

**Dynapack International Technology Corporation**  
**2022 Annual General Shareholders' Meeting**  
**Meeting Minutes**  
**(Translation)**

*(This document is prepared in accordance with the Chinese version and is for reference only. If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.)*

Time: 9:07 a.m., Monday, June 6, 2022

Venue: No. 188, Wenhe Road, Guishan District, Taoyuan City

Attendants: Total outstanding shares: 149,635,521 shares, total shares represented by shareholders present in person or by proxy: 91,640,932 shares (votes casted electronically 14,053,536 shares). Percentage of shares held by shareholders present in person or by proxy: 61.24%.

Attendance list:

Directors : Chung, Tsung-Ming 、 Sheu, Ju-Jing 、 Hua-Lung Financial Consulting Company Ltd.  
(Representative: Chung, Hsiang-Heng) 、 Yang, Chao-Ming

Independent Directors : Tsai, Hwei-Ming 、 Shieh, Han-Ping D

Convener of the audit committee : Tsai, Hwei-Ming

CPA : Kuo, Tzu-Jung of Deloitte & Touche

Chairman : Chung, Tsung-Ming

Recorder : Liu, Pin-Tung

**I. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.**

**II. Chairman's Address (omitted).**

**III. Reporting Matters**

1. 2021 Business Report, please refer to Attachment (1).

(The shareholder of account number 170819 raised questions and expressed opinions which were explained by the Chairman in the meeting.)

2. 2021 Audit Committee's review report, please refer to Attachment (2).

(The shareholder of account number 170819 raised questions and expressed opinions which were explained by the Chairman and the convener of Audit Committee in the meeting.)

3. 2021 Earnings distribution of cash dividend report

(1) According to Article 28 of the Articles of Incorporation, where the Company distributes surplus earning in the form of cash, such distribution is authorized to be made after a special resolution by the Board of Directors and a report of such distribution shall be submitted to the shareholders' meeting.

(2) Earnings distribution of cash dividend has been approved by the Board of Directors on March 8, 2022 and the amount of cash dividends is NT\$2,248,342,391. Each shareholder will be entitled to receive a cash dividend of NT\$15.05 per share. The amount of cash dividend shall be rounded down to the nearest dollar and the sum of all fractional dividend less than NT\$1 shall be recognized as other income of the Company.

(3) The chairman was authorized to set ex-dividend record date, cash dividend distribution date and other relevant matters. In case the dividend payout rate adjustment based on change in the numbers of outstanding shares, the chairman was authorized to handle any matters.

(4) Cash dividend per share was adjusted to NT\$15.02545 due to change in the number of shares entitled to earnings distribution as of the ex-dividend record date on April 12, 2022. Cash dividends were paid on May 4, 2022.

#### 4. Employees' and Directors' compensation

(1) According to Article 27 of the Articles of Incorporation, if the Company records a profit for the current year, it shall appropriate no less than 2% of the profit for employee compensation and no more than 3% of the profit for director compensation. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses first and make appropriation for employee and director compensation in accordance with the ratio.

(2) The Company appropriated employees' compensation in the amount of NT\$75,000,000 and directors' compensation in the amount of NT\$17,000,000 which was 2.00% and 0.45% of net profit before income tax, employees' and directors' compensation respectively. All employees' compensation will be distributed in cash, and employees of affiliated companies are not eligible for the distribution.

(The shareholder of account number 170819 raised questions and expressed opinions which were explained by the Chairman in the meeting.)

#### 5. The amendment to the " Corporate Social Responsibility Best Practice Principles "

In compliance with the international development trends and to fulfill the goal of sustainable development, the Company amended the name of "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles" and amended the related articles. The comparison table and the revised "Sustainable Development Best Practice Principles" are attached hereto as Attachment (3).

#### 6. The amendment to the "Rules of Procedure for Board of Directors Meetings"

In order to enhance corporate governance, the Company amended the "Rules of Procedure for Board of Directors Meetings ". The comparison table and the revised "Rules of Procedure for Board of Directors Meetings" are attached hereto as Attachment (4).

