> <p>(4) <u>Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</u></p> <p>(5) <u>The writing is unclear and indecipherable or has been altered</u></p> <p>(6) <u>The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match</u></p> <p>(7) <u>The account name (name) or shareholder account number (national ID card number) of the electee is not filled in.</u></p>	<p>Amend and rearrange the provisions in response to amendment of legal regulations.</p>
<p>VIII.</p> <p>Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board</p>	<p>VIII.</p> <p><u>The ballots for directors and supervisors shall each be set up with one voting box, and shall be divided into two groups for counting the votes.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors and amendment of legal regulations.</p>

<p>of directors and publicly checked by the vote monitoring personnel before voting commences.</p>		
<p>IX.</p> <p>A ballot is invalid under any of the following circumstances:</p> <p>(1) The ballot was not prepared by the convener.</p> <p>(2) A blank ballot is placed in the ballot box</p> <p>(3) The writing is unclear and indecipherable or has been altered</p> <p>(4) The filled list of candidates for election does not match the list of candidates for directors.</p> <p>(5) Other words or marks are entered in addition to the number of voting rights allotted.</p>	<p>IX.</p> <p><u>After all the ballots have been put into the boxes, the scrutineers and clerks shall open the boxes together.</u></p>	<p>Amend the texts and rearrange the provisions in response to amendment of legal regulations.</p>
<p>X.</p> <p>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>X.</p> <p><u>The counting of votes shall be monitored by scrutineers.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors.</p>

<p>XI. The board of directors of the Company shall issue notifications to the persons elected as directors.</p>	<p>XI. <u>If there is any doubt about the voting ballots, the scrutineers will verify whether the ballots are invalid. The invalidated ballots shall be placed separately, the number of votes and voting rights shall be counted, and the scrutineers shall approve the void and sign and affix seal on the invalidated ballots.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors.</p>
<p>XII. These Regulations shall become effective after being approved by the shareholders' meeting, and the same shall apply to amendments. Formulated on June 1, 1991. The 1st amendment on June 27, 1998. The 2nd amendment on June 24, 2002. The 3rd amendment on June 13, 2016. The 4th amendment on June 18, 2019. The 5th amendment on June 22, 2022.</p>	<p>XII. <u>After the result of the counting of votes is inspected by the scrutineers and confirming that the sum of valid and invalid votes, and completing records specifying the number of valid votes and voting rights, as well as the number of invalid votes and voting rights, the chairman will announce the names of the elected persons and their shareholders' account numbers on spot.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors.</p>
<p>(Deleted)</p>	<p>XIII. <u>The qualifications for the independent directors of the Company shall comply with the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by FSC.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors.</p>
<p>(Deleted)</p>	<p>XIII. <u>The board of directors of the Company shall issue notifications to the persons elected as directors or supervisors.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors.</p>
<p>(Deleted)</p>	<p>XIV. <u>Matters not stipulated in these Guidelines shall be handled in accordance with the provisions of the Company Act, the Articles of Association of the Company, and relevant laws and regulations.</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the position of supervisors.</p>
<p>(Deleted)</p>	<p>XIV. <u>Matters not stipulated in these Guidelines shall be handled in</u></p>	<p>Amend and rearrange the provisions in response to the dismissal of the</p>

	<u>accordance with the provisions of the Company Act, the Articles of Association of the Company and relevant laws and regulations.</u> <u>These Guidelines shall come into force after being approved by the shareholders' meeting, and the same shall apply to amendments.</u> <u>Formulated on June 1, 1991.</u> <u>The 1st amendment on June 27, 1998.</u> <u>The 2nd amendment on June 24, 2002.</u> <u>The 3rd amendment on June 13, 2016.</u> <u>The 4th amendment on June 18, 2019.</u>	position of supervisors.
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Resolution:

Subject: Proposal to amend part of the provisions of the Company’s Regulations for Shareholders’ Meeting.

Description:

1. Proposal to amend the Company’s Regulations for Shareholders’ Meeting in response to the Company’s establishment of the Audit Committee to take over the duties of supervisors. The comparison table for the amendment is as follows.
2. Please discuss.

Comparison Table for Amendments of “Regulations for Shareholders’ Meeting”

Amended Provisions	Current Provisions	Notes
<p>Article 3: Convening and Notification of Convening of the Shareholders’ Meeting Unless otherwise stipulated in the Articles of Association of the Company or laws and regulations, the shareholders’ meeting of the Company shall be convened by the board of directors. <u>Changes to the method of convening the shareholders’ meeting of the Company shall be subject to a resolution of the board of directors, and shall be made no later than the delivery of notice of the convening of the shareholders’ meeting.</u> The Company shall prepare electronic versions of the shareholders’ meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days prior to the date of a general shareholders’ meeting or 15 days prior to the date of a special shareholders’ meeting. The Company shall prepare electronic versions of the shareholders’ meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days prior to the date of the general shareholders’ meeting or 15</p>	<p>Article 3: Unless otherwise stipulated in the Articles of Association of the Company or laws and regulations, the shareholders’ meeting of the Company shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders’ meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days prior to the date of a general shareholders’ meeting or 15 days prior to the date of a special shareholders’ meeting. The Company shall prepare electronic versions of the shareholders’ meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days prior to the date of the general shareholders’ meeting or 15 days prior to the date of the special shareholders’ meeting. In addition, before 15 days prior to the date of the shareholders’ meeting, the Company shall also prepare the shareholders’ meeting agenda and supplemental meeting materials and make them available for review by shareholders at any time.</p>	<p>Amend part of the provisions in response to the dismissal of the position of supervisors</p>

days prior to the date of the special shareholders' meeting. However, if the Company's paid-in capital at the end of the most recent fiscal year reaches NT\$10 billion or above, or the Company held the general shareholders' meeting in the most recent fiscal year in which and the total shareholding of foreign and mainland China investors recorded in the shareholders register reaches more than 30%, the above information shall be uploaded in electronic files electronic formats to the official site of MOPs 30 days prior to the general shareholders' meeting. In addition, before 15 days prior to the date of the shareholders' meeting, the Company shall also prepare the shareholders' meeting agenda and supplemental meeting materials and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The meeting handbook and supplementary materials specified in the preceding Paragraph shall be provided to shareholders for reference by the Company on the day of the shareholders' meeting in the following ways:

1. Distributed on site where the face-to-face shareholders' meeting is held.
2. When a hybrid shareholders' meeting is held, the handbook and material shall be distributed at the site of the shareholders' meeting and uploaded to the video conference platform in electronic formats.
3. When a video conference of shareholders' meeting is held, the handbook and material shall be uploaded to the video conference

The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, as well as being distributed on-site at the meeting place.

The notice shall specify the reason for the convening; if the notice is approved by the counterparty, it may be prepared in electronic formats.

Election or dismissal of directors or supervisors, amendment of Articles of Association, capital reduction, application for cessation of public offering, relief of directors' non-competition agreement, capital increase from surplus, capital increase from public reserves, company dissolution, merger, division or matters specified in Paragraph 1 of Article 185 of Company Act, Articles 26-1 and 43-6 of Securities and Exchange Act, and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reason for the convening, and shall not be proposed as an extempore motion.

If the reasons for convening the general shareholders' meeting of have stated the general re-election of directors or supervisors and the date of their inauguration, after the re-election by the shareholders' meeting is completed, the same meeting shall not reach any resolution to change the date of the directors' inauguration by extempore motions or any other means.

(The following is omitted intentionally)

<p><u>platform in electronic formats.</u></p> <p>The notice shall specify the reason for the convening; if the notice is approved by the counterparty, it may be prepared in electronic formats.</p> <p>Election or dismissal of directors, amendment of Articles of Association, capital reduction, application for cessation of public offering, relief of directors' non-competition agreement , capital increase from surplus, capital increase from public reserves, company dissolution, merger, division or matters specified in Paragraph 1 of Article 185 of Company Act, Articles 26-1 and 43-6 of Securities and Exchange Act, and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reason for the convening, and shall not be proposed as an extempore motion.</p> <p>If the reasons for convening the general shareholders' meeting of have stated the general re-election of directors and the date of their inauguration, after the re-election by the shareholders' meeting is completed, the same meeting shall not reach any resolution to change the date of the directors' inauguration by extempore motions or any other means. (The following is omitted intentionally)</p>		
<p>Article 4 (Paragraphs 1-3 omitted) <u>After the power of attorney is delivered to the Company, shareholders who wish to attend the shareholders' meeting by video conferencing shall notify the Company in writing of the revocation of the proxy two days before the shareholders' meeting. In the event of overdue revocation, the voting right exercised by the authorized proxy shall prevail.</u></p>	<p>Article 4 (Paragraphs 1-3 omitted)</p>	<p>Amend part of provisions in response to the amendment of laws and regulations</p>
<p>Article 5 The venue of the shareholders' meeting</p>	<p>Article 5 The venue of the shareholders'</p>	<p>Amend part of</p>

<p>shall be the place where the Company is located or a venue that is convenient for shareholders to attend and suitable for the shareholders' meeting. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. and the opinions of independent directors shall be properly considered.</p> <p><u>When the Company convenes the video conference of the shareholders' meeting, the above provisions on the venue will not apply.</u></p>	<p>meeting shall be the place where the Company is located or a venue that is convenient for shareholders to attend and suitable for the shareholders' meeting. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. and the opinions of independent directors shall be properly considered.</p>	<p>provisions in response to the amendment of laws and regulations</p>
<p>Article 6: The Company shall state in the meeting notice the time and place of the registration of the shareholders, solicitors, and proxies (hereinafter collectively referred to as <u>shareholders</u>), and other matters that shall be noted.</p> <p>The time for accepting shareholders' registration in the preceding Paragraph shall last at least 30 minutes before the start of the meeting; the registration place shall be clearly marked, and appropriate and competent personnel shall be assigned to handle works of registration; <u>the registration for video conference of the shareholders' meeting shall last 30 minutes before the start of the meeting and accepted at the platform for video conference.</u> <u>Shareholders who complete the registration shall be deemed to have attended the shareholders' meeting in person.</u></p> <p><u>Shareholders</u> shall present the attendance certificate, sign-in card or other certification to attend the shareholders' meeting. The solicitors who are soliciting the powers of attorney shall present identification documents for verification.</p> <p>The Company shall prepare the sign-in book for the attending shareholders to</p>	<p>Article 6: The Company shall state in the meeting notice the time and place of the registration of the shareholders and other matters that shall be noted.</p> <p>The time for accepting shareholders' registration in the preceding Paragraph shall last at least 30 minutes before the start of the meeting; the registration place shall be clearly marked, and appropriate and competent personnel shall be assigned to handle works of registration</p> <p><u>Shareholders themselves or the proxies (referred to as "shareholders" hereinafter)</u> shall present the attendance certificate, sign-in card or other certification to attend the shareholders' meeting. The solicitors who are soliciting the powers of attorney shall present identification documents for verification.</p> <p>The Company shall prepare the sign-in book for the attending shareholders to sign in, or the attending shareholders may hand in the sign-in cards in lieu of signing in.</p> <p>The Company shall deliver the procedures handbooks, annual reports, attendance certificate, speech slips, voting ballots and other meeting materials to the shareholders attending the shareholders' meeting;</p>	<p>Amend part of the provisions in response to the dismissal of the position of supervisors</p>

<p>sign in, or the attending shareholders may hand in the sign-in cards in lieu of signing in.</p> <p>The Company shall deliver the procedures handbooks, annual reports, attendance certificate, speech slips, voting ballots and other meeting materials to the shareholders attending the shareholders' meeting; if there is any election of directors, the election ballots shall be attached.</p> <p>For the shareholder who is a government or legal person, the number of representatives attending the shareholders' meeting is not limited to one person.</p> <p><u>If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall register with the Company two days before the convening of the meeting.</u></p> <p><u>If the shareholders' meeting is held by video conference, the Company shall upload the procedure handbook, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes prior to the convening of the meeting, and continue make these materials available until the closure of the meeting.</u></p>	<p>if there is any election of directors <u>or supervisors</u>, the election ballots shall be attached.</p> <p>For the shareholder who is a government or legal person, the number of representatives attending the shareholders' meeting is not limited to one person.</p>	
<p>Article 6-1: <u>When the Company holds a video conference of the shareholders' meeting, the following matters shall be stated in the notice of convening the shareholders' meeting:</u></p> <ol style="list-style-type: none"> 1. Approach for shareholders' participation in video conferences and methods for exercising their rights. 2. <u>The obstruction and handling methods for interruption of video conference due to natural disasters, incidents or other force majeure factors shall include at</u> 	<p>(N/A)</p>	<p>Amend part of provisions in response to the amendment of laws and regulations</p>

minimum the following matters:

(1) The time of occurrence of the factor that result in making the meeting required to be postponed or resumed, and the date the meeting is postponed to or re-convened.

(2) Shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or resumed meeting.

(3) When holding a hybrid shareholders' meeting and the part of video conference is interrupted, the shareholders' meeting shall continue if after deducting the number of shares of shareholders attending the video conference the balance number of shares of attending shareholders reaches the statutory quota for the shareholders meeting. The number of shares of shareholders who attend the shareholders' meeting by means video conference shall be included in the total number of shares of the shareholders present and regarded as abstentions for all of the resolutions of the shareholders' meeting.

(4) The handling for situations in which all resolutions of proposals have already been announced and no extempore motion has been made.

For holding of a video conference of shareholders' meeting by the Company, it shall specify appropriate alternatives to shareholders who have difficulty

<p><u>participating in the shareholders’ meeting by video conference.</u></p>		
<p>Article 7: Chairman of the Shareholders’ Meeting and Non-Voting Attendees (Paragraphs 1 and 2 are omitted) The shareholders’ meeting convened by the board of directors is preferred to be chaired by the chairman in person, and more than half of the directors of the board of directors and at least one representative of members of various functional committees attend the meeting, and the attendance shall be recorded in the minutes of the shareholders’ meeting. (The following is omitted intentionally)</p>	<p>Article 7: Chairman of the Shareholders’ Meeting and Non-Voting Attendees (Paragraphs 1 and 2 are omitted) The shareholders’ meeting convened by the board of directors is preferred to be chaired by the chairman in person, and more than half of the directors of the board of directors <u>and at least one supervisor present in person</u>, and at least one representative of members of various functional committees attend the meeting, and the attendance shall be recorded in the minutes of the shareholders’ meeting. (The following is omitted intentionally)</p>	<p>Amend part of the provisions in response to the dismissal of the position of supervisors</p>
<p>Article 8 The Company shall record the entire process of registration, the discussion, and voting of the shareholders’ meeting continuously and uninterruptedly starting from the time of acceptance of shareholders’ registration. The audio-visual materials in the preceding Paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be preserved until such a lawsuit is concluded. <u>If the shareholders’ meeting is held in the manner of a video conference, the Company shall record and retain the audio and video recording of the shareholders’ sign-in, registration, login, questioning, voting and voting results, etc., continuously and uninterruptedly throughout the entire video conference.</u> <u>The above-mentioned materials and audio and video recordings shall be properly preserved by the Company during its period of existence, and the</u></p>	<p>Article 8 The Company shall record the entire process of registration, the discussion, and voting of the shareholders’ meeting continuously and uninterruptedly starting from the time of acceptance of shareholders’ registration. The audio-visual materials in the preceding Paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of Company Act, the ballots shall be preserved until such a lawsuit is concluded.</p>	<p>Amend part of provisions in response to the amendment of laws and regulations</p>

<p><u>audio and video recording shall be provided to those who are appointed to handle video conference affairs for retention.</u></p>		
<p>Article 9 Attendance at the shareholders' meeting shall be calculated on the basis of shares. The number of shares attended shall be calculated by adding the number of shares registered in the sign-in book or the <u>submitted sign-in cards and the video conferencing platform</u> with the number of shares exercising voting rights in writing or electronically. When the meeting time has been reached, the chairman shall announce that the meeting is started, and simultaneously announce the number of non-voting rights and the number of shares attended. However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce that the meeting to be postponed. The times of postponements shall not exceed two, and the total postponement time shall not exceed one hour. If there are still not sufficient shareholders representing more than one third of the total number of issued shares attending the meeting after two postponements, the chairman shall announce the adjournment of the meeting; <u>if the shareholders' meeting is held in the manner of video conference, the Company shall also announce the adjournment of meeting on the video conference platform.</u> If the number of shareholders who represent more than one-third of the total number of issued shares is present after the second postponement in the</p>	<p>Article 9 Attendance at the shareholders' meeting shall be calculated on the basis of shares. The number of shares attended shall be calculated by adding the number of shares registered in the sign-in book or the submitted sign-in cards with the number of shares exercising voting rights in writing or electronically. When the meeting time has been reached, the chairman shall announce that the meeting is started, and simultaneously announce the number of non-voting rights and the number of shares attended. The chairman may announce that the meeting to be postponed. The times of postponements shall not exceed two, and the total postponement time shall not exceed one hour. If there are still not sufficient shareholders representing more than one third of the total number of issued shares attending the meeting after two postponements, the chairman shall announce the adjournment of the meeting. If the number of shareholders who represent more than one-third of the total number of issued shares is present after the second postponement in the preceding Paragraph, a temporary resolution may be reached pursuant to Paragraph 1 of Article 175 of Company Act, which will be notified to all shareholders the convening of the shareholders' meeting within one month. Before the adjournment of the current</p>	<p>Amend part of provisions in response to the amendment of laws and regulations</p>

<p>preceding Paragraph, a temporary resolution may be reached pursuant to Paragraph 1 of Article 175 of Company Act, which will be notified to all shareholders the convening of the shareholders' meeting within one month; <u>if the shareholders' meeting is convened in the manner of video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.</u></p> <p>Before the adjournment of the current meeting, if the number of shares represented by shareholders present reaches more than half of the total number of issued shares, the chairman may make a temporary resolution in accordance with Article 174 of Company Act for re-referring to the shareholders' meeting for voting.</p>	<p>meeting, if the number of shares represented by shareholders present reaches more than half of the total number of issued shares, the chairman may make a temporary resolution in accordance with Article 174 of Company Act for re-referring to the shareholders' meeting for voting.</p>	
<p>Article 11</p> <p>Before any attending shareholder makes any speech, he/she shall fill in the speech slip stating the gist of the speech, the shareholder's account number (or attendance certificate number) and account name, and the chairman will determine the order for presenting speeches.</p> <p>If the content of the spoken speech is inconsistent with the record of speech slip, the content of the spoken speech shall prevail.</p> <p>Each shareholder's speech on the same proposal shall not exceed two times (each time shall not exceed five minutes) without the consent of the chairman. However, if the shareholder's speech violates the regulations or exceeds the scope of the agenda, the chairman may stop such shareholder from making speech.</p> <p>When an attending shareholder makes speech, other shareholders shall not</p>	<p>Article 11</p> <p>Before any attending shareholder makes any speech, he/she shall fill in the speech slip stating the gist of the speech, the shareholder's account number (or attendance certificate number) and account name, and the chairman will determine the order for presenting speeches.</p> <p>If the content of the spoken speech is inconsistent with the record of speech slip, the content of the spoken speech shall prevail.</p> <p>Each shareholder's speech on the same proposal shall not exceed two times (each time shall not exceed five minutes) without the consent of the chairman. However, if the shareholder's speech violates the regulations or exceeds the scope of the agenda, the chairman may stop such shareholder from making speech.</p> <p>When an attending shareholder makes</p>	<p>Amend part of provisions in response to the amendment of laws and regulations</p>

<p>interfere with his/her speech unless having obtained the consent of the chairman and the speaking shareholder, and the chairman shall stop anyone violating such provision.</p> <p>When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one of these representatives may make speech on the each of the proposals. After attending shareholders' speeches, the chairman may reply in person or designate relevant personnel for replying.</p> <p><u>If the shareholders meeting is held in the manner of video conference, the shareholders attending by video conference may raise questions in texts form on the video conference platform of the shareholders meeting after the chairman announces the starting of the meeting and before the announcement of the adjournment of the meeting. The texts shall not exceed 200 words, and the provisions of Paragraphs 1 to 5 do not apply.</u></p> <p><u>If the raised questions mentioned in the preceding Paragraph do not violate the regulations or does not exceed the scope of the agenda, such question shall be disclosed on the video conference platform of the shareholders' meeting for the general public's reference.</u></p>	<p>speech, other shareholders shall not interfere with his/her speech unless having obtained the consent of the chairman and the speaking shareholder, and the chairman shall stop anyone violating such provision.</p> <p>When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one of these representatives may make speech on the each of the proposals.</p> <p>After attending shareholders' speeches, the chairman may reply in person or designate relevant personnel for replying.</p>	
<p>Article 13</p> <p>Shareholders have one vote per share, except those who are restricted or have no voting rights in accordance with Paragraph 2 of Article 179 of Company Act.</p> <p>When the Company convenes a shareholders' meeting, it may adopt electronic or written manners to exercise the voting rights; when exercising voting rights in writing or electronically, the method for</p>	<p>Article 13</p> <p>Shareholders have one vote per share, except those who are restricted or have no voting rights in accordance with Paragraph 2 of Article 179 of Company Act.</p> <p>When the Company convenes a shareholders' meeting, it may adopt electronic or written manners to exercise the voting rights; when exercising voting rights in writing or electronically, the method for</p>	<p>Amend part of provisions in response to the amendment of laws and regulations</p>

<p>exercising rights shall be specified in the notice of convening of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to have attended the shareholders' meeting in person. However, the extempore motions and the amendment to the original proposals at the shareholders' meeting shall be deemed as abstention. Therefore, the Company shall refrain from submitting the extempore motions and the amendments to the original proposals. In the event of exercising voting rights in writing or electronically in the preceding Paragraph, the statement of intent shall be delivered to the Company two days prior to the convening of shareholders' meeting. However, such provision does not apply to those statements of intent issued prior to the declaration of revocation.</p> <p>After shareholders exercise their voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person <u>or by video conference</u>, they shall revoke their statements of intention to exercise the voting rights in the preceding Paragraph two days prior to the convening of shareholders' meeting in the same manner as the exercise of voting rights; if the revocation is overdue, the voting rights exercised in writing or electronically shall prevail. Unless otherwise stipulated in Company Act and the Articles of Association of the Company, voting on the resolution shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, the chairman or his/her</p>	<p>exercising rights shall be specified in the notice of convening of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to have attended the shareholders' meeting in person. However, the extempore motions and the amendment to the original proposals at the shareholders' meeting shall be deemed as abstention. Therefore, the Company shall refrain from submitting the extempore motions and the amendments to the original proposals.</p> <p>In the event of exercising voting rights in writing or electronically in the preceding Paragraph, the statement of intent shall be delivered to the Company two days prior to the convening of shareholders' meeting. However, such provision does not apply to those statements of intent issued prior to the declaration of revocation.</p> <p>After shareholders exercise their voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person, they shall revoke their statements of intention to exercise the voting rights in the preceding Paragraph two days prior to the convening of shareholders' meeting in the same manner as the exercise of voting rights; if the revocation is overdue, the voting rights exercised in writing or electronically shall prevail. Unless otherwise stipulated in Company Act and the Articles of Association of the Company, voting on the resolution shall be passed with the consent of more than half of the voting rights of the shareholders</p>	
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<p>designee shall announce the total number of voting rights of the shareholders present on a proposal-by-proposal basis. And on the day after the convening of the shareholders' meeting, the results of shareholders' approval, objection or abstention shall be uploaded to the official site of MOPs.</p> <p>When there are several amendments or alternatives to the same proposal, the chairman shall determine the order of voting on such proposal with the original one. If one of the proposals reaches resolution, the other proposals shall be deemed to be rejected and no further voting would be required. The scrutineers and vote-counters for voting on the resolution shall be designated by the chairman, but the scrutineers shall have the identity as shareholders.</p> <p>The counting of votes for voting on proposals or election at the shareholders' meeting shall be done at a public place at the venue of the meeting, and after the votes are fully counted, the results shall be announced on spot, including the weight for statistics, and a record shall be made.</p> <p><u>When the Company convenes the shareholders' meeting in the manner of video conference, the shareholders who attend by video conference shall conduct voting on various resolutions and election proposals on the video conference platform after the chairman announces the start of the meeting. The voting shall be completed before the chairman announces the conclusion of voting, and the voting overdue shall be deemed to have been waived.</u></p> <p><u>If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference</u></p>	<p>present. When voting, the chairman or his/her designee shall announce the total number of voting rights of the shareholders present on a proposal-by-proposal basis. And on the day after the convening of the shareholders' meeting, the results of shareholders' approval, objection or abstention shall be uploaded to the official site of MOPs.</p> <p>When there are several amendments or alternatives to the same proposal, the chairman shall determine the order of voting on such proposal with the original one. If one of the proposals reaches resolution, the other proposals shall be deemed to be rejected and no further voting would be required.</p> <p>The scrutineers and vote-counters for voting on the resolution shall be designated by the chairman, but the scrutineers shall have the identity as shareholders.</p> <p>The counting of votes for voting on proposals or election at the shareholders' meeting shall be done at a public place at the venue of the meeting, and after the votes are fully counted, the results shall be announced on spot, including the weight for statistics, and a record shall be made.</p>	
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<p><u>shall register with the Company two days before the convening of the meeting.</u></p> <p><u>When the Company holds a hybrid shareholders' meeting, the shareholders, solicitors or proxies who have registered to attend the shareholders' meeting by video conference in accordance with the provisions of Article 6 and later wish to attend the face-to-face shareholders' meeting in person shall submit the revocation of registration two days prior to the convening of shareholders' meeting in the same manner for registration; if the revocation is overdue, they may only attend the shareholders' meeting by video conference.</u></p> <p><u>Except for extempore motions, those who exercise their voting rights in writing or electronically without revoking their statement of intention and participate in the shareholders' meeting by video conferencing shall not exercise their voting rights on the original proposals, propose amendments or exercise the voting rights for amendments to the original proposals.</u></p>		
<p>Article 14: Election Matters</p> <p>When the shareholders' meeting elects directors, it shall be handled in accordance with the relevant election and appointment regulations set by the Company, and the election results shall be announced on spot, including the list of elected directors and their voting rights, and the list of candidates of directors not elected and their voting rights.</p>	<p>Article 14: Election Matters</p> <p>When the shareholders' meeting elects directors <u>or supervisors</u>, it shall be handled in accordance with the relevant election and appointment regulations set by the Company, and the election results shall be announced on spot, including the list of elected directors <u>or supervisors</u> and their voting rights, and the list of candidates of directors and <u>supervisors</u> not elected and their voting rights.</p>	<p>Amend part of the provisions in response to the dismissal of the position of supervisors</p>
<p>Article 15: Meeting Minutes and Signatures (Paragraphs 1-2 omitted) The minutes of the meeting shall be</p>	<p>Article 15: Meeting Minutes and Signatures (Paragraphs 1-2 omitted) The minutes of the meeting shall be</p>	<p>Amend part of the provisions in response to the dismissal of the</p>

<p>record the day, month, year, venue, name of the chairman, method of resolution, summary of the agenda and voting results (including statistical weights). If directors were elected, the details of number of votes obtained by each candidate shall also be disclosed. The minutes of meeting shall be kept during the existence of the Company. <u>If the shareholders' meeting is held in the manner of video conference, the minutes of the shareholders' meeting shall record, in addition to the items required to be recorded based on the preceding Paragraph, the starting and ending time of the shareholders' meeting, the method for convening the meeting, the name of the chairman and the minute taker, and the information on the alternative measures for participation by shareholders with difficulty in participating by video conference, and the methods and results of handing of unavailability of video conference platform due to force majeure factors or any difficulty in participating via video conference. In addition to complying with the provisions of the preceding Paragraph when convening the shareholders' meeting in the manner of video conference, the Company shall also specify in the minutes of the meeting the alternative measures for shareholders who have difficulty in participating the meeting via video conference.</u></p>	<p>record the day, month, year, venue, name of the chairman, method of resolution, summary of the agenda and voting results (including statistical weights). If directors <u>or supervisors</u> were elected, the details of number of votes obtained by each candidate shall also be disclosed. The minutes of meeting shall be kept during the existence of the Company.</p>	<p>position of supervisors and amendment of legal regulations.</p>
<p>Article 16 For the number of shares acquired by the solicitor, the number of shares represented by the proxy, <u>and the number of shares of shareholders attending in writing or electronically,</u> the Company shall, on the day of the shareholders' meeting, prepare a statistical table in the prescribed format, and make clear disclosure at the</p>	<p>Article 16 For the number of shares acquired by the solicitor and the number of shares represented by the proxy, the Company shall, on the day of the shareholders' meeting, prepare a statistical table in the prescribed format, and make clear disclosure at the venue of the shareholders' meeting venue.</p>	<p>Amend part of provisions in response to the amendment of laws and regulations</p>

<p>venue of the shareholders' meeting venue. <u>If the shareholders' meeting is held in the manner of video conference, the Company shall upload and disclose the above-mentioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting until the adjournment of such meeting.</u> <u>When the Company holds a video conference of the shareholders' meeting, upon the announcement of the start of the meeting the voting rights of attending shareholders shall be disclosed on the video conference platform. The same applies if the voting rights are additionally counted during the meeting.</u></p> <p>If the resolutions of the shareholders' meeting are material information stipulated by laws and regulations or the TWSE, the Company shall upload the content of such material information to the official site of MOPs within the specified time limit.</p>	<p>If the resolutions of the shareholders' meeting are material information stipulated by laws and regulations or the TWSE, the Company shall upload the content of such material information to the official site of MOPs within the specified time limit.</p>	
<p>Article 19 <u>If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations, and shall continue to disclose the information for at least 15 minutes after the chairman announces the adjournment of the meeting.</u></p>	<p>(N/A)</p>	<p>Add new provisions in response to the amendment of laws and regulations</p>
<p>Article 20 <u>When the company holds a video conference of shareholders' meeting, the chairman and the minute taker shall be at the same place in Taiwan, and the chairman shall announce the address of the place at the time of the official convening of the meeting.</u></p>	<p>(N/A)</p>	<p>Add new provisions in response to the amendment of laws and regulations</p>
<p>Article 21 <u>If the shareholders' meeting is held in</u></p>	<p>(N/A)</p>	<p>Add new</p>

<p><u>the manner of video conference, the Company may provide a simple connection test for shareholders before the starting of meeting, and provide relevant services immediately before and during the meeting to assist in handling technical problems of communication.</u></p> <p><u>If the shareholders' meeting is held by video conference, the chairman shall, when announcing the start of the meeting, separately announce that except as stipulated in Paragraph 4 of Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies, if before the chairman officially announces the adjournment of the meeting there is any difficulty to attend the meeting in the manner of video conference due to natural disasters, incidents or other force majeure factors, which lasts for more than 30 minutes, the meeting shall be postponed or resumed within five days and Article 182 of Company Act shall not apply.</u></p> <p><u>In the event of the occurrence of the preceding Paragraph which requires the meeting to be postponed or re-convened. Shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or re-convened meeting.</u></p> <p><u>When the meeting is required to be postponed or resumed in accordance with the provisions of Paragraph 2, for shareholders who have registered to participate in the original shareholders' meeting by video conference but have not participated in the postponed or resumed the meeting, the number of shares and the voting rights exercised at the original shareholders' meeting shall</u></p>		<p>provisions in response to the amendment of laws and regulations</p>
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be included in the total number of shares and voting rights of shareholders present at the postponed or resumed meeting.

In accordance with the provisions of Paragraph 2, when the shareholders' meeting is postponed or resumed, the completed voting and counting of votes, the voting results or the list of elected directors and supervisors that have been resolved are not required to be re-discussed or resolved again.

When the Company holds a hybrid shareholders' meeting and the part of video conference is interrupted due to situation stated in Paragraph 2, the postponement or re-convening of the meeting stated in Paragraph 2 will not be required if after deducting the number of shares of shareholders attending the video conference the balance number of shares of attending shareholders reaches the statutory quota for the shareholders meeting.

In the event of the occurrence of the above-mentioned resumed meeting, the number of shares of shareholders who attend the shareholders' meeting by video conference shall be included in the total number of shares of the shareholders present, but shall be regarded as abstention for all the resolutions of the shareholders meeting.

The Company postponing or resuming the meeting in accordance with the provisions of Paragraph 2 shall comply with the provisions set out in Paragraph 7 of Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies, and shall handle relevant preparatory works according to the date of the original shareholders' meeting and the provisions of this Article.

<p><u>For the periods specified in the second sentence of Article 12 and Paragraph 3 of Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15 and Paragraph 1 of Article 44-17 of Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the shareholders' meeting in accordance with Paragraph 2.</u></p>		
<p>Article 22 <u>For holding of a video conference of shareholders' meeting by the Company, it shall specify appropriate alternatives to shareholders who have difficulty participating in the shareholders' meeting by video conference.</u></p>	(N/A)	Add new provisions in response to the amendment of laws and regulations
<p>Article 23 These Regulations shall become effective after being approved by the shareholders' meeting, and the same shall apply to amendments. These Regulations are formulated on June 17, 2013. The 1st amendment on June 18, 2019. The 2nd amendment on June 9, 2020. The 3rd amendment on August 4, 2021. <u>The 4th amendment on June 23, 2022.</u></p>	<p>Article 19 These Regulations shall become effective after being approved by the shareholders' meeting, and the same shall apply to amendments. These Regulations are formulated on June 17, 2013. The 1st amendment on June 18, 2019. The 2nd amendment on June 9, 2020. The 3rd amendment on August 4, 2021.</p>	History of the amendment of the Regulations

Resolution:

Proposal 6

(Proposed by the board of directors)

Subject: Proposal to amend part of provisions of the Company's Regulations Governing the Acquisition and Disposal of Assets.

Description:

1. Proposal to amend part of the provisions of the Regulations Governing the Acquisition and Disposal of Assets in response to the amendment of laws and regulations. The comparison table for the amendment is as follows.
2. Please discuss.