#### 7. The amendment to the issued "Guidelines for Issuance and Subscription of 2019 Employee Stock Options"

(1) The issuance of Employee Stock Options has been resolved by the Board of Directors on October 30, 2019 and approved by Financial Supervisory Commission (FSC) on November 12, 2019. The employees who are entitled to the stock options and the number of stock options to be granted have been approved by the Board of Directors on November 12, 2019.

(2) To address the handling of stock options on retirement, the Company amended the "Guidelines for Issuance and Subscription of 2019 Employee Stock Options". The comparison table and the revised "Guidelines for Issuance and Subscription of 2019 Employee Stock Options" are attached hereto as Attachment (5).

(The shareholder of account number 170819 raised questions and expressed opinions which were explained by the Chairman in the meeting.)

#### 8. Investment status report in mainland China, please refer to Attachment (6).

### IV. Acknowledgment Matters

#### 1. Acknowledge 2021 Business Report and Financial Statements (Proposed by the board of directors)

Explanation:

(1) The Company's 2021 Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements have been resolved by the Board of Directors. The Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by CPAs, Kuo Tzu-Jung and Wu Shih-Tsung of Deloitte & Touche. The Financial Statements along with Business Report have been reviewed by the Company's Audit Committee, and a Review Report has been issued.

- (2) Please refer to Attachment (1), (7) and (8) for the Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and the Independent Auditors' Report.

Voting Results : Shares represented at the time of voting 91,640,932

Voting Results	% of the total represented share present
Votes in favor : 88,839,956 votes ( include votes casted electronically : 11,331,660 votes )	96.94%
Votes against : 54,145 votes ( include votes casted electronically : 54,145 votes )	0.05%
Votes invalid : None	0.00%
Votes abstained : 2,746,831 votes ( include votes casted electronically : 2,667,731 votes )	2.99%

**RESOLVED**, that the above proposal be and hereby was approved as proposed.

2. Acknowledge 2021 earnings distribution (Proposed by the board of directors)

Explanation:

- (1) 2021 earnings distribution proposal of the Company is as follows:

Dynapack International Technology Corporation

2021 earnings distribution

Unit: NT\$

Item	Amount
(1) Unappropriated retained earnings at the beginning of the period	1,387,919,697
(2) Net profit for the current year	3,309,019,085
(3) Remeasurement of defined benefit plans	1,649,876
(4) Net profit for the current year after adjusting remeasurement of defined benefit plans	3,310,668,961
(5) Appropriation of legal reserve	(331,066,896)
(6) Appropriation of special reserve for the net debit balance of other equity items	(91,188,710)
(7) Retained earnings available for distribution	4,276,333,052
(8) Distribution item Shareholders' dividend- cash (NT\$15.05 per share)	(2,248,342,391)
(9) Unappropriated retained earnings at the end of the period	2,027,990,661

Note: Cash dividend per share was adjusted to NT\$15.02545 due to change in the number of shares entitled to earnings distribution as of the ex-dividend record date on April 12, 2022.

Voting Results : Shares represented at the time of voting 91,640,932

Voting Results	% of the total represented share present
Votes in favor : 88,974,833 votes ( include votes casted electronically : 11,466,537 votes )	97.09%
Votes against : 67,140 votes ( include votes casted electronically : 67,140 votes )	0.07%
Votes invalid : None	0.00%
Votes abstained : 2,598,959 votes ( include votes casted electronically : 2,519,859 votes )	2.83%

**RESOLVED**, that the above proposal be and hereby was approved as proposed.

## V. Proposed Resolutions

1. The amendment to the "Articles of Incorporation" (Proposed by the board of directors)

Explanation:

- (1) In compliance with the amendment to laws and regulations, the Company proposed to amend the "Articles of Incorporation " and the comparison table is attached hereto as Attachment (9).