Comparison Table for the Amendment of “Regulations Governing the Acquisition and Disposal of Assets”

Amended Provisions	Current Provisions	Notes
<p>Article 6: Paragraph 1 (Omitted)</p> <p>When issuing an appraisal report or opinion, the foregoing officers shall act <u>in accordance with the self-regulatory norms of their respective trade associations and the following matters.</u></p> <p>(1)-(2) omitted</p> <p>(3) They shall <u>undertake an item-by-item evaluation of the comprehensiveness, accuracy, appropriateness, and reasonableness of the sources of data used, the parameters, and the information,</u> as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the</p>	<p>Article 6: Paragraph 1 (Omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph <u>shall comply with the following:</u></p> <p>(1)-(2) omitted</p> <p>(3) They shall <u>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></p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate,</u> and that they have complied with applicable laws and</p>	<p>Amend part of the provisions in response to the amendment of laws and regulations</p>

<p>information used is <u>adequate and reasonable</u>, and that they have complied with applicable laws and regulations.</p> <p><u>(The following is omitted intentionally)</u></p>	<p>regulations.</p> <p><u>(The following is omitted intentionally)</u></p>	
<p>Article 7:</p> <p>1. (Omitted)</p> <p>2. Operation Procedures:</p> <p>(1) In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (the matters to be recorded in such appraisal report are specified in Attachment I) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1-2 (Omitted)</p> <p>3. For the professional</p>	<p>Article 7:</p> <p>1. (Omitted)</p> <p>2. Operation Procedures:</p> <p>(1) In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (the matters to be recorded in such appraisal report are specified in Attachment I) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1-2 (Omitted)</p> <p>3. For the professional appraiser's appraisal results,</p>	<p>Amend part of the provisions in response to the amendment of laws and regulations</p>

<p>appraiser's appraisal with the following results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, <u>a certified public accountant shall be engaged to perform the appraisal to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</u></p>	<p>unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, <u>a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</u></p>	
<p>(1) The difference between the appraisal results and the transaction price is more than 20% of the transaction price,</p> <p>(2) The difference between the appraisal results from two or more professional appraisers is more than 10% of the transaction price.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for</p>	<p>(1) The difference between the appraisal results and the transaction price is more than 20% of the transaction price.</p> <p>(2) The difference between the appraisal results from two or more professional appraisers is more than 10% of the transaction price.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and</p>	

the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

5. Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.

(The following is omitted intentionally)

the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

5. Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, as well as the certified public accountant's opinion under subparagraph 3 of the preceding paragraph.

6. If an appraisal institution submits an "assessed current value report" or "evaluation report" to substitute for an appraisal report, the content thereof is still required to comply with the above-referred provisions on items required to be recorded in the appraisal report.

(The following is omitted intentionally)

<p>Article 8: I. Assessment Procedures:</p> <p>(1) Where the Company acquires or disposes of securities, it shall obtain the most recent CPA-certified financial statement of the subject company as the reference for the transaction price,</p> <p>(2) If the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of FSC.</p> <p>(The following is omitted intentionally)</p>	<p>Article 8: I. Assessment Procedures:</p> <p>(1) Where the Company acquires or disposes of securities, it shall obtain the most recent CPA-certified financial statement of the subject company as the reference for the transaction price,</p> <p>(2) If the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF when any expert report is required.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of FSC.</p> <p>(The following is omitted intentionally)</p>	<p>Amend part of the provisions in response to the amendment of laws and regulations</p>
<p>Article 9: 1. (Omitted) 2. Operation Procedures:</p> <p><u>Where the Company acquires or disposes of securities and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except obtaining the most recent CPA-certified financial statement of the subject company as the reference for the transaction price, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</u></p> <p>(The following is omitted intentionally)</p>	<p>Article 9: 1. (Omitted) 2. Operation Procedures:</p> <p><u>Upon acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, the price appraisal report by the professional appraisal entity shall be obtained initially, and if the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</u></p> <p>(The following is omitted intentionally)</p>	<p>Amend part of the provisions in response to the amendment of laws and regulations</p>
<p>Article 11: I. Assessment and Operating</p>	<p>Article 11: I. Assessment and Operating</p>	<p>Amend part of</p>

<p>Procedures:</p> <p>(1) Omitted</p> <p>(2) Where the Company acquires or disposes of real property or its right-of-use assets from any related party, or acquires or disposes of real property or other assets other than its right-of-use assets from a related party, whose transaction price reaches 20% of its paid-in capital and total assets 10% or more than NT\$300 million, except for the transaction of domestic public bonds, bonds with a repurchase agreement, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the materials specified in Subparagraph (1) of Paragraph 2 shall be submitted for approval by the board of directors.</p> <p>(3) The calculation of the transaction amounts referred to in the preceding two Paragraphs shall be done in accordance with Subparagraph (8) of Paragraph 2 of Article 13 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which are submitted to the approval by the board of directors need not be counted toward the transaction amount.</p> <p>(4) Omitted</p>	<p>Procedures:</p> <p>(1) Omitted</p> <p>(2) Where the Company acquires or disposes of real property or its right-of-use assets from any related party, or acquires or disposes of real property or other assets other than its right-of-use assets from a related party, whose transaction price reaches 20% of its paid-in capital and total assets 10% or more than NT\$300 million, except for the transaction of domestic public bonds, bonds with a repurchase agreement, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the materials specified in Subparagraph (1) of Paragraph 2 shall be submitted for approval by the board of directors <u>and the recognition of the supervisors.</u></p> <p>(3) The calculation of the transaction amounts referred to in the preceding two Paragraphs shall be done in accordance with Subparagraph (5) of Paragraph 2 of Article 13 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which are submitted to the approval by the board of directors <u>and recognition by the</u></p>	<p>the provisions in response to the amendment of laws and regulations and dismissal of positions of supervisor.</p>
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<p>II. The authorized amount and resolution procedure:</p> <p>(1) Where the Company acquires or disposes of real property or its right-of-use assets from any related party, or acquires or disposes of real property or other assets other than its right-of-use assets from a related party, whose transaction price reaches 20% of its paid-in capital and total assets 10% or more than NT\$300 million, the following materials shall be submitted for approval by the board of directors for signing the transaction contract and payment: ...</p> <p>(2) With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the chairman may decide such matters when the transaction amount is within 10% of Company's paid-in capital and subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. 	<p><u>supervisors need not be counted toward the transaction amount.</u></p> <p>(4) Omitted</p> <p>II. The authorized amount and resolution procedure:</p> <p>(1) Where the Company acquires or disposes of real property or its right-of-use assets from any related party, or acquires or disposes of real property or other assets other than its right-of-use assets from a related party, whose transaction price reaches 20% of its paid-in capital and total assets 10% or more than NT\$300 million, the following materials shall be submitted for approval by the board of directors <u>and recognition by supervisors for signing the transaction contract and payment: ...</u></p> <p>(2) <u>The calculation of the transaction amounts referred to in the preceding Paragraph shall be done in accordance with Subparagraph (5) of Paragraph 2 of Article 13 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which are submitted to the approval by the board of directors and the recognition by supervisors need not be counted toward the transaction amount.</u></p> <p>(3) With respect to the types of transactions listed below, when to be conducted</p>	
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<p>(3) <u>Where the position of independent director has been created by the Company, when any of the matters specified in Paragraph 1 is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p> <p>(4) <u>Where the Audit Committee has been established by the Company based on the Regulations, it first requires to be approved by one-half or more of all Audit Committee members and then submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" in the preceding Paragraph shall be counted as the actual number of persons currently holding those positions.</u></p> <p>(5) <u>The public company shall submit the materials listed in Subparagraph (2) of Paragraph 1 herein to the shareholders' meeting for approval to proceed to reach</u></p>	<p>between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the chairman may decide such matters when the transaction amount is within 10% of Company's paid-in capital and subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>(4) Acquisition or disposal of assets other than Subparagraph (1) from a related party shall be handled in accordance with the provisions of the preceding three Articles.</p> <p>III. Rationality Assessment of Transaction Costs</p> <p>(1)-(4) Omitted</p> <p>(5) Where the Company obtains real estate or its right-of-use assets from a related party and the appraisal results based on the Subparagraphs (1) and (2) of Paragraph 3 herein are both lower than the transaction price, it shall handle the following matters. If the Company has set aside the special surplus reserve in accordance with the provisions of the</p>	
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the agreement and make the payment. However, this does not apply to the transaction between the public company and its parent company or subsidiaries, or the transaction between its subsidiaries. Where Company or its subsidiary that is not a domestic public company engages in any transaction specified in Subparagraph (2) of Paragraph 1 herein, and the transaction amount is more than 10% of the total assets of the Company, it shall submit the materials listed in Paragraph 1 to the shareholders' meeting for approval to proceed to reach the agreement and make the payment.

(6) The calculation of the transaction amounts referred to in Subparagraph (2) of Paragraph 1 herein shall be done in accordance with Subparagraph (8) of Paragraph 2 of Article 13, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Any contents of these Guidelines which have been submitted to and approved by the board of directors and shareholders' meeting need not be counted toward the transaction amount.

III. Rationality Assessment of Transaction Costs

(1)-(4) Omitted

(5) Where the Company obtains real estate or its right-of-use assets from a related party and the appraisal results based on the Subparagraphs

preceding Paragraph, the assets purchased or leased at the higher price shall be recognized as a loss in value or disposed of or terminated for lease, or properly compensated or restored to the original state. If there is other evidence to prove that there is nothing unreasonable, the special surplus reserve may only be used with the approval of the Financial Supervisory Commission.

1. (Omitted)

2. Supervisors and

independent directors shall be handled in accordance with the provisions of Article 280 of the Company Act.

3. (Omitted)

(The following is omitted intentionally)

<p>(1) and (2) of Paragraph 3 herein are both lower than the transaction price, it shall handle the following matters. If the Company has set aside the special surplus reserve in accordance with the provisions of the preceding Paragraph, the assets purchased or leased at the higher price shall be recognized as a loss in value or disposed of or terminated for lease, or properly compensated or restored to the original state. If there is other evidence to prove that there is nothing unreasonable, the special surplus reserve may only be used with the approval of the Financial Supervisory Commission.</p> <p>1. (Omitted)</p> <p>2. Independent directors shall be handled in accordance with the provisions of Article 280 of the Company Act.</p> <p>3. (Omitted)</p> <p>(The following is omitted intentionally)</p>		
<p>Article 13: I. (Omitted) II. Items and Standards for Announcement and Declaration (1)-(6) omitted (7) Where an asset transaction other than any of those referred to in the preceding 6 Paragraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more</p>	<p>Article 13: I. (Omitted) II. Items and Standards for Announcement and Declaration (1)-(6) omitted (7) Where an asset transaction other than any of those referred to in the preceding 6 Paragraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of</p>	<p>Amend part of the provisions in response to the amendment of laws and regulations</p>

<p>of paid-in capital or NT\$300 million, provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than Taiwan's sovereign credit rating.</u> 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 (excluding subordinated debt) <u>that are offered and issued in the primary market,</u> or subscription or redemption of securities investment trust funds or futures trust funds, <u>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> 3. Trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 	<p>paid-in capital or NT\$300 million, provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds 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 (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. 3. Trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. <p>(The following is omitted intentionally)</p>	
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(The following is omitted intentionally)		
<p>Article 16:</p> <p>I. These Guidelines shall be approved by the Audit Committee, and then approved by the board of directors, and shall be submitted to the shareholders' meeting for approval.</p> <p>The same shall apply to amendments.</p> <p>(The following is omitted intentionally)</p>	<p>Article 16:</p> <p>I. After these Guidelines are approved by the board of directors, they shall be submitted to <u>the supervisors and the shareholders' meeting</u> for approval, and the same shall apply to amendments. <u>If any of the director expressly present any objection supported by any record or written statement, the Company shall submit such director's objection information to each of the supervisors.</u></p> <p>(The following is omitted intentionally)</p>	<p>Amend part of the provisions in response to the amendment of laws and regulations and dismissal of positions of supervisor.</p>

Resolution:

Proposal 7

(Proposed by the board of directors)

Subject: Proposal to abolish the Rules Governing the Scope of Powers of Supervisors of the Company.

Description:

1. Proposal to abolish the Company's Rules Governing the Scope of Powers of Supervisors in response to the Company's establishment of the Audit Committee to take over the duties of supervisors.
2. Please discuss.

Resolution:

IV. Elections

Proposal 1

(Proposed by the board of directors)

Subject: Proposal for comprehensive re-election of directors (including independent directors) of the Company.

Description:

1. The tenure of the 11th session of directors and supervisors of the Company will expire on June 17, 2022. In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, an Audit Committee will be established to take over the duties of supervisors. It is proposed to conduct a comprehensive re-election at this general meeting of shareholders.
2. According to Article 13 of the Company's Articles of Association, there shall be nine to thirteen directors, at least two independent directors who shall not be less than one-fifth of the total number of directors, and 11 directors (including 3 independent directors) are to be elected this time for a term of office of three years from June 23, 2022 to June 22, 2025.
3. The election of directors of the Company adopts the candidate nomination system. The nomination list of candidates for members of the board of directors and their education, experience and other relevant information are as follows:

List of Nominees for the 12th Session of Board of Directors

No.	Name	Education	Experience	The name of the government agency or legal person represented	Nominee Type	Whether the person has served as an independent director for three consecutive terms/reasons	Shareholding
1	CHUNG, CHIA-TSUN	Business Studies Vocational High School	Chairman of Kaohsiung Transportation Company Limited		Director		20,680,000
2	HO, CHIA-CHING	Department of Business Administration, NCCU	Director of Kaohsiung Transportation Company Limited	Kaohsiung Transportation Company Limited	Director		43,409,000
3	CHUNG, YU-LIN	Department of Food, Nutrition, and Health, UBC	Chairman of Sandi Properties Co., Ltd.	Kaohsiung Transportation Company Limited	Director		43,409,000

4	LI, TSUNG-HSI	NCKU (TCM), and KUAS (DBA)	Vice President of Kaohsiung Transportation Company Limited, and Independent Director of JETWELL COMPUTER CO., LTD.	Kaohsiung Transportation Company Limited	Director		43,409,000
5	TSENG, I-NAN	BA, DYU	Supervisor of NORTH-STAR INTERNATIONAL CO., LTD.	Kaohsiung Transportation Company Limited	Director		43,409,000
6	LIAO, SHUN-CHING	Department of Automobiles Taipei Jingwen High School	GM, NORTH-STAR INTERNATIONAL CO., LTD.	Kaohsiung Transportation Company Limited	Director		43,409,000
7	HSIEH, AN-CHI	TKSH	Superevisor, NORTH-STAR INTERNATIONAL CO., LTD.	Kaohsiung Transportation Company Limited	Director		43,409,000
8	Tungcheng Investment Consulting Co., Ltd.				Director		18,862,170
9	CHANG, CHIH-MING	CLP, NCHU	Practising lawyer, agent of the Investigation Bureau of MJIB, civil, criminal and administrative litigation lawyer		Independent Director	No	10,000
10	HOU, SHU-HUI	ACCT, NCCU	Certified public accountant, Executive Director of Weihua Education Foundation, Adjunct Lecturer of CNU and Science and CUTE		Independent Director	No	0
No.	Name	Education	Experience	The name of the government agency or legal person represented	Nominee	Whether the person has served as an independent director for three consecutive terms/reasons	Shareholdin
11	TSAI, CHIA-YU	ACC, TKU	Certified public accountant, and Chairman of Jia Ze Management Consulting Co., Ltd.		Independent Director	No	0

4. Submit to general meeting of shareholders to conduct re-election.

Election Result:

V. Other Matters

Proposal 1

(Proposed by the board of directors)

Subject: Proposal to release the Company's newly-elected directors and representatives from non-compete clauses.

Description:

1. Legal basis: Paragraph 1 of Article 209 of the Company Act.
2. The directors and independent directors elected by the Company at the 2022 Annual General Meeting of Shareholders may act for themselves or others within the scope of the Company's business. In order to meet the actual needs, without prejudice to the interests of the Company, it is proposed to submit to the general meeting of shareholders for approval to release the newly-elected and appointed directors and their representatives from the non-compete clauses.
3. Please discuss.

List of Directors to be Released from the Non-compete Clauses

Director Name	Currently working concurrently for other companies with the same or similar business as the Company	Title
CHUNG, CHIA-TSUN	NSTAR ENERGY CORPORATION	Chairman
	Chunghwa Prince Gas Station Co., Ltd.	Chairman
	Yingguan Co., Ltd.	Chairman
	Yishen Gas Station Co., Ltd.	Chairman
	Sandi Energy Co., Ltd.	Chairman
	Sandi Properties Co., Ltd.	Chairman
	Kaohsiung Transportation Company Limited	Chairman
	Tainan Bus	Chairman
	Puyuma Transportation Co., Ltd.	Chairman
	Dapeng Bay Sightseeing Yacht Co., Ltd.	Chairman
	Tungcheng Investment Consulting Co., Ltd.	Chairman
	Nanrenhu Recreation Co., Ltd.	Chairman
HI SCENE WORLD ENTERPRISE CO., LTD.	Chairman	

	JIN SHI HU HOTEL CO., LTD.	Chairman
	Chenchiahui Construction Co., Ltd.	Chairman
	HE FONG ENERGY CO., LTD.	Chairman
	Cathy Sunrise Electric Power One Co., Ltd.	Chairman
	Xinritai Power Co., Ltd.	Chairman
	TAIL Power Co., Ltd.	Chairman
	Chiaxin Energy Co., Ltd.	Chairman
	Yaogu Energy Co., Ltd.	Chairman
	Luyou Energy Co., Ltd.	Chairman
	Tungli Development Co., Ltd.	Chairman
	KUAI KUAI CO., LTD.	Chairman
	Yong Rui He Co., Ltd.	Chairman
	Pinchuang International Development Co., Ltd.	Chairman
	Sandi Monster Power Co., Ltd.	Chairman
	Tungli Development Co., Ltd.	Chairman
	Chiayi Bus Company, Ltd.	Director
	Sanchia Development Construction Co., Ltd.	Director
	Bafang Asset Management Co., Ltd.	Director
	Tungli Investment Consulting Co., Ltd.	Director
	Chiakelai Investment Co., Ltd.	Director
	Chiake International Asset Management Co., Ltd.	Director
	Beiji International Development Co., Ltd.	Supervisor
HO, CHIA-CHING (Representative of Kaohsiung Transportation Company Limited)	Kaohsiung Transportation Company Limited	Director
	HE FONG ENERGY CO., LTD.	Director
	Chiayi Bus Company, Ltd.	Director
	Chiake International Asset Management Co., Ltd.	Director
	Chiakelai Investment Co., Ltd.	Director
	Xinritai Power Co., Ltd.	Director
	Yaogu Energy Co., Ltd.	Director

	Sandi Monster Power Co., Ltd.	Director
	Chiakelai Investment Co., Ltd.	Director
	Chiake International Asset Management Co., Ltd.	Director
	Yingguan Co., Ltd.	Director
	Sandi Energy Co., Ltd.	Director
	Chiaxin Energy Co., Ltd.	Director
	Yishen Gas Station Co., Ltd.	Supervisor
	Cathy Sunrise Electric Power One Co., Ltd.	Supervisor
	TAIL Power Co., Ltd.	Supervisor
	Luyou Energy Co., Ltd.	Supervisor
CHUNG, YU-LIN (Representative of Kaohsiung Transportation Company Limited)	Sandi Properties Co., Ltd.	Chairman
	Sanchia Development Construction Co., Ltd.	Chairman
	Chiayi Bus Company, Ltd.	Chairman
	Tungli Investment Consulting Co., Ltd.	Chairman
	Sandi Construction Co., Ltd.	Chairman
	Sanchia Development Construction Co., Ltd.	Chairman
	Bafang Asset Management Co., Ltd.	Chairman
	Chiakelai Investment Co., Ltd.	Chairman
	Chiake International Asset Management Co., Ltd.	Chairman
	Kaohsiung Transportation Company Limited	Director
	Tainan Bus	Director
	Yishen Gas Station Co., Ltd.	Director
	Beiji International Development Co., Ltd.	Director
	Chenciahui Construction Co., Ltd.	Director
	Tungcheng Investment Consulting Co., Ltd.	Director
	Pinchuang International Development Co., Ltd.	Director
	Chiaxin Energy Co., Ltd.	Director
	Fengshang Life Development Co., Ltd.	Director
iPASS Corporation	Director	

	KUAI KUAI CO., LTD.	Director
	Sandi Energy Co., Ltd.	Director
	Yingguan Co., Ltd.	Supervisor
	Chiaxin Energy Co., Ltd.	Supervisor
	Yaogu Energy Co., Ltd.	Supervisor
	Sandi Monster Power Co., Ltd.	Supervisor
LI, TSUNG-HSI (Representative of Kaohsiung Transportation Company Limited)	Kaohsiung Transportation Company Limited	Vice President
	Chiayi Bus Company, Ltd.	Vice President
	Nanrenhu Recreation Co., Ltd.	Vice President
	HI SCENE WORLD ENTERPRISE CO., LTD.	Vice President
	Puyuma Transportation Co., Ltd.	Director
	Dapeng Bay Sightseeing Yacht Co., Ltd.	Director
	Tungcheng Investment Consulting Co., Ltd.	Director
	JIN SHI HU HOTEL CO., LTD.	Director
	KUAI KUAI CO., LTD.	Director
	Sandi Properties Co., Ltd.	Director
	Yingguan Co., Ltd.	Director
	Xinritai Power Co., Ltd.	Director
	Pinchuang International Development Co., Ltd.	Director
	Chiaxin Energy Co., Ltd.	Director
	Yaogu Energy Co., Ltd.	Director
	Chiakelai Investment Co., Ltd.	Director
	Chiake International Asset Management Co., Ltd.	Director
JETWELL COMPUTER CO., LTD.	Independent Director	
CHANG, CHIH- MING	Nanrenhu Recreation Co., Ltd.	Independent Director
	HI SCENE WORLD ENTERPRISE CO., LTD.	Independent Director
TSAI, CHIA- YU	Jia Ze Management Consulting Co., Ltd.	Chairman
	UBORN INTERNATIONAL CO., LTD.	Director
	JOYMOM BIOTECHNICAL CO., LTD.	Director

Resolution:

VI. Extempore Motions

VII. Adjournment of the Meeting

To the Board of Directors of North-Star International Co., Ltd.:

Opinion

We have audited the consolidated financial statements of North-Star International Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and 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, 2021 and 2020, 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("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 Certification of Financial Statements by Certified Public Accountants and the 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of NORTH-STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION (NORTH-STAR INTERNATIONAL DEVELOPMENT) for the years ended December 31, 2021 and 2020 which represented investment accounted for using the equity method of the Group. These statements were audited by another auditor. Therefore, our opinion, insofar as it relates to NORTH-STAR INTERNATIONAL DEVELOPMENT, is based solely on the reports of the other auditors. The recognized investment in NORTH-STAR INTERNATIONAL DEVELOPMENT, using the equity method, constituted 2% and 3% of the total consolidated assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted 50% and 22% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

We did not audit the financial statements of YANG JI ENTERPRISE CO., LTD. (YANG JI ENTERPRISE) for the year ended December 31, 2021 and 2020. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to YANG JI ENTERPRISE, is based solely on the reports of the other auditors. The recognized investment in YANG JI ENTERPRISE, using the equity method, constituted 1% and 1% of the total consolidated assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted (1)% and 7% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

North-Star International Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified 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 of the current period. 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.

1. Revenue recognition

Refer to Note 4(p) "Revenue" and Note 6(y) "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter:

NORTH-STAR INTERNATIONAL CO., LTD. is principally engaged in the retail business of gasoline products, with petrol filling stations located throughout Taiwan. The operating income of each station is recorded through the Point-of-Sale Information System (POS) for each transaction in terms of the quantity, unit price and total price. After the daily checkout, sales are counted according to each station's daily sales report and reviewed by the way of customer payment method (by cash, by credit cards, credits sales on account). Therefore, revenue recognition was the key audit matter in the audit of consolidated financial reports for the years ended December 31, 2021 and 2020 of the Group.

How the matter was addressed in our audit:

Our principal audit procedures to the above key audit matter included: understanding the Group's accounting policies adopted for the revenue recognition and the procedures of transactions; sampling and testing effectiveness of the internal controls surrounding revenue recognition; testing selected sales samples and agreeing to daily sales report, bank deposit records, or credit card bill with related certificates, records on ledger, etc., testing sales cut-off, on a sampled basis, for transactions incurred within a certain period before or after the balance sheet date by evaluating whether the revenue was recorded in proper period.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 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 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 the 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 of the current period 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 Huang, Yung-Hua and Chen, Kuo-Tsung.

KPMG

Taipei, Taiwan (Republic of China)
March 28, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
North-Star International Co., Ltd. and subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 929,652	10	392,746	6
1150 Notes receivable, net (note 6(d))	148	-	301	-
1170 Accounts receivable, net (note 6(j)(y) and 7)	37,495	1	20,566	-
1206 Other non-operating receivables, others	27,782	-	3,950	-
130X Total inventories (note 6(e)(g) and 8)	580,994	6	476,397	7
1479 Other current assets, others (note 6(o) and 8)	162,834	2	145,543	2
	<u>1,738,905</u>	<u>19</u>	<u>1,039,503</u>	<u>15</u>
Non-current assets:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b)(s))	2,443	-	-	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(e))	535	-	517	-
1550 Investments accounted for using equity method (note 6(f))	272,858	3	272,446	4
1600 Property, plant and equipment (note 6(k) and 8)	4,064,580	44	3,745,842	56
1755 Right-of-use assets (note 6(l))	2,018,522	22	1,134,441	17
1760 Investment property, net (note 6(m))	34,332	-	34,332	1
1780 Intangible assets (note 6 (h)(n))	183,969	2	42,500	1
1840 Deferred tax assets (note 6(v))	11,966	-	12,967	-
1915 Prepayments for land and business facilities (note 7)	543,175	6	126,318	2
1920 Guarantee deposits paid	81,010	1	57,400	1
1980 Other non-current financial assets (note 8)	270,581	3	228,180	3
1990 Other non-current assets	37,043	-	10	-
	<u>7,521,014</u>	<u>81</u>	<u>5,654,953</u>	<u>85</u>
Total assets	<u>\$ 9,259,919</u>	<u>100</u>	<u>6,694,456</u>	<u>100</u>
Liabilities and Equity				
Current liabilities:				
2100 Short-term borrowings (note 6(q) and 8)	2100			
2110 Short-term notes and bills payable (note 6(p))	2110			
2130 Current contract liabilities (note 6(y))	2130			
2150 Notes payables	2150			
2170 Trade payables	2170			
2200 Other payables	2200			
2230 Current tax liabilities	2230			
2280 Current lease liabilities (note 6(t) and 7)	2280			
2322 Long-term borrowings, current portion (note 6(r) and 8)	2322			
2399 Other current liabilities (note 6(y) and 7)	2399			
	<u>1,637,032</u>	<u>18</u>	<u>1,993,733</u>	<u>29</u>
Non-Current liabilities:				
2500 Non-current financial liabilities at fair value through profit or loss (note 6(b)(s))	2500			
2530 Bonds payable (note 6(s) and 8)	2530			
2540 Long-term borrowings (note 6(r) and 8)	2540			
2580 Non-current lease liabilities (note 6(t) and 7)	2580			
2670 Other non-current liabilities (note 6(v))	2670			
	<u>619,143</u>	<u>7</u>	<u>583,385</u>	<u>9</u>
Total liabilities	<u>2,256,175</u>	<u>25</u>	<u>2,577,118</u>	<u>38</u>
Equity attributable to owners of parent (note 6(s)(w)):				
3100 Share capital	3100			
3200 Capital surplus	3200			
3300 Retained earnings	3300			
3400 Other equity interest	3400			
	<u>2,462,493</u>	<u>27</u>	<u>1,918,332</u>	<u>29</u>
Total equity attributable to owners of parent	<u>2,462,493</u>	<u>27</u>	<u>1,918,332</u>	<u>29</u>
36XX Non-controlling interests	36XX			
	<u>175,959</u>	<u>2</u>	<u>93,970</u>	<u>1</u>
Total equity	<u>2,638,452</u>	<u>29</u>	<u>2,012,302</u>	<u>30</u>
Total liabilities and equity	<u>\$ 9,259,919</u>	<u>100</u>	<u>6,694,456</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (note 6(y) and 7)	\$ 5,531,032	100	4,411,593	100
5000	Operating costs (note 6(e)(u))	4,722,143	85	3,658,153	83
	Gross profit from operations	808,889	15	753,440	17
	Operating expenses (note 6(k)(l)(u)(z) and 7):				
6100	Selling expenses	649,874	12	569,860	13
6200	Administrative expenses	90,929	2	73,233	1
	Total operating expenses	740,803	14	643,093	14
	Net operating income	68,086	1	110,347	3
7000	Non-operating income and expenses:				
7100	Interest income	790	-	646	-
7010	Other income (note 6(t) and 7)	55,462	1	29,391	-
7020	Other gains and losses, net (note 6(o)(s))	29,175	1	(244)	-
7050	Finance costs (note 6(s)(t))	(68,030)	(1)	(38,694)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	83,013	1	42,743	1
	Total non-operating income and expenses	100,410	2	33,842	-
	Profit from continuing operations before tax	168,496	3	144,189	3
7950	Less: income tax expenses (note 6(t))	32,233	1	29,523	-
	Profit	136,263	2	114,666	3
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	18	-	(83)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8300	Other comprehensive income	18	-	(83)	-
	Total comprehensive income	\$ 136,281	2	114,583	3
	Profit (loss), attributable to:				
8610	Owners of parent	\$ 140,024	2	120,469	3
8620	Non-controlling interests	(3,761)	-	(5,803)	-
		\$ 136,263	2	114,666	3
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 140,042	2	120,386	3
8720	Non-controlling interests	(3,761)	-	(5,803)	-
		\$ 136,281	2	114,583	3
	Earnings per share (NT dollars) (note 6(x))				
9750	Basic earnings per share	\$ 0.69		0.63	
9850	Diluted earnings per share	\$ 0.68		0.54	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
North-Star International Co., Ltd. and subsidiaries

Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Share capital					Retained earnings			Other equity interest		
	Ordinary shares	Convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity to owners of parent	Non-controlling interests	Total equity
\$ 1,918,332	-	-	78,270	97,428	-	85,120	182,548	(1,610)	2,177,540	18,971	2,196,511
-	-	-	5,290	-	(5,290)	-	-	-	-	-	-
-	-	-	(1,610)	-	(1,610)	-	-	-	-	-	-
-	-	-	(38,367)	-	(38,367)	-	-	-	(38,367)	-	(38,367)
-	-	-	(45,267)	-	(45,267)	-	-	-	(38,367)	-	(38,367)
-	-	-	5,290	1,610	-	120,469	120,469	-	120,469	(5,803)	114,666
-	-	-	-	-	-	-	-	(83)	(83)	-	(83)
-	-	-	-	-	-	120,469	120,469	(83)	120,386	(5,803)	114,583
-	-	28,380	-	-	-	-	-	-	28,380	-	28,380
-	-	(563)	-	-	-	-	-	-	(563)	-	(563)
-	-	-	-	-	-	-	-	-	4,852	-	4,852
-	-	-	-	-	-	-	-	-	75,950	-	75,950
1,918,332	-	106,087	102,718	1,610	1,610	160,322	264,650	(1,693)	2,287,376	93,970	2,381,346
-	-	-	12,047	-	(12,047)	-	-	-	-	-	-
-	-	-	83	-	(83)	-	-	-	(95,917)	-	(95,917)
-	-	-	12,047	83	(108,047)	(95,917)	(95,917)	-	(95,917)	-	(95,917)
-	-	-	-	-	140,024	140,024	140,024	-	140,024	(3,761)	136,263
-	-	-	-	-	-	140,024	140,024	18	18	-	18
400,000	-	600,000	-	-	-	140,024	140,024	18	1,000,000	(3,761)	136,281
144,046	115	108,691	-	-	-	-	-	-	252,852	-	252,852
-	-	19,308	-	-	-	-	-	-	19,308	-	19,308
-	-	563	-	-	-	-	-	-	563	-	563
-	-	3,732	-	-	-	-	-	-	3,732	-	3,732
-	-	-	-	-	-	-	-	-	85,750	-	85,750
\$ 2,462,378	115	838,381	114,765	1,693	1,693	192,299	308,757	(1,675)	3,607,956	175,959	3,783,915

Balance on January 1, 2020

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Profit

Other comprehensive income

Total comprehensive income

Other changes in capital surplus:

Due to recognition of equity component of convertible bonds issued

Difference between consideration and carrying amount of subsidiaries acquired

Changes in non-controlling interests

Balance on December 31, 2020

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Profit (loss)

Other comprehensive income

Total comprehensive income

Issue of shares

Conversion of convertible bonds

Other changes in capital surplus:

Due to recognition of equity component of convertible bonds issued

Difference between consideration and carrying amount of subsidiaries acquired

Share-based payments

Changes in non-controlling interests

Balance on December 31, 2021

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
North-Star International Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 168,496	144,189
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	235,610	177,573
Amortization expense	2,565	1,963
Net loss on financial assets or liabilities at fair value through profit or loss	2,657	-
Interest expense	68,030	38,694
Interest income	(790)	(646)
Dividend income	(9,601)	(100)
Share-based payments	3,732	-
Share of profit of associates accounted for using equity method	(83,013)	(42,743)
Gain on disposal of non-current assets classified as held for sale	(28,764)	-
Others	-	(67)
Total adjustments to reconcile profit	190,426	174,674
Changes in operating assets and liabilities:		
Notes receivable	153	27
Trade receivable	(16,929)	2,115
Other receivable	(23,832)	(315)
Inventories	(104,597)	(23,908)
Other current assets	(65,390)	(72,044)
Total changes in operating assets	(210,595)	(94,125)
Contract liabilities	128,011	796
Notes payable	1,714	-
Trade payable	(59,954)	167,195
Other payable	33,775	3,206
Other current liabilities	30,904	35,399
Total changes in operating liabilities	134,450	206,596
Total adjustments	114,281	287,145
Cash inflow generated from operations	282,777	431,334
Interest received	790	646
Dividends received	9,601	100
Interest paid	(68,020)	(38,630)
Income taxes paid	(31,541)	(27,864)
Net cash flows from operating activities	193,607	365,586

See accompanying notes to consolidated financial statements.