Voting Results : Shares represented at the time of voting 91,640,932

Voting Results	% of the total represented share present
Votes in favor : 88,979,221 votes ( include votes casted electronically : 11,470,925 votes )	97.09%
Votes against : 56,288 votes ( include votes casted electronically : 56,288 votes )	0.06%
Votes invalid : None	0.00%
Votes abstained : 2,605,423 votes ( include votes casted electronically : 2,526,323 votes )	2.84%

**RESOLVED**, that the above proposal be and hereby was approved as proposed.

2. The amendment to the "Procedures for Acquisition and Disposal of Assets" (Proposed by the board of directors)

Explanation:

- (1) In compliance with the amendment to laws and regulations, the Company proposed to amend the "Procedures for Acquisition and Disposal of Assets " and the comparison table is attached hereto as Attachment (10).

Voting Results : Shares represented at the time of voting 91,640,932

Voting Results	% of the total represented share present
Votes in favor : 88,979,018 votes ( include votes casted electronically : 11,470,722 votes )	97.09%
Votes against : 54,380 votes ( include votes casted electronically : 54,380 votes )	0.05%
Votes invalid : None	0.00%
Votes abstained : 2,607,534 votes ( include votes casted electronically : 2,528,434 votes )	2.84%

**RESOLVED**, that the above proposal be and hereby was approved as proposed.

VI. **Other Proposals or Extemporary Motions** : None.

VII. **Meeting Adjourned** : 10:04 a.m., June 6, 2022

Chairman : Chung, Tsung-Ming

Recorder : Liu, Pin-Tung

## Attachment (1) : Business Report

### **Dynapack International Technology Co. Ltd.**

#### **2021 Business Report**

The Company's operating results for 2021 and its outlook for 2022 are summarized as follows:

#### **I. Operating results for 2021**

##### (I) Implementation results of the business plan

1. As the COVID pandemic continued to affect global economy, our operations were also negatively impacted by shortages of labor and components as well as reduced demand for Chromebook in the second half of 2021. Shipment and revenue of battery packs grew slightly in 2021 as compared to 2020. However, operating margin declined due to higher costs of labor and components and increased provision for inventory obsolescence.
2. We were able to overcome component shortages and production bottlenecks to satisfy customer needs through joint efforts of sales, procurement and manufacturing departments.
3. Business momentum for battery packs remained stable for laptops, tablets, e-bikes and servers. We also started mass production shipment for home energy storage devices battery packs.
4. Our Taiwan plant started mass production shipment for e-bikes battery packs and began trial production of battery packs for e-scooters and servers.
5. We also completed the sale transaction of headquarters building in Guishan, Taoyuan, to Millerful No.1 REIT.

##### (II) Status of budget implementation

The Company did not publicize its financial forecast for 2021.

##### (III) Financial analysis (amounts in New Taiwan Dollars)

Consolidated revenue for 2021 was \$20.77 billion, representing a 7.3% increase from 2020. Net profit was \$3.31 billion and earnings per share was \$22.42, both were 320% higher than those of 2020.

##### (IV) Research and Development

1. Continued to invest in automation process optimization to reduce labor costs.
2. Developed flexible electronic design to mitigate risks of IC and semiconductor shortages.
3. Continued to invest in server battery backup unit solutions and conducted sourcing planning and battery cell validation to ensure product quality and future supply.
4. Continued to enhance firmware design capabilities and solutions to prevent thermal runaway propagation for Non-IT batteries, obtained UL 1998 certification, and met US9540A requirements.
5. Continued to expand the laboratory at our Taiwan plant to strengthen validation capabilities of Non-IT batteries.
6. Continued to expand and strengthen R&D and engineering capabilities to further optimize our competitive advantages in (a) energy storage application and integrating e-mobility battery with mechatronics controls, and (b) remote after-sale service systems, in order to expand our presence in mobility and energy storage niche market.

## **II. 2022 Business Plan**

### **(I) Business plan and important production and sales policies**

1. Continue to identify, manage, and mitigate challenges relating to human resources and supply chain in the post-pandemic era to meet customer demand and to strengthen customer relationship.
2. Continue to invest in automation to mitigate labor shortages and meet increasing demand for Non-IT applications.
3. Expand Non-IT product market to drive revenue growth.
4. Increase production capabilities at the Taiwan plant, optimize the allocation of production capacities between China and Taiwan plants, improve cost structure, and further strengthen risk management on inventory and product quality.
5. Start the construction of the second building as we continue to develop our vacant land in the Taoyuan A7 Technology Park.

### **(II) Sales volume forecast and the basis thereof**

Global notebook shipments in 2022 are expected to remain flat or decrease slightly as hybrid work model continues to evolve in post-pandemic era. However, supply chain issues such as port congestion, labor shortage, and components mismatch, due to shortage of semiconductors and IC, continue to affect our sales. In addition, the US-China trade tensions and geopolitical instability also cloud the global economic recovery. We will work more closely with our IT application customers to maintain positive momentum and continue to expand Non-IT customer base to drive growth.

## **III. The Company's future development strategies and the effect of external competition, the legal environment and overall business environment**

### **(I) Future development Strategies**

1. Accelerate Non-IT application business growth, including mobility and energy storage.
2. Continue to enhance automation, smart manufacturing, and digitization of management process.
3. Continue to attract, retain, and develop R&D personnel and, in China, strengthen product development and manufacturing capabilities.
4. Evaluate opportunities for strategic investment or partnership.

### **(II) The effect of external competition, the legal environment and overall business environment**

#### **1. Unfavorable factors**

- (1) Labor costs in China are rising due to increased cost of hiring and high turnover rate.
- (2) The pandemic still overshadows global economy and semiconductors supply chain is still under high tension. Issues such as components mismatch, port congestion, power restrictions, and rising inflation continue to have negative impact on our operations.
- (3) The prolonged US-China trade tensions, new tariffs, or US decoupling from China could rattle world trade and global value chain division, demand for semiconductors surged due to growth in electric vehicle, 5G, and AI high performance computing. The combination of supply constraints and trade challenges has put pressure on stability of supply chain, procurement lead time, and price.
- (4) The growing urgency of net-zero emission target is creating pressure on industries and concerns about carbon right, and carbon price are also rising.

2. Favorable factors

- (1) Demand for notebook PC and tablet will remain as hybrid working/learning model and internet economy continue in the post-pandemic era.
- (2) The transition to net-zero emission helps to expand business opportunities for electrified mobility and battery energy storage applications.
- (3) Increasing demand for data storage and cloud data centers will drive demand for battery backup unit (BBU) and uninterruptible power supply (UPS).

Chairman: Chung Tsung-Ming

President: Sheu Ju-Jing

Vice President of Finance: Lin Yu-Huei

March 8, 2022

## **Dynapack International Technology Corporation**

### **Audit Committee's Review Report**

The Board of Directors has submitted the Company's 2021 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and Proposal for Earnings Distributions to the Audit Committee. The Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by CPAs, Kuo Tzu-Jung and Wu Shih-Tsung of Deloitte & Touche, and an Audit Report has been issued. The aforementioned Business Report, Financial Statements and Proposal for Earnings Distributions have been reviewed by the Audit Committee and we are of the opinion that no discrepancy has been observed. Hence, we submit the report in accordance with Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

The above is respectfully submitted to

Dynapack International Technology Corporation

2022 Annual General Shareholders' Meeting

Chairman of the Audit Committee

Tsai, Hwei-Ming

March 22, 2022



### Attachment (3)-1 : Comparison table for " Corporate Social Responsibility Best Practice Principles "

Amended Name	Original Name	Explanation
<u>Sustainable Development</u> Best Practice Principles	<u>Corporate Social Responsibility</u> Best Practice Principles	In compliance with the amendment to laws and regulations.