NORTH-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NORTH-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(25,000)	(25,000)
Net cash receipts from acquisitions of subsidiaries	563	4,289
Cash payments to acquire subsidiaries	-	(174,478)
Proceeds from capital reduction of investments accounted for using equity method	98,000	-
Proceeds from disposal of non-current assets classified as held for sale	86,464	-
Acquisition of property, plant and equipment	(369,944)	(477,289)
Proceeds from disposal of property, plant and equipment	5,343	892
(Decrease) increase in refundable deposits	(23,610)	21,575
Acquisition of intangible assets	(144,034)	(438)
Acquisition of right-of-use assets	-	(25,655)
Increase in other non-current assets	(79,434)	(221,442)
Increase in prepayments for land and business facilities	(421,183)	(110,420)
Net cash flows used in investing activities	(872,835)	(1,007,966)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(199,100)	200,000
(Decrease) increase in short-term notes and bills payable	(89,933)	49,823
Proceeds from issuing bonds	302,728	612,000
Proceeds from long-term debt	2,602,219	1,797,750
Repayments of long-term debt	(2,266,237)	(1,804,287)
(Decrease) increase in guarantee deposits received	(473)	90
Payment of lease liabilities	(122,903)	(57,160)
Cash dividends paid	(95,917)	(38,367)
Proceeds from issuing shares	1,000,000	-
Change in non-controlling interests	85,750	75,950
Net cash flows from financing activities	1,216,134	835,799
Net increase in cash and cash equivalents	536,906	193,419
Cash and cash equivalents at beginning of period	392,746	199,327
Cash and cash equivalents at end of period	\$ 929,652	392,746

Independent Auditors' Report

To the Board of Directors of NORTH-STAR INTERNATIONAL CO., LTD.:

Opinion

We have audited the financial statements of NORTH-STAR INTERNATIONAL CO., LTD. ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Other Matter

We did not audit the financial statements of NORTH-STAR INTERNATIONAL DEVELOPMENT INDUSTRIES CORPORATION (NORTH-STAR INTERNATIONAL DEVELOPMENT) for the years ended December 31, 2021 and 2020 which represented investment accounted for using the equity method of the Company. These statements were audited by another auditor. Therefore, our opinion, insofar as it relates to NORTH-STAR INTERNATIONAL DEVELOPMENT, is based solely on the reports of the other auditors. The recognized investment in NORTH-STAR INTERNATIONAL DEVELOPMENT, using the equity method, constituted 3% and 4% of the total assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted 51% and 22% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

We did not audit the financial statements of YANG JI ENTERPRISE CO., LTD. (YANG JI ENTERPRISE) for the year ended December 31, 2021 and 2020. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to YANG JI ENTERPRISE, is based solely on the reports of the other auditors. The recognized investment in YANG JI ENTERPRISE, using the equity method, constituted 1% and 1% of the total assets, as of December 31, 2021 and 2020, respectively, and the recognized share of profit or loss of associates and joint ventures accounted for using equity method constituted (1)% and 7% of profit before tax, for the years ended December 31, 2021 and 2020, respectively.

Key Audit Matters

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

1. Revenue recognition

Refer to Note 4(p) “Revenue” and Note 6(v) “Revenue from contracts with customers” to the consolidated financial statements.

Description of key audit matter:

NORTH-STAR INTERNATIONAL CO., LTD. is principally engaged in the retail business of gasoline products, with petrol filling stations located throughout Taiwan. The operating income of each station is recorded through the Point-of-Sale Information System (POS) for each transaction in terms of the quantity, unit price and total price. After the daily checkout, sales are counted according to each station’s daily sales report and reviewed by the way of customer payment method (by cash, by credit cards, credit sales on account). Therefore, revenue recognition was the key audit matter in the audit of financial reports for the years ended December 31, 2021 and 2020 of the Company.

How the matter was addressed in our audit:

Our principal audit procedures to the above key audit matter included: understanding the Company’s accounting policies adopted for the revenue recognition and the procedures of transactions; sampling and testing effectiveness of the internal controls surrounding revenue recognition; testing selected sales samples and agreeing to daily sales report, bank deposit records, or credit card bill with related certificates, records on ledger, etc., testing sales cut-off, on a sampled basis, for transactions incurred within a certain period before or after the balance sheet date by evaluating whether the revenue was recorded in proper period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 Huang, Yung-Hua and Chen, Kuo-Tsung.

KPMG

Taipei, Taiwan (Republic of China)
March 28, 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 231,742	3	163,658	3
1150 Notes receivable (note 6(d))	148	-	183	-
1170 Accounts receivable, net (note 6(G)(u) and 7)	25,060	-	13,059	-
1206 Other receivables (note 7)	28,080	1	6,768	-
130X Inventories (note 6(e) and 8)	560,443	8	459,629	8
1470 Other current assets (note 6(k) and 8)	92,751	1	87,515	2
	<u>938,224</u>	<u>13</u>	<u>730,812</u>	<u>13</u>
Non-current assets:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b)(o))	2,443	-	-	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	535	-	517	-
1550 Investments accounted for using equity method (note 6(f))	1,487,008	21	855,158	15
1600 Total property, plant and equipment (note 6(h) and 8)	3,673,411	53	3,439,508	61
1755 Right-of-use assets (note 6(i))	452,036	7	312,640	5
1760 Investment property, net (note 6(j))	34,332	-	34,332	1
1780 Intangible assets	4,126	-	5,486	-
1840 Deferred tax assets (note 6(s))	6,793	-	4,912	-
1915 Prepayments for business facilities	35,846	1	13,222	-
1920 Guarantee deposits paid	61,977	1	36,096	1
1980 Other non-current financial assets (note 8)	255,998	4	213,660	4
1995 Other non-current assets	10	-	10	-
	<u>6,014,515</u>	<u>87</u>	<u>4,915,541</u>	<u>87</u>
Total assets	<u>\$ 6,952,739</u>	<u>100</u>	<u>5,646,353</u>	<u>100</u>
Liabilities and Equity				
Current liabilities:				
Short-term borrowings (note 6(m) and 8)	2100		2100	
Short-term notes and bills payable (note 6(l))	2110		2110	
Current contract liabilities (note 6(t))	2130		2130	
Notes payables	2150		2150	
Trade payables	2170		2170	
Other payables (note 7)	2200		2200	
Current tax liabilities	2230		2230	
Current lease liabilities (note 6(p) and 7)	2280		2280	
Long-term borrowings, current portion (note 6(n) and 8)	2322		2322	
Other current liabilities, others (note 6(t) and 7)	2399		2399	
	<u>2500</u>		<u>2500</u>	
Non-Current liabilities:				
Non-current financial liabilities at fair value through profit or loss (note 6(b)(o))	2530		2530	
Bonds payable (note 6(o) and 8)	2540		2540	
Long-term borrowings (note 6(n) and 8)	2580		2580	
Non-current lease liabilities (note 6(p) and 7)	2670		2670	
Other non-current liabilities				
	<u>210</u>		<u>300</u>	
Total liabilities	<u>3,344,783</u>	<u>48</u>	<u>3,358,977</u>	<u>59</u>
Equity attributable to owners of parent (note 6(o)(s)):				
Share capital	3100		3100	
Capital surplus	3200		3200	
Retained earnings	3300		3300	
Other equity interest	3400		3400	
	<u>2,462,493</u>	<u>35</u>	<u>1,918,332</u>	<u>34</u>
Total equity	<u>3,607,956</u>	<u>52</u>	<u>2,287,376</u>	<u>41</u>
Total liabilities and equity	<u>\$ 6,952,739</u>	<u>100</u>	<u>5,646,353</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net operating revenue (note 6(u) and 7)	\$ 4,471,135	100	3,794,593	100
5000	Operating costs (note 6(e))	<u>3,820,106</u>	<u>85</u>	<u>3,133,382</u>	<u>83</u>
	Gross profit from operations	<u>651,029</u>	<u>15</u>	<u>661,211</u>	<u>17</u>
	Operating expenses (note 6(h)(i)(j)(q)(v) and 7):				
6100	Selling expenses	508,726	11	477,004	12
6200	Administrative expenses	<u>83,808</u>	<u>2</u>	<u>66,488</u>	<u>2</u>
	Total operating expenses	<u>592,534</u>	<u>13</u>	<u>543,492</u>	<u>14</u>
	Net operating income	<u>58,495</u>	<u>2</u>	<u>117,719</u>	<u>3</u>
7000	Non-operating income and expenses:				
7100	Interest income	384	-	389	-
7010	Other income (not 6(p) and 7)	83,517	2	48,842	1
7020	Other gains and losses, net (note 6(k)(o))	28,896	-	(84)	-
7050	Finance costs (note 6(o)(p))	(40,687)	(1)	(26,890)	-
7070	Share of profit of associates and joint ventures accounted for using equity method (note 6(f))	<u>34,639</u>	<u>1</u>	<u>7,981</u>	<u>-</u>
	Total non-operating income and expenses	<u>106,749</u>	<u>2</u>	<u>30,238</u>	<u>1</u>
	Profit from continuing operations before tax	165,244	4	147,957	4
7951	Less: Income tax expenses (note 6(r))	<u>25,220</u>	<u>1</u>	<u>27,488</u>	<u>1</u>
	Profit	<u>140,024</u>	<u>3</u>	<u>120,469</u>	<u>3</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	18	-	(83)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive income	<u>18</u>	<u>-</u>	<u>(83)</u>	<u>-</u>
	Total comprehensive income	<u>\$ 140,042</u>	<u>3</u>	<u>120,386</u>	<u>3</u>
	Earnings per share (NT dollars) (note 6(t))				
9750	Basic earnings per share	<u>\$ 0.69</u>		<u>0.63</u>	
9850	Diluted earnings per share	<u>\$ 0.68</u>		<u>0.54</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Certificate of entitlement to new shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Retained earnings	Other equity interest	Total equity
	Ordinary shares	Convertible bond	Surplus	reserve	reserve	earnings	earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance on January 1, 2020	\$ 1,918,332	-	78,270	97,428	-	85,120	182,548	(1,610)	2,177,540
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	5,290	-	(5,290)	-	-	-
Special reserve appropriated	-	-	-	-	1,610	(1,610)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(38,367)	(38,367)	-	(38,367)
Profit	-	-	-	5,290	1,610	(45,267)	(38,367)	-	(38,367)
Other comprehensive income	-	-	-	-	-	120,469	120,469	-	120,469
Total comprehensive income	-	-	-	-	-	-	-	(83)	(83)
Other changes in capital surplus:	-	-	-	-	-	120,469	120,469	(83)	120,386
Due to recognition of equity component of convertible bonds issued	-	-	28,380	-	-	-	-	-	28,380
Difference between consideration and carrying amount of subsidiaries acquired	-	-	(563)	-	-	-	-	-	(563)
Balance on December 31, 2020	1,918,332	-	106,087	102,718	1,610	160,322	264,650	(1,693)	2,287,376
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	12,047	-	(12,047)	-	-	-
Special reserve appropriated	-	-	-	-	83	(83)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(95,917)	(95,917)	-	(95,917)
Profit (loss)	-	-	-	12,047	83	(108,047)	(95,917)	-	(95,917)
Other comprehensive income	-	-	-	-	-	140,024	140,024	-	140,024
Total comprehensive income	-	-	-	-	-	-	-	18	18
Issue of shares	400,000	-	600,000	-	-	140,024	140,024	18	1,000,000
Conversion of convertible bonds	144,046	115	108,691	-	-	-	-	-	252,852
Other changes in capital surplus:	-	-	-	-	-	-	-	-	-
Due to recognition of equity component of convertible bonds issued	-	-	19,308	-	-	-	-	-	19,308
Difference between consideration and carrying amount of subsidiaries acquired	-	-	563	-	-	-	-	-	563
Share-based payments	-	-	3,732	-	-	-	-	-	3,732
Balance on December 31, 2021	\$ 2,462,378	115	838,381	114,765	1,693	192,299	308,757	(1,675)	3,607,956

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 165,244	147,957
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	109,535	109,882
Amortization expense	1,961	1,885
Net gain on financial assets or liabilities at fair value through profit or loss	(5,084)	-
Interest expense	40,687	26,890
Interest income	(384)	(389)
Dividend income	(89)	-
Share-based payments	3,732	-
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(34,639)	(7,981)
Gain on disposal of other assets	(28,764)	-
Others	-	(165)
Total adjustments to reconcile profit	86,955	130,122
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	35	135
Trade receivable	(12,001)	1,649
Other receivable	(21,312)	(1,284)
Inventories	(100,814)	(17,206)
Other current assets	(62,936)	(59,413)
Total changes in operating assets	(197,028)	(76,119)
Notes payable	1,893	429
Trade payable	(59,675)	156,165
Other payable	27,810	2,927
Other current liabilities	147,048	39,252
Total changes in operating liabilities	117,076	198,773
Total changes in operating assets and liabilities	(79,952)	122,654
Total adjustments	7,003	252,776
Cash inflow generated from operations	172,247	400,733
Interest received	384	389
Dividends received	19,690	3,672
Interest paid	(37,946)	(26,826)
Income taxes paid	(29,500)	(27,864)
Net cash flows from operating activities	124,875	350,104

See accompanying notes to parent company only financial statements.

NORTH-STAR INTERNATIONAL CO., LTD.

Notes to the Financial Statements

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NORTH-STAR INTERNATIONAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) investing activities:		
Net cash receipts from acquisitions of subsidiaries	563	-
Acquisition of investments accounted for using equity method	(714,812)	(423,000)
Proceeds from disposal of investments accounted for using equity method	98,000	-
Proceeds from disposal of non-current assets classified as held for sale	86,464	-
Acquisition of property, plant and equipment	(273,084)	(457,560)
Proceeds from disposal of property, plant and equipment	5,343	893
(Increase) decrease in refundable deposits	(25,881)	29,702
Acquisition of intangible assets	(601)	(440)
Acquisition of right-of-use assets	-	(4,785)
Increase in other non-current assets	(42,338)	(212,921)
Increase in prepayments for business facilities	(26,950)	(10,775)
Net cash flows used in investing activities	(893,296)	(1,078,886)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(204,100)	200,000
(Decrease) increase in short-term notes and bills payable	(89,933)	49,823
Proceeds from issuing bonds	307,728	612,000
Proceeds from long-term debt	2,249,419	1,797,750
Repayments of long-term debt	(2,266,237)	(1,804,287)
(Decrease) increase in guarantee deposits received	(478)	37
Payment of lease liabilities	(63,977)	(53,884)
Cash dividends paid	(95,917)	(38,367)
Proceeds from issuing shares	1,000,000	-
Net cash flows from financing activities	836,505	763,072
Net increase in cash and cash equivalents	68,084	34,290
Cash and cash equivalents at beginning of period	163,658	129,368
Cash and cash equivalents at end of period	\$ 231,742	163,658

(Continued)

North-Star International Co., Ltd.

Supervisor's Review Report

The Company plans to have the inventory valuation policy changed from the “first-in-first-out” to the “weighted average” approach starting from April 1, 2022 in response to the introduction of the operating system and with reference to the general practice of this industry. The supervisor has reviewed the affected period for the retroactive application of the new accounting policy, the affected accounts and actual amount of the last year prior to the accounting change, the actual effect on the beginning retained earnings of the last year prior to the accounting change, and the rationality and necessity for the change of accounting policy after the commencement date of the fiscal year without any inconsistency found; therefore, the review report is hereby issued accordingly.

Sincerely yours,

To: The Board of Directors of North-Star International Co., Ltd.

North-Star International Co., Ltd.

Supervisor: (sealed)

March 17, 2022

NORTH-STAR INTERNATIONAL PETECH CO., LTD.

Independent Auditor's Review Opinion

North-Star International Petech Co., Ltd. (hereinafter referred to as "North-Star") originally adopted the first-in-first-out (FIFO) method for inventory cost calculation. It is proposed to replace the first-in-first-out method with the weighted average method starting from April 1, 2022. We had reviewed the nature of the changes, the reasons why the new accounting policy can provide reliable and more relevant information, the accounts of the previous year affected retrospectively by the new accounting policy applied and the expected effect, the actual effect on the beginning retained earnings of the previous year, etc. in accordance with Article 6 of the "Regulations Governing the Preparation of Financial Reports by Securities Firms" (hereinafter referred to as the "Regulations"), which is illustrated as follows:

1. North-Star originally adopted the first-in-first-out method for inventory valuation. Since the weighted average method for inventory valuation is commonly used in the industry, the Company plans to switch to the weighted average method starting from April 1, 2022 in order to eliminate differences from the general practice of the peers and to provide more comparable and relevant financial information.
2. North-Star will have the accounting policy changed with the weighted average method applied retrospectively, and will adjust the initial balance of each affected equity component for the earliest period expressed in accordance with International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors;" also, will deem other comparative amounts for each prior period expressed as having applied the new accounting policy from the outset.
3. North-Star bases on the aforementioned evaluation results to change the inventory accounting policy starting from April 1, 2022, from the FIFO method to the weighted average method.

This accounting policy change will be applied retrospectively and it has caused inventory and retained earnings to go up by NT\$10,380 thousand on December 31, 2021, the cost of goods sold to go up by NT\$14,841 thousand in 2021, and the inventory and retained earnings to go down by NT\$4,461 thousand on January 1, 2021.

4. In summary, we, basing on our review, believe that it is reasonable for North-Star to change its inventory valuation from the FIFO to the weighted average method starting from April 1, 2022. It is concluded basing on our review that there is not any significantly unreasonable matter found from the actual effect of the 2021 inventory and operating cost adjusted retrospectively and the actual effect of the inventories and retained earnings on January 1, 2021.

KPMG in Taiwan

Sheng-Her Yu

CPAs :

Guo-Zhong Chen

March 17, 2022

NORTH-STAR INTERNATIONAL PETECH CO., LTD.

Codes of Ethics and Conduct for Employees

Article 1 (Purpose of and basis for adoption)

The “Codes of Ethics and Conduct for Employees” (hereinafter referred to as the “Codes”) is formulated in accordance with the “Codes of Ethics and Conduct for Employees for TWSE/TPEx Listed Companies” in order to guide the Company’s employees to act in line with ethical standards, and to help the Company’s stakeholders be more aware of the Company’s ethical standards.

Article 2 (Definition of employees)

The “employees of the Company” as stated in the “Codes” refers to the direct and indirect employees who are employed and paid by the Company to perform work.

Article 3 (Prevention of conflicts of interest)

The Company’s employees shall prevent conflicts of interest from occurring when personal interest intervenes or is likely to intervene in the overall interest of the Company, and shall adhere to the following principles:

1. Perform job duties in an objective and efficient manner.
2. Prevent taking advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, or relatives within the second degree of kinship.
3. Take the initiative to state whether there is a potential conflict of interest against the Company.
4. Prevent other similar conflicts of interest from occurring.

The Company shall pay special attention to loaning of funds, making of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which the aforementioned employees work for.

The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for the Company’s employees to voluntarily explain whether there is any potential conflict between them and the Company.

Article 4 (Minimizing incentives to pursue personal gain)

The Company shall prevent the employees from engaging in any of the following activities:

1. Seek an opportunity to pursue personal gain by using the Company’s property or information or taking advantage of their positions.
2. Obtain personal gain by using the Company’s property or information or taking advantage of their positions.
3. Compete against the Company.

When the Company has an opportunity to generate profit, it is the responsibility of the Company's employees to help maximize the reasonable and proper benefits that can be obtained by the Company.

Article 5 (Confidentiality)

The Company's employees shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

Article 6 (Fair trade)

The Company's employees shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 7 (Safeguarding and proper use of company assets)

The Company's employees have the responsibility to safeguard the Company's assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

Article 8 (Legal compliance)

The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

Article 9 (Encouraging reporting on illegal or unethical activities)

The Company shall raise awareness of ethics internally and encourage employees to report to the Company's supervisors, managerial officers, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.

Article 10 (Disciplinary measures)

When the Company's employees violate the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the relevant laws and regulations and Work Rules, and shall without delay disclose on the Market Observation Post System (MOPS) the job title and name of the violator, the date of the violation, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establishes a relevant complaint system to provide the violator with remedies.

Article 11 (Procedures for exemption)

The Company's employees who are exempted from complying with the code of ethical conduct must be with the resolution of the Board of Directors; also, immediately disclose such information on the Market Observation Post System (MOPS), including job title and name of the exempted employee, the date when the exemption approved by the Board of Directors, the exemption period, the reason for the exemption approved, and the criteria for the exemption, which allow the shareholders to evaluate whether the resolution reached by the Board of Directors is appropriate or not in order to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms in place to control any circumstance under which such an exemption occurs.

Article 12 (Method of disclosure)

The Company shall disclose the "Codes" in the annual reports, prospectuses, and on the Market Observation Post System (MOPS), same for the amendments.

Article 13 (Enforcement)

The "Codes" shall enter into force after it has been resolved by the Board of Directors, same for the amendments.

Article 14: The "Codes" was formulated by the Board of Directors for the first time and resolved in the 11th Board meeting of the 9th term of office on December 24, 2014.

The 2nd amendment to the "Codes" was made and resolved in the 15th Board meeting on the 11th term of office on May 5, 2021.

NORTH-STAR INTERNATIONAL PETECH CO., LTD.

Codes of Ethics and Conduct for Employees by Directors, Supervisors, and Managerial Officers

Article 1 (Purpose of and basis for adoption)

The “Codes of Ethics and Conduct for Employees” (hereinafter referred to as the “Codes”) is formulated in accordance with the “Codes of Ethics and Conduct for Employees for TWSE/TPEX Listed Companies” in order to establish the Company’s good behavior model and to help the Company’s stakeholders be more aware of the Company’s ethical standards in compliance.

Article 2 (Applicable Parties)

It is applicable to the Company’s directors, supervisors, and managerial officers, including the President and the equivalents, Vice President and the equivalents, Junior Vice President and the equivalents, financial officer, accounting officer, and others who have the right to manage affairs and sign for the Company.

Article 3 (Prevention of conflicts of interest)

The Company’s directors, supervisors, and managerial officers shall prevent conflicts of interest from occurring when personal interest intervenes or is likely to intervene in the overall interest of the Company, and shall adhere to the following principles:

1. Perform job duties in an objective and efficient manner.
2. Prevent taking advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the third degree of kinship.
3. Take the initiative to state whether there is a potential conflict of interest against the Company.
4. Prevent other similar conflicts of interest from occurring.

The Company shall pay special attention to loaning of funds, making of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which the aforementioned directors, supervisors, and managerial officers work for.

The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for the Company’s directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.

Article 4 (Minimizing incentives to pursue personal gain)

The Company shall prevent the directors, supervisors, and managerial officers from engaging in any of the following activities:

1. Seek an opportunity to pursue personal gain by using the Company's property or information or taking advantage of their positions.
2. Obtain personal gain by using the Company's property or information or taking advantage of their positions.
3. Compete against the Company.

When the Company has an opportunity to generate profit, it is the responsibility of the Company's directors, supervisors, and managerial officers to help maximize the reasonable and proper benefits that can be obtained by the Company.

Article 5 (Confidentiality)

The Company's directors, supervisors, and managerial officers shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

Article 6 (Fair trade)

The Company's directors, supervisors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 7 (Safeguarding and proper use of company assets)

The Company's directors, supervisors, and managerial officers have the responsibility to safeguard the Company's assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

Article 8 (Legal compliance)

The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

Article 9 (Encouraging reporting on illegal or unethical activities)

The Company shall raise awareness of ethics internally and encourage employees to report to the Company's supervisors, managerial officers, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.

Article 10 (Disciplinary measures)

When the Company's directors, supervisors, and managerial officers violate the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the relevant laws and regulations and Work Rules, and shall without delay disclose on the Market Observation Post System (MOPS) the job title and name of the violator, the date of the violation, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establishes a relevant complaint system to provide the violator with remedies.

Article 11 (Procedures for exemption)

The Company's directors, supervisors, and managerial officers who are exempted from complying with the code of ethical conduct must be with the resolution of the Board of Directors; also, immediately disclose such information on the Market Observation Post System (MOPS), including job title and name of the exempted employee, the date when the exemption approved by the Board of Directors, the exemption period, the reason for the exemption approved, and the criteria for the exemption, which allow the shareholders to evaluate whether the resolution reached by the Board of Directors is appropriate or not in order to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms in place to control any circumstance under which such an exemption occurs.

Article 12 (Method of disclosure)

The Company shall disclose the "Codes" in the annual reports, prospectuses, and on the Market Observation Post System (MOPS), same for the amendments.

Article 13 (Enforcement)

The "Codes" shall enter into force after it has been resolved by the Board of Directors, and delivered to each supervisor, and submitted to a shareholders meeting, same for the amendments.

Article 14: The "Codes" was formulated by the Board of Directors for the first time and resolved in the 11th Board meeting of the 9th term of office on December 24, 2014.

North-Star International Petech Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act and named “NORTH-STAR INTERNATIONAL PETECH CO., LTD.” (Referred to as “North-Star” hereinafter).

Article 2: The business of the Company is as follows:

1. CA02010 Metal structures and building components manufacturing business
2. D101060 Renewable energy proprietary power generation equipment business
3. E502010 Fuel conduit installation engineering business
4. E599010 Piping engineering business
5. E601020 Electrical installation business
6. E603010 Cable installation engineering business
7. E603040 Fire safety equipment installation engineering business
8. E603100 Electric welding engineering business
9. E603110 Cold working engineering business
10. E603120 Sandblasting engineering business
11. E603130 Gas water heater contracting business
12. E604010 Machinery installation business
13. E903010 Anti-corrosion and anti-rust engineering business
14. EZ02010 Lifting engineering business
15. EZ03010 Furnace installation business
16. EZ07010 Drilling engineering business
17. EZ09010 Static electricity protection and elimination engineering business
18. EZ15010 Thermal insulation, cold insulation installation engineering business
19. EZ99990 Other engineering businesses
20. F112010 Gasoline and diesel wholesale business
21. F112040 Petroleum products wholesale business
22. F113030 Precision instruments wholesale business
23. F113100 Pollution prevention and control equipment wholesale business
24. F114030 Automobile and motorcycle spare parts wholesale business
25. F203010 Food and beverage retailing business
26. F203020 Tobacco and alcohol retailing business
27. F206020 Daily necessities retailing business
28. F212011 Gas station business
29. F212050 Petroleum products retailing business
30. F212061 Natural gas station business
31. F213040 Retail of precision instruments
32. F213100 Pollution prevention equipment retailing business
33. F214010 Automobile retailing business
34. F214030 Automobile and motorcycle parts and components retailing business
35. F399010 Convenience Store business
36. F401010 International Trade business

37. F501030 Beverage store business
38. F501060 Restaurant business
39. G202010 Parking lot management business
40. H701010 Residential and building development, rental, and sales business
41. H701020 Industrial plant development, rental, and sales business
42. H701040 Specific designated areas development business
43. H701050 Investment in the construction of public works
44. H701080 Urban renewal and reconstruction business
45. H703090 Real estate trade business
46. H703100 Real estate leasing business
47. H703110 Home for the elderly business
48. I103060 Management consultancy business
49. I199990 Other consulting services business
50. IG03010 Energy technology service business
51. J101050 Environmental testing service business
52. J101090 Waste disposal service business
53. J101990 Other environmental health and anti-pollution services business
54. J701020 Amusement Park business
55. J801030 Athletics and leisure sports arena business
56. JA01010 Auto Repair service business
57. JA01040 Liquefied petroleum vehicle modification business
58. JA01990 Other automobile services business
59. JE01010 Leasing business
60. I301010 Information software service business
61. I301020 Data processing services business
62. I301030 Electronic information supply services business
63. F399040 Online retailing business
64. ZZ99999 All businesses that are not prohibited or restricted by law, except for those businesses that require special approval

Article 2-1: The Company for the need of business operation may authorizes the Board of Directors to handle the reinvestment business, and it is not subject to the restriction of not investing an amount exceeding 40% of the Company's paid-in capital in accordance with Article 13 of the Company Act.

Article 2-2: Deleted

Article 3: The Company has its head office setup in New Taipei City, and branch offices setup at appropriate places in Taiwan and abroad as approved by the Board of Directors.

Article 4: Deleted

Article 4-1: The Company may make endorsements/guarantees externally for business needs.

Chapter 2 Shares

Article 5: The total authorized capital stock of the Company is NT\$3 billion with 300 million shares issued at NT\$10 par; also, the board of directors is authorized to make multiple issuances.

Article 6: Deleted

Article 7: The Company's stock shares are signed or stamped by the directors representing the Company, and issued after being certified lawfully. The Company is exempted from

printing certificates for the shares issued; when issues new shares.

Article 8 The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a 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' Meeting

Article 9: Shareholders' meeting includes both regular shareholders' meeting that is to be held at least once a year and convened by the Board of Directors within 6 months at the end of the fiscal year and special shareholders' meeting that is to be held when necessary.

Article 10: The shareholder who cannot attend the shareholders' meeting for reasons may appoint a proxy to attend the meeting instead by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. In addition to the provisions of Article 177 of the Company Act, the rules for shareholders to attend by proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" announced by the competent authorities.

Article 11: A shareholder shall have one voting power in respect of each share in his/her/its possession, unless otherwise provided by law.

Article 12: A shareholder who exercises his/her/its voting power at a shareholders' meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

Unless otherwise provided for in other law and regulations, resolutions of the shareholders' meeting shall be adopted by a majority of the shareholders or their representatives at a meeting attended by a majority of the shareholders.

Article 12-1: Board meetings shall be convened and chaired by the chairman of the Board. When the chairman of the Board is on leave or cannot exercise his/her power for reasons, the chairman shall appoint one of the directors to act. If no such designation is made by the chairman, the directors shall select one person from among themselves to serve as chairman. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

Article 12-2: The minutes of shareholders' meeting shall be prepared and affixed with the signature or seal of the chairman of the meeting, which should be distributed to all shareholders

of the Company within twenty (20) days after the close of the meeting. The distribution of the aforementioned meeting minutes may be done by public announcement.

Chapter 4 Directors and Supervisors

Article 13: The Company has nine to thirteen directors and three supervisors appointed for a 3-year term and eligible for re-election. The quorum of the Board of Directors is to be resolved in the Board meeting. The total number of the Company's shares held by all directors and supervisors is to be processed in accordance with the security competent authority. The Company's independent directors among the number of directors specified in the preceding paragraph must be not less than two persons, and must be not less than one fifth of the number of directors.

The election of directors and superiors is processed in accordance with the candidate nomination system specified in Article 192-1 and Article 216-1 of the Company Act; also, they have elected from the candidate list accordingly in the shareholders' meeting. The nomination of the candidates for directors, announcement, and other matters shall be handled in accordance with the Company Act, Securities and Exchange Act, and other relevant regulations. Independent directors and non-independent directors shall be elected together with the voting rights separately calculated for independent and non-independent director positions.

Article 13-1: When the number of vacancies in the Board of Directors equals to one third of the total number of directors, or, all the supervisors are dismissed, the Board of Directors shall call, within 60days, a special shareholders' meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors.

Article 13-2: The Board of Directors shall meet at least quarterly.

The reasons for convening the Board meeting shall be stated with the directors and supervisors notified seven days in advance. However, a shareholders' meeting can be convened in the event of an emergency. The Company's Board meeting can be convened in writing, E-mail, or by fax.

Article 14: The Board of Directors is organized by the board directors. A chairman and a vice-chairman shall be elected among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman shall externally represent the Company.

Article 14-1: Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. If a director is unable to attend the Board meeting for reasons, he/she may have another director to attend the meeting by proxy in accordance with Article 205 of the Company Act.

Article 15: If the chairman is on leave or is unable to exercise his/her powers for reasons, it is to be handled in accordance with Article 208 of the Company Act.

Article 16: The Board of Directors is authorized to determine the remuneration of the directors and supervisors with reference to their participation in the business operation and the value they have contributed, and the standards of the relevant peers.

Article 16-1: The Company may acquire liability insurance for the directors and supervisors.

Chapter 5 Management

Article 17: The Company has a President and several Vice Presidents appointed with their appointments, dismissal, and remunerations processed in accordance with Article 29 of the Company Act.

Article 17-1: The Company may hire consultants according to the resolution of the Board of Directors.

Chapter 6 Accounting

Article 18: At the close of each fiscal year, the Board of Directors shall prepare the following statements and records, which should be audited according to the statutory procedures and then presented to the supervisors for review with a report issued 30 days prior to the regular shareholders' meeting and then submitted to the shareholders' meeting for recognition.

- (1) The business report;
- (2) The financial statements;
- (3) The earning distribution or loss off-setting proposals;

Article 19: Deleted

Article 20: If the Company makes profits for the year, an amount not less than 1% of the profits should be appropriated as employee compensation; which is to be distributed in shares or cash by the resolution of the Board of Directors, and the recipients of the distribution may include employees of affiliated companies who meet certain conditions and an amount not more than 3% of the profits should be appropriated as remuneration to directors and supervisors. The distribution of remuneration to employee, directors, and supervisors shall be reported in the shareholders' meeting.

However, if the Company still has accumulated losses, an amount should be reserved in advance to make up for the losses with the remaining amount distributed to employees, directors, and supervisors according to the percentage stated in the preceding paragraph.

Article 20-1: The earnings in the Company's annual final accounts, if any, should be applied to pay taxes first, make up for the previous losses thereafter, and appropriate 10% for the legal reserve until the legal reserve equals to the Company's paid-in capital. In addition, a special reserve shall be appropriated depending on the Company's business operation and the laws and regulations. If there is any balance amount thereafter, plus

the accumulated unappropriated earnings, the Board of Directors shall have an earnings distribution proposal prepared for shareholders' dividend to be resolved in the shareholders' meeting.

The Company's dividend policy is based on the current and future development plans, the consideration of the investment environment, capital needs, domestic and foreign competition conditions, shareholders' interests, etc., also, an amount not less than 50% of the distributable earnings is appropriated for the distribution of dividends to shareholders every year. The shareholders' dividends are paid in cash or shares, of which, cash dividends shall not be less than 20% of the total dividends paid.

Chapter 7 Supplemental Provisions

Article 21: The matters not addressed in the Company's Articles of Incorporation shall be handled in accordance with the Company Act and other related laws and regulations.

Article 22: The Article of Incorporation was enacted on November 28, 1988.

The 1st amendment was made on September 15, 1989.

The 2nd amendment was made on September 18, 1989.

The 3rd amendment was made on June 30, 1990.

The 4th amendment was made on June 1, 1991.

The 5th amendment was made on November 24, 1991.

The 6th amendment was made on May 21, 1995.

The 7th amendment was made on May 24, 1997.

The 8th amendment was made on June 27, 1998.

The 9th amendment was made on June 27, 1999.

The 10th amendment was made on June 3, 2000.

The 11th amendment was made on June 15, 2001.

The 12th amendment was made on June 15, 2001.

The 13th amendment was made on June 24, 2002.

The 14th amendment was made on June 20, 2003.

The 15th amendment was made on May 17, 2004.

The 16th amendment was made on June 14, 2005.

The 17th amendment was made on June 27, 2006.

The 18th amendment was made on June 11, 2007.

The 19th amendment was made on June 6, 2008.

The 20th amendment was made on June 16, 2009.

The 21st amendment was made on June 15, 2010.

The 22nd amendment was made on June 22, 2011.

The 23rd amendment was made on May 25, 2012.

The 24th amendment was made on June 27, 2014.

The 25th amendment was made on June 3, 2015.

The 26th amendment was made on June 13, 2016.

The 27th amendment was made on May 29, 2018.

The 28th amendment was made on June 9, 2020.

It will be implemented after the approval of the shareholders' meeting, and same for the amendments.

NORTH-STAR INTERNATIONAL PETECH CO., LTD.

Procedures for Making of Endorsements/Guarantees

Chapter 1 General provisions

Article 1: The “Procedures for Making of Endorsements/Guarantees” (hereinafter referred to the “Procedures” is formulated in accordance with Article 36-1 of the Securities and Exchange Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (referred to as “the Guidelines” hereinafter) stipulated by the competent authorities.

Article 2: The Company shall have the “making of endorsements/guarantees” processed in accordance with the “Procedures.”

Article 3: The term “endorsements/guarantees” stated in the “Procedures” refers to the following:

1. Financing endorsements/guarantees, including
 - (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;
2. Customs duty endorsement/guarantee refers to an endorsement or guarantee for the Company or another company with respect to customs duty matters.
3. Other endorsements/guarantees refers to an endorsement or guarantee beyond the scope of the above two subparagraphs.

The Company shall have the property or real property pledged or mortgaged as collateral for the loans of another company in accordance with the “Procedures.”

Article 4: The Company may make endorsements/guarantees for the following companies only with collateral provided when necessary:

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

Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other for an amount of endorsements/guarantees not exceed 10% of the Company’s net worth, provided that this

restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

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

Capital contribution referred to in the preceding paragraph refers to the capital contribution made directly by the Company or through a company in which the Company holds 100% of the voting shares.

Article 4-1: “Subsidiary” and “parent company” as referred to in the “Procedures” shall be as determined under IAS No. 5 and IAS No. 7 announced by the “Accounting Research and Development Foundation.”

Article 4-2: The term “announce and report” as used in the “Procedures” means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC) of the Executive Yuan.

Article 5: The Company’s “Procedures for Making of Endorsements/Guarantees” should be formulated in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and after passage by the Board of Directors should be submitted to each supervisor and to the shareholders’ meeting for approval before implementation; where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to each supervisor and the shareholders’ meeting for discussion. The same shall apply to any amendments made to the “Procedures.”

Where the Company has appointed independent directors, when it submits the “Procedures for Making of Endorsements/Guarantees” to the Board of Directors for discussion under the preceding paragraph, the Board of Directors shall take into full consideration each independent director’s opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board meeting.

Chapter 2 Formulation of operating procedures

Article 6: The Company’s “Procedures for Making of Endorsements/Guarantees” is as follows:

1. Entities to which the Company may make endorsements/guarantees are limited to those stated in Article 4 of the “Procedures.”

2. Evaluation criteria for endorsements/guarantees due to business transactions:

Where an endorsement/guarantee is made due to needs arising from business dealings, evaluation standards shall be specified for determining whether the amount of an endorsement/guarantee is commensurate the total amount of trading between the two companies.

3. The ceilings on the amounts permitted to make in endorsements/guarantees

The aggregate endorsement/guarantee amount of the Company shall not exceed 150% of the Company's current net worth. The maximum endorsement/guarantee amount permitted to a single enterprise shall not exceed 130% of the Company's current net worth.

The aggregate endorsement/guarantee amount of the Company and the subsidiaries shall not exceed 200% of the Company's current net worth. The maximum endorsement/guarantee amount permitted to a single enterprise shall not exceed 50% of the Company's current net worth. The current net worth is based on the most recent financial statements.

4. Making of endorsements/guarantees and review procedures:

(1) The applicant for endorsements/guarantees shall have an application filed with the information provided and the related risks analyzed, including the related party, amount, purpose, and duration of the endorsements/guarantees provided as well as the entity for which the endorsement/guarantee is made, the necessity of and reasonableness of the endorsements/guarantees, the impact on the Company's business operations, financial condition, and shareholders' equity, whether collateral must be obtained and appraisal of the value thereof. In a circumstance in which the related party of the endorsement/guarantee made is a subsidiary whose net worth is lower than half of its paid-in capital, the subsidiary should immediately submit a corrective action report signed by the President to explain the relevant plan and schedule for the subsequent effort in increasing the net worth for the senior management's itemized review in order to determine its qualifications, whether the quota complies with the "Procedures," and whether it has to announce with a collateral obtained when necessary.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the calculation of paid-in capital in the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

The Company may make an endorsement/guarantee only after the endorsement/guarantee application form and risk evaluation report have been signed by the chairman and submitted to and resolved upon by the Board of Directors. Also, the chairman maybe empowered by the Board of Directors to grant endorsements/guarantees within a specific limit depending on credit

status and financial condition of the entity for which the endorsement/guarantee is made, for subsequent submission to and ratification by the next Board meeting.

- (2) The Finance Department shall have the endorsements/guarantees application form and risk evaluation report filed for records. The endorsements/guarantees resolved by the Board of Directors or approved by the chairman, in addition to applying for a seal affixation in accordance with the prescribed procedures, shall be prepared with the following information included: the endorsement and guarantee items, the entity for which the guarantee is made, the risk assessment result, the endorsement/guarantee amount, the date, the content of the collateral obtained, the condition and date of the endorsement/guarantee responsibility lifted, the date of passage by the Board of Directors, the approval date of the chairman, etc. The relevant bills should also be photocopied for safekeeping.
- (3) The Finance Department should prepare a detailed list of the guarantees occurred and cancelled every month in order to control and follow-up, and to handle the “announce and report,” also, should evaluate and recognize the contingent losses of the endorsements/guarantees on a quarterly basis according to the statements, disclose the endorsements/guarantees in the financial report, and provide the relevant information to the independent auditors.
- (4) The Finance Department, before the end of the endorsement guarantee date, shall voluntarily inform the guaranteed enterprise to collect the guarantee notes retained by the bank or creditor institution and to cancel the endorsements/guarantees related deeds.

5. Procedures for controlling endorsements/guarantees made by subsidiaries

The formulation and contents of the external endorsements/guarantees operational procedures of the subsidiaries shall be handled in accordance with the “Procedures.”

The subsidiaries shall report to the Company the amount, entity, and duration of the endorsements/guarantees before the 5th day of each month. However, if it meets the standards set forth in Article 12 of the “Procedures,” the Company should be informed immediately to have the “announce and report” process handled accordingly.

6. Procedures for the custody of corporate chops

- (1) The Company uses the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person who is elected and appointed in accordance with the “Rules Governing the Use of Corporate

Chop;” also, the replacement of the corporate chop custodian must be with the approval of the Board of Directors and the corporate chop must be turned over to the successor.

- (2) The Finance Department should fill in the “Application for Use/Borrowing Corporate Chop” after the endorsement/guarantee being resolved by the Board of Directors or approved by the chairman, then together with the approval record and the endorsement/ guarantee contracts or guarantee bills and other printed documents submitted to the corporate chop custodian for seal affixation with the approval of the Financial Officer.
- (3) The corporate chop custodian should check for the approval record of the Board of Directors or the chairman on the documents, whether the “Application for Use/Borrowing Corporate Chop” has been approved by the Financial Officer, and whether the application documents for the corporate chop are consistent before the corporate chop can be affixed on the documents. The sealed document should be detailed in the “Application for Use/Borrowing Corporate Chop.”
- (4) When making a guarantee for an overseas company, the Company shall have the Guarantee Letter issued by a person authorized by the Board of Directors.

7. Hierarchy of decision-making authority and delegation thereof:

- (1) The Company may make an endorsement/guarantee only after the evaluation results have been submitted to and resolved upon by the board of directors. However, if the guaranteed company is a subsidiary or parent company of the Company, the chairman, general manager, or the person designated by the general manager will be empowered by the board of directors to grant endorsements/guarantees within a specific limit, and then have it submitted subsequently to be ratified by the next board of directors meeting.
- (2) Where it is necessary to exceed the endorsement/guarantee limits set out in Article 6, Paragraph 1, Subparagraph 3 of the “Procedures” due to the business needs, it is necessary to obtain an approval from the Board of Directors and half or more of the directors shall act as joint guarantors; also, the “Procedures” shall be amended accordingly before submitted it 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.

Article 7: The Company’s subsidiaries shall have the “making of endorsements/guarantees” processed in accordance with the “Procedures.”

Chapter 3 Evaluation

Article 8: The Company shall prepare a memorandum book for its endorsement/guarantee activities and truthfully record in detail the following information: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the chairman, the date the endorsement/guarantee is made, and the matters to be carefully evaluated in accordance with the “Procedures.”

The Company’s internal auditors shall audit the “Procedures for Making of Endorsements/Guarantees” and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify each supervisor and independent director in writing of any material violation found.

Article 9: When the Company needs to exceed the limits for endorsements/guarantees set out in Article 4 of the “Procedures,” or when the endorsement/guarantee amount exceeds the limit due to a change in the basis on which the limit is calculated, the enforcement/guarantee amount or the enforcement/guarantee excess amount for the entity shall be eliminated before the deadline specified in the contract. If there is no contract signed, the Finance Department shall formulate a rectification plan to eliminate the said amount within a certain period with the approval of the chairman; also, the rectification plan should be submitted to each supervisor and independent director and then reported to the Board of Directors in order to complete the rectification according to the timeframe set out in the plan.

Article 10: If the Company’s employees violate the provisions of the “Procedures” when undertaking the endorsement/guarantee operations, they shall be reported for evaluation and punished according to the violations committed in accordance with the Company’s Personnel Management Rules and Employee Handbook.

Chapter 4 Information Disclosure

Article 11: The Company shall announce and report the previous month’s balance of endorsements/guarantees of the Company and subsidiaries by the 10th day of each month.

Article 12: The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The aggregate balance of endorsements/guarantees by the Company and the subsidiaries reaches 50% or more of the Company’s net worth as stated in the latest financial statements.
2. The balance of endorsements/guarantees by the Company and the subsidiaries for a single enterprise reaches 20% or more of the Company’s net worth as stated in the latest financial statements.

3. The balance of endorsements/guarantees by the Company and the subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in the latest financial statements.

4. The amount of new endorsements/guarantees made by the Company and the subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in the latest financial statements.

“Date of occurrence” as stated in the preceding paragraph means the date of contract signing, date of payment, resolution dates of the Boards of Directors, or other date that can confirm the counterparty and monetary amount of the endorsement/guarantee, whichever date is earlier.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company in Taiwan any matters that such subsidiary is required to announce and report pursuant to paragraph 4 of the preceding paragraph.

Article 13: The Company shall evaluate or recognize the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in the financial reports and provide certified public accountants with relevant information for their implementing necessary audit procedures.

Chapter 5 Supplemental Provisions

Article 14: The “Procedures” shall be enforced from the date approved by the chairman, resolved by the Board of Directors, and approved in the shareholders' meeting, same for the amendments.

The Procedures were formulated on May 29, 2018.

The 1st amendment was made on June 18, 2019.

The 2nd amendment was made on August 4, 2021.

NORTH-STAR INTERNATIONAL PETECH CO., LTD.
“Procedures for Election of Directors and Supervisors”

1. The Company’s directors and supervisors shall be elected in accordance with the “Procedures.”
2. Unless otherwise provided in the Company’s Articles of Incorporation, each share will have voting rights in number equal to the directors to be elected in the shareholders’ meeting, and may be cast for a single candidate or split among multiple candidates.
3. Before the election begins, the chair shall appoint several persons to perform the respective duties of vote monitoring and counting personnel.
The ballot boxes for the election of directors and supervisors shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
4. (1) The Company’s directors and supervisors shall be elected from the competent individuals in the shareholders’ meeting. The number of directors and supervisors will be as specified in the Company’s Articles of Incorporation; also, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
(2) The Company’s directors and supervisors are elected in accordance with the candidate nomination system.
(3) Independent directors and non-independent directors shall be elected together with the voting rights separately calculated for independent and non-independent director positions; also, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.
5. The Board of Directors shall prepare ballots in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots.
6. Voters may select the candidate from the “candidates” list that is compiled by the Company and fill it in the “electee” column on each ballot. However, this does not apply to shareholders who exercise their voting rights by electronic voting.
- 6-1. Deleted
7. A ballot is invalid under any of the following circumstances:
 - (1) The ballot is not prepared in accordance with the provision of Article 5 of the “Procedures.”
 - (2) The ballot is not placed in the ballot box.
 - (3) The number of candidates filled in the ballot exceeds the specified number of candidates to be elected; or, a blank ballot is placed in the ballot box.

- (4) Other words or marks are entered in the ballot in addition to the account name (name) of the electee, and the shareholders' account number (identity card number), and the number of voting rights allotted.
- (5) The writing is unclear and indecipherable or has been altered.
- (6) The candidate who is a shareholder and whose account name, shareholders' account number entered in the ballot does not conform to the director candidate list, or, the candidate who is not a shareholder and whose name, identity card number are found inconsistency.
- (7) The account name (name) or shareholder account number (identity card number) of the electee is not filled in.
- (8) The total number of voting rights allocated is more than the number of votes held by the voters.

8. Two ballot boxes are prepared for the election of directors and supervisors separately.
9. The voting rights shall be calculated on site immediately after the end of the poll by the vote monitoring and counting personnel.
10. The counting of votes is monitored by the vote monitoring personnel.
11. The questionable ballots should be checked and determined by the vote monitoring personnel whether they are valid or invalid, and the invalid ballots should be quarantined. The number of invalid votes and invalid voting rights should be counted and then signed and sealed by the vote monitoring personnel for discard.
12. The total number of the valid and invalid votes should be verified by the vote monitoring personnel at the end of the poll, and then fill in the report with the number of valid votes and voting rights as well as the number of invalid votes and voting rights for the chairman to announce the name and shareholder account number of the elected person on the spot.
- 12-1. The qualifications and appointment of independent directors shall be handled in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" stipulated by the Securities and Exchange Act and the Financial Supervisory Commission.
13. The Company's Board of Directors shall issue notifications to the persons elected as directors and supervisors.
14. Matters that are not addressed in the "Procedures" should be processed in accordance with the Company Act, the Articles of Incorporation, and related laws and regulations.

The "Procedures" shall be implemented after being approved by the shareholders' meeting, same for the amendments.

The "Procedures" was resolved by the shareholders' meeting on June 1, 1991.

The 1st amendment was made on June 27, 1998.

The 2nd amendment was made on June 24, 2002.

The 3rd amendment was made on June 13, 2016.

The 4th amendment was made on June 18, 2019.

NORTH-STAR INTERNATIONAL PETECH CO., LTD.

Rules of Procedure for Shareholders' Meetings

- Article 1 (Reference for stipulation)
The "Rules of Procedures for Shareholders' Meeting" is formulated in accordance with Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" for compliance in order to establish a profound governance system, a sound supervisory function, and a strong management capability of the shareholders' meeting of the Company.
- Article 2 The rules of procedures for the Company's shareholders' meetings shall be handled in accordance with the "Rules of Procedure for Shareholders' Meetings," unless otherwise provided by law and regulations or by the Articles of Incorporation.
- Article 3 (Convening shareholders meetings and shareholders meeting notices)
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
This Company shall prepare electronic versions of the shareholders meeting notice, proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, which should also be distributed at the meeting place.
The reasons for convening the shareholders' meeting shall be specified in the meeting notice and public announcement. The meeting notice may be given in electronic form with the consent of the addressee.
Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing the Company's status as a public company, approval of competing with the Company by directors, earnings distributed in the form of new shares, paid-in capital distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, Paragraph 1 of the Company Act, Articles 26-1 and Article 43-6 of the Securities and Exchange Act, Articles 56-1 and Article 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers"

shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

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

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

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

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

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

Article 4

(Meeting attendance by proxy and authorization)

A shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and state the scope of the proxy's authorization for each shareholders' meeting.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company

two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles determining the time and place of a shareholders' meeting)

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and several suitable personnel assigned to handle the registrations.

Shareholders or shareholders' proxy (hereinafter referred to as "the shareholders" collectively) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

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

Article 7 (The chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for

six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the chairperson of the board in person and attended by the majority of the board directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders' meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 (Calculation of the number of shares in attendance and the shareholders' meeting)

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

The chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent the majority of the total number of issued shares, the chair may resubmit the tentative

resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other board directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

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

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

Article 12

(Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based the number of shares.

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

(Proposal voting, monitoring, and counting of votes)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

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

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

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

exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

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

Article 14

(Election matters)

The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

Article 15

(Meeting minutes and signatory matters)

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the

meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Article 16 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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

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

Article 18 (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 The “Rules” shall be implemented after the resolutions of the shareholders’ meeting, same for the amendments.

The “Rules” was formulated on June 17, 2013.

The 1st amendment was made on June 18, 2019.

The 2nd amendment was made on June 9, 2020.

The 3rd amendment was made on August 4, 2021.

NORTH-STAR INTERNATIONAL CO., LTD

Procedures for Acquisition or Disposal of Assets

Article 1: Purpose

These Procedures have been formulated to establish the standard regulations for the acquisition and disposal of assets, ensure proper evaluation and approval of acquisition and disposal of assets, and implement public disclosure of information in accordance with the relevant Laws and Regulations.

Article 2: Applicable Laws and Regulations

1. Article 36-1 of the Taiwan Securities and Exchange Act (hereinafter referred to as the Act).
2. The “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated by the Financial Supervisory Commission (hereinafter referred to as “FSC”).

Article 3: Applicable scope of the assets addressed in the Procedures is described below:

1. Investments such as stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real Property (including land, houses and buildings, investment property, inventory of construction industry) and equipment
3. Memberships.
- 4., copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4: Terms and Definitions

1. Derivatives:

Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts

2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law:
Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary:
As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser:
Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property 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 dates of resolutions of committees established by boards of directors, date of bid acceptance, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment:
Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Professional investors:
Professional investors refer to the financial holding companies, banks, insurance companies, security financing companies, trust companies, independent operation or underwriting securities, independent futures companies, and security and investment trust companies, security investment consulting business and funds management company established by law and subject to the management of local financial competent authorities.
8. Securities exchanges:
Domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter markets ("OTC"):
Domestic OTC markets refers to a market for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; foreign OTC markets refers to a market at a financial institution that is regulated by the foreign competent securities authority and that is permitted to

conduct securities business.

10. For the calculation of 10% of total assets under these Procedures for Acquisition or Disposal of Assets, the total assets stated in the most recent parent company-only financial statements or individual financial statements prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

The “most recent financial statements” referred to the financial statements audited, attested or reviewed by Certificate Public Accountant by law before the Company acquires or disposes assets.

11. In the case of a company whose shares have no par value or a par value other than NT\$10 for the calculation of transaction amounts of 20 percent of paid-in capital under the “Procedure for Acquisition and Disposal of Assets,” which shall be calculated by 10 percent of the equity attributable to owners of the parent company shall be substituted.

Article 5: The Company and its subsidiaries may purchase real estate or its right to use assets or securities with limits that are not for business use, according to the following provisions:

1. Company’s investment limit:

- (1) The investment in non-business real estate is limited to under 30 percent of Company’s net worth.
- (2) The total amount of investment in securities is not limited to 70 percent of Company’s net worth and the total amount of investment in individual securities is limited to 40 percent of the Company’s net worth.

2. Subsidiary’s investment limit:

- (1) The investment in non-business real estate is limited to under 30 percent of the parent company’s net worth.
- (2) The total amount of investment in securities is not limited to 50 percent of the parent company’s net worth and the total amount of investment in individual securities is limited to 5 percent of the parent company’s net worth

The total amount of investment in the aforementioned securities is based on the primitive investment cost as the calculation basis.

Article 6: Appraisal report or opinion letters:

1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions for the company’s need of acquiring or disposal assets, shall meet the following requirements:

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

since expiration of the period of a suspended sentence, or since a pardon was received.

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

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

- a. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
 - b. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
 - c. 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.
 - d. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.
2. Where the company acquires or disposes of assets through court auction procedures or the disposal of assets by Article 7, Article 8 and Article 9, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion

Article 7: Procedures for processing the acquisition or disposal of property, equipment or other right-of-use assets:

1. Evaluation Procedure

The evaluation for the acquisition or disposal of assets of the Company shall be approved by the department in charge of asset with feasibility evaluation report. The report shall be co-signed with the operation and management department, approved by the Company by authority before implementation.

2. Operating Procedure:

- (1) In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- a. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction

shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

- b. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers
 - c. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 - d. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
 - e. 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 adopted by the construction businesses, the transaction shall be submitted for approval in advance by the board of directors two weeks from the date of occurrence for the lack of appraisal report with proper reason, and the appraisal report and CPA opinion from preceding paragraph, item 3 shall be obtained accordingly.
 - f. If the appraisal institution presents the "Current Survey Report," "Price Appraisal Report" and others to replace the appraisal report. The content recorded shall conform to the regulations prescribed in the matters to be recorded to the preceding appraisal report.
 - (2) After acquiring the assets, the Company shall apply for various security measures and register, manage and use according to the "Regulations Governing Fixed Assets Management."
3. Determination procedure for transaction criteria and authorized credit
- (1) The method of price determination and reference basis shall follow the acquisition or disposal of real property, equipment, or use-of-right assets shall be reported by the unit in need with explanation and reason, reference on current market value, and the actual transaction price near the real estate, with consultation of price, price negotiation, or tender before further process.
 - (2) Level of Authorization

- a. For the acquisition or disposal of real property, equipment of right-of-use assets, the transaction amount under NT\$ 2 million (including) shall follow the Company's "Approval and Authorization Regulations" to submit to the president for resolution.
Transaction amount over NT\$2 million and under NT\$30 million (including) shall follow the Company's "Approval and Authorization Regulations" to submit to the chairman for resolution.
Transaction amount over NT\$30 million shall be approved by the Board of Directors before further processing. The Report presented to the Board of Directors shall take full consideration of the opinions expressed by all independent directors when submitting the report to the Board of Directors for discussion. The dissenting opinions or reservations expressed by any independent director should be clearly recorded in the minutes of the board meeting.
- b. When signing buy/sell contract with transacting counterparty, the approval by chairman will be required before signing the agreement for business needs and timelines, and shall proposed to the next Board of Director meeting for recognition after the transaction takes place.
- c. The acquisition or disposal of assets, in accordance with Company Act or other laws and regulations, shall be resolved by the Shareholders' meeting or recognition by or report to the Shareholders Meeting, for compliance accordingly.

Article 8: Procedure for Acquisition or Disposal of Securities

1. Evaluation Procedure:

- (1)The Company's acquisition or disposal of securities shall require the financial statements attested or reviewed by the Company with target as the reference of evaluating the transaction price.
- (2) The transaction amount reaching 20 percent of Company's paid-in capital or NT\$ 30 million or more, shall require the opinion expressed for the reasonableness of transaction price by the CPA before the occurrence date. The CPA adopting the report shall be implemented in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) but the provisions otherwise specified for the public pricing of the securities in the active market or FSC, shall be excluded.

2. Operating Procedure:

- (1) Evaluation, transaction, settlement, statement preparation (list): All sponsoring units shall take charge.
- (2) Custody: The securities acquired by the Company shall be kept custody by the Financial Department or safety box (cabin).
- (3) Evaluation: The Financial Department shall collect relevant data for subsequent periodic evaluation according to the provisions of Accounting Standards.

3. Determination procedure for transaction criteria and authorized credit:

The acquisition or disposal of stocks, government bonds, corporate bonds, financial

bonds, securities representing interest in a fund, depositary receipts, call(put)warrants, beneficial interest securities, and asset-backed securities of the company according to Article 3, item 1 of the Procedure, shall be approved by the chairman for resolution according to the “Approval and Authorization Regulations” before implementation:

Article 9: Acquisition of Disposal of Intangible Assets or Right-of-Use Assets or Member Certificate Procedure

1. Evaluation Procedure:

The Company acquiring or disposing intangible asset or right-of-use assets or member certificates shall be conducted with feasibility evaluation report through the unit in need, with reporting to the authorized unit.

2. Operating Procedure:

The acquisition or disposal of intangible assets or right-of-use assets or member certificate, shall be consulted with professional appraisal institution for the presentation of appraisal report. The transaction amount reaching 20 percent of the Company’s paid-in-capital or NT\$30 million, apart from transacting with the domestic government institutions, shall require the opinion expressed for the reasonableness on the transaction price by the CPA before the occurrence date.

3. Determination Procedure for Transaction Condition and Line of Credit:

(1) Price Determination Mean and Reference Basis: The unit in need shall propose the market transaction price of same intangible assets or right-of-use assets or member certificates. Those without market transaction price shall refer to the report presented by the professional appraisal institution.

(2) Level of Authorization

- a. Transaction amount under NT\$30 million (including) shall be submitted to the chairman for resolution. The transaction amount over NT\$30 million shall be approved by the Board of the Directors before implementation. However for the cooperation with business and for timeliness, the chairman shall determine first and then propose to the Board of Directors for recognition.
- b. The acquisition or disposal of intangible assets or other right-of-use assets or member certificates, if by Company Act or other regulation, shall be resolved by the Shareholder’s Meeting or recognized or reported to the Shareholders’ Meeting, shall comply accordingly.

Article 10: Calculation of Transaction Amount

The calculation of so-called transaction amount in Article 7, Article 8 and Article 9 shall be done according to Article 13, paragraph 2 (item 5) and within one year counting inclusively from the date of occurrence, and the appraisal report from a professional appraiser or a certified public accountant’s opinion obtained in compliance with the Procedure.

Article 11: Processing procedures for transaction with related party

1. Evaluation Procedure and Operating Procedure:

(1) When acquiring or disposing of assets with related parties, the company shall

process in accordance with Article 7, Article 8 and Article 9 of this processing procedure and the provisions, depending on the nature of assets. If the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Article 7, Article 8 and Article 9.

- (2) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises; the Company shall also evaluate and prepare the information pursuant to paragraph 2(item 1) of this Article submitted to the Board of Directors for approval and recognition by the supervisors.
- (3) The calculation of the transaction amounts referred to in the preceding two paragraphs shall be done in accordance with Article 13, paragraph 2 (item 5) herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained or reported to the Board of Directors for approval and supervisors for recognition, need not be counted toward the transaction amount.
- (4) To determine if the transaction party is a related party, apart from noting the legal form, the substantial relation shall be taken into consideration.

2. Procedure for Determination of Authorized Limit:

- (1) For acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; the Company shall submit the following information to the Board of Directors for approval and recognition by the supervisors before signing the transaction contract and make payment":
 - a. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - b. The reason for choosing the related party as a trading counterparty.
 - c. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 3, Subparagraph (1), (2), (3), (4), and (6) of this Article.
 - d. The date and price at which the related party originally acquired the property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
 - e. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and

reasonableness of the funds utilization.

- f. An appraisal report from a professional appraiser or a certified public accountant's opinion obtained in compliance with the preceding Paragraph.
 - g. Restrictive covenants and other important stipulations associated with the transaction.
- (2) The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 13, paragraph 2 (item 5) and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to the Board of the Directors for approval and recognized by the supervisors according to the provisions prescribed in the Procedures, which been obtained need not be counted toward the transaction amount.
- (3) With respect to the types of transactions listed below, when to be conducted between the Company and subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or under 10 percent of paid-in-capital of the Company, the board chairman may decide such matters when the transaction t and have the decisions subsequently submitted to and ratified by the next board of directors meeting:
- a. Acquisition or disposal of equipment or right-of-use assets thereof held for business use
 - b. Acquisition or disposal of real property right-of-use assets held for business use.
- (4) The acquisition or disposal of assets from related party other than stated in item (1) shall comply with the preceding three provisions.
3. Evaluation of Reasonableness of Transaction Costs
- (1) The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
- a. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance
 - b. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (2) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

- (3) The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the paragraph 3 (item 1) & (item 2) of this Article , shall also engage a CPA to check the appraisal and render a specific opinion.
- (4) When the results of the Company's appraisal conducted on the acquisition of real property or right-of-use assets in accordance with paragraph 3 (item 1) and (item 2) of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 3 (item 5) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - a. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (i) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (ii) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (iii) The leasing transactions by unrelated parties within the preceding year involving other floors of the same property, where the transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property market leasing practices.
 - b. Where a public company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- (5) For real estate or its right-of-use assets acquired from a related party and the

results of appraisals conducted in accordance with item 3 (1) and (2) of this Article are uniformly lower than the transaction price, the following provisions shall be followed. Moreover, the Company setting aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in high market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission (FSC) has given its consent.

- a. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost for the real estate or its right-of-use assets. These funds may not be distributed or used for capital increase or issuance of bonus shares. For the Company adopting the equity method to account for its investment in another investor such as public company, the special reserve called for under Paragraph 1, Article 41 of the Securities and Exchange Act shall also be special reserve set aside according to the percentage of shares held by the investor.
 - b. Supervisors and independent directors shall comply with Article 218 of the Company Act.
 - c. Actions taken pursuant to the preceding two subparagraphs of paragraph 3 (item 5) of the Article shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- (6) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 2 regarding the procedure for evaluation and operation in this Article, and the paragraph 3 (1), (2), (3) of this Articles regarding the provisions for assessing the reasonableness of transaction costs is not applied:
- a. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - b. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - c. 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.
 - d. The real property right-of-use assets for business use are acquired by the public 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.
- (7) When the company obtains real property or right-of-use assets thereof from a related party, it shall also comply with paragraph 3 (item 5) of this Article if there is other evidence indicating that the acquisition was not an arms-length transaction.

Article 12: Procedures for Mergers and Consolidations, Splits, Acquisitions, and Transfer of Shares

1. Evaluation and Processing Procedure

- (1) The company shall engage a CPA, attorney, or securities underwriter to develop the legal procedure and forecast schedule when conducting a merger, demerger, acquisition, or transfer of shares, while forming a project team to implement according to the legal procedures. Moreover, prior to calling the Board of Director Meeting for a resolution, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert maybe exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- (2) The Company shall prepare a public report to the shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in item (1) paragraph 1 of Article 12 when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
- (3) Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately and publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

2. Other matters of attention

(1) Date of Board of Directors Meeting:

The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the Financial Supervisory Commission (FSC) is notified in advance of extraordinary circumstances and grants consent.

(2) Confidentiality and Non-Disclosure Agreement:

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of

shares.

(3) Principles of Alteration of Share Exchange Ratio or Acquisition Price:

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract, or the information has been publicly disclosed. The criteria for altering share exchange ratio or acquisition price are outlined below:

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

(4) Matters to be recorded on the contract:

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the following matters, pursuant to the Article 317-1 of Company Act and Article 22 of Business Mergers And Acquisitions Act:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

(5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares:

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.

- (6) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of relevant regulations.
- (7) When participating in a merger, demerger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference.
 - a. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - b. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - c. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
- (8) The company participating in a merger, demerger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC market, shall report the information set out in the preceding paragraph 1 and 2 to the Financial Supervisory Commission (FSC) for recordation, in the prescribed format and via the Internet-based information system, and within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors.

Article 13: Procedures for Public Disclosure of Information

1. Deadline for processing public announcement and reporting

For the assets acquired or disposed by the Company as prescribed in item 2 of this Article and the transaction amount reaching the standards for public announcement and reporting, the company shall publicly announce and report the relevant information on the Financial Supervisory Commission (FSC) designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.

2. Items for public announcement and reporting, and the standards of public announcement and reporting

- (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company
- (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
- (5) Where the real property or right-of-use assets thereof for the construction business use operated by the Company are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
- (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separates sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more
- (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - a. Trading of domestic government bonds.
 - b. Where done by professional investors-securities trading on domestic or overseas securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.
 - c. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (8) The amounts of transaction prescribed in preceding paragraph 4~7 shall be calculated as follows. The "within the preceding year" as used in the preceding paragraphs refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

- a. The amount of any individual transaction.
 - b. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 - c. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 - d. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year
3. Procedures for Public Announcement and Reporting
- (1) The Company shall publicly announce and report the relevant information on the Financial Supervisory Commission (FSC) designated website.
 - (2) 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 Financial Supervisory Commission (FSC) by the 10th day of each month.
 - (3) The Company acquiring or disposing of assets at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission
 - (4) 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.
 - (5) Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding provision, the Company shall submit the public report of relevant information on the information reporting website designated by the Financial Supervisory Commission (FSC) within 2 days counting inclusively from the date of occurrence of the event:
 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 3. Change to the originally publicly announced and reported information.

Article 14: The subsidiaries of the Company shall comply with the following procedures:

1. The subsidiaries shall comply with the Company's "Procedures for Acquisition or Disposal of Assets" or the provisions stipulated in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" when acquiring or disposing assets. The subsidiaries shall formulate and implement the "Procedures for

Acquisition or Disposal of Assets.”

2. For non-public subsidiaries, the acquisition or disposal of assets meeting the standard transaction amount prescribed in Article 12 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” shall be publicly announced and reported by the parent company on behalf of the subsidiaries.
3. In the publicly announced and reported standards of the subsidiaries, the so-called “transaction amount reaching 20 percent or more of paid-in capital” or “10 percent or more of the company's total assets” shall be subject to the paid-in capital or assets of the Company.

Article 15: Penalty

The Company's persons-in-charge shall follow the personnel rules of the Company and the relevant regulations when executing the acquisition and disposal of assets. Violators of the Procedures will be periodically reported for appraisal and are subject to the penalty due to level of gravity.

Article 16: Implementation and Amendments

1. The Procedures are submitted to the supervisors and reported to the shareholder' meeting for approval after being approved by the board of directors. The same procedures apply to amendment. Should any director expresses dissenting opinions with records or in a written statement, the Company shall submit the information on the dissenting opinions to all supervisors.
2. The Company has set up independent directors and shall take full consideration of the opinions expressed by all independent directors when submitting the procedures for processing the acquisition or disposal of assets to the Board of Directors for discussion, in accordance with the preceding provisions. The dissenting opinions or reservations expressed by any independent director should be clearly recorded in the minutes of the board meeting.
3. After the Company has established the Audit Committee, the formulation or amendment to the procedures for the acquisition and disposal of assets shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

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

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

Article 17: Additional Provisions

Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations and the relevant Company rules.

Shareholding of Directors and Supervisors of the Company

Record Date: April 25, 2022

Total shares issued: 247,687,273 shares

Minimum shares to be held by all directors by law: 12,000,000 shares

Minimum shares to be held by all supervisors by law: 1,200,000 shares

Unit: Shares

Title	Name	Share held and recorded on the shareholder's list on the record date	Shareholding Ratio
Chairman	Chia Tsun Chung	20,680,000	8.35%
Director	Kaohsiung Transportation Company Limited Representative: ZHONG, XIN BEI	43,409,000	17.53%
Director	Kaohsiung Transportation Company Limited Representative: LU, JIN FA		
Director	Kaohsiung Transportation Company Limited Representative: CHUNG, YU-LIN		
Director	Kaohsiung Transportation Company Limited Representative: LI, TSUNG-HSI		
Director	Kaohsiung Transportation Company Limited Representative: CHEN, KO PEI		
Director	Kaohsiung Transportation Company Limited Representative: LIAO, SHUN-CHING		
Director	Kaohsiung Transportation Company Limited Representative: CHEN, HO CHI		

Title	Name	Share held and recorded on the shareholder's list on the record date	Shareholding Ratio
Director	Kaohsiung Transportation Company Limited Representative: HO, CHIA-CHING		
Director	Kaohsiung Transportation Company Limited Representative: WANG, YU CHING		
Independent Director	CHANG, CHIH-MING	10,000	0.00%
Independent Director	HOU, SHU-HUI	0	0.00%
Independent Director	TSAI, CHIA-YU	0	0.00%
Total shares held by all directors: 64,099,000			25.88%
Supervisor	HSIEH, AN-CHI	716,363	0.29%
Supervisor	TSENG, I-NAN	592,000	0.24%
Total shares held by all supervisors: 1,308,363			0.53%