Amended Article	Original Article	Explanation
<p>Article 1</p> <p>In order to fulfill corporate social responsibility and promote economic, environment, and social advancement for purposes of sustainable development, the Company adopts the Principles in accordance with relevant laws and regulations and the <u>Sustainable Development</u> Best Practice Principles jointly promulgated by the Taiwan Stock Exchange Corporation ("TWSE") and Taipei Exchange ("TPEX").</p>	<p>Article 1</p> <p>In order to fulfill corporate social responsibility and promote economic, environment, and social advancement for purposes of sustainable development, the Company adopts the Principles in accordance with relevant laws and regulations and the <u>Corporate Social Responsibility</u> Best Practice Principles jointly promulgated by the Taiwan Stock Exchange Corporation ("TWSE") and Taipei Exchange ("TPEX").</p>	In compliance with the amendment to laws and regulations.
<p>Article 2</p> <p>The Principles apply to the Company including the entire operations of its business group.</p> <p>The Company actively fulfill <u>sustainable development</u> in the course of business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizen, and to enhance competitive edges built on <u>sustainable development</u>.</p>	<p>Article 2</p> <p>The Principles apply to the Company including the entire operations of its business group.</p> <p>The Company actively fulfill <u>corporate social responsibility</u> in the course of business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizen, and to enhance competitive edges built on <u>corporate social responsibility</u>.</p>	In compliance with the amendment to laws and regulations.
<p>Article 3</p> <p>In <u>promoting sustainable development</u>, the Company shall give due consideration to the rights and interests of stakeholders, while pursuing sustainable operation and profits, also give due consideration to the environment, society, and corporate governance.</p> <p>The Company shall, in accordance with materiality principle, conduct risk assessments of environment, social, and corporate governance issues pertaining to its operations and establish the relevant risk management policy or strategy.</p>	<p>Article 3</p> <p>In <u>fulfilling corporate social responsibility</u>, the Company shall give due consideration to the rights and interests of stakeholders, while pursuing sustainable operation and profits, also give due consideration to the environment, society, and corporate governance.</p> <p>The Company shall, in accordance with materiality principle, conduct risk assessments of environment, social, and corporate governance issues pertaining to its operations and establish the relevant risk management policy or strategy.</p>	In compliance with the amendment to laws and regulations.
<p>Article 4</p> <p>To implement <u>sustainable development</u>, the Company should follow the principles below:</p> <ol style="list-style-type: none"> <li>1. Exercising corporate governance.</li> <li>2. Fostering a sustainable environment.</li> <li>3. Preserving public welfare.</li> <li>4. Enhancing disclosure of corporate <u>sustainable development</u> information.</li> </ol>	<p>Article 4</p> <p>To implement <u>corporate social responsibility</u>, the Company should follow the principles below:</p> <ol style="list-style-type: none"> <li>1. Exercising corporate governance.</li> <li>2. Fostering a sustainable environment.</li> <li>3. Preserving public welfare.</li> <li>4. Enhancing disclosure of corporate <u>social responsibility</u> information.</li> </ol>	In compliance with the amendment to laws and regulations.
<p>Article 6</p> <p>The directors of the Company shall exercise the due care of good faith administrators to urge the Company to perform its <u>sustainable development</u>, examine the results of the implementation thereof</p>	<p>Article 6</p> <p>The directors of the Company shall exercise the due care of good faith administrators to urge the Company to perform its <u>social responsibility</u>, examine the results of the implementation thereof</p>	In compliance with the amendment to laws and regulations.

Amended Article	Original Article	Explanation
<p>from time to time, and continually make adjustments to ensure the thorough implementation of its <u>sustainable development</u> policies.</p> <p>The board of directors of the Company should fully consider the interest of stakeholders, including the following matters, in <u>promoting sustainable development</u>:</p> <ol style="list-style-type: none"> <li>1. Identifying the Company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, system, or relevant management guidelines;</li> <li>2. Making <u>sustainable development</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u>; and</li> <li>3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information.</li> </ol> <p>The board of directors shall appoint executive-level positions with responsibility for economic, environment, and social issues resulting from its business operations, and to report the status of the handling to the board of directors. The handling processes and the responsible person for each relevant issue shall be concrete and clear.</p>	<p>from time to time, and continually make adjustments to ensure the thorough implementation of its <u>corporate social responsibility</u> policies.</p> <p>The board of directors of the Company should fully consider the interest of stakeholders, including the following matters, in <u>fulfilling corporate social responsibility</u>:</p> <ol style="list-style-type: none"> <li>1. Identifying the Company's <u>corporate social responsibility</u> mission or vision, and declaring its <u>corporate social responsibility</u> policy, system, or relevant management guidelines;</li> <li>2. Making <u>corporate social responsibility</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <u>corporate social responsibility</u>; and</li> <li>3. Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information.</li> </ol> <p>The board of directors shall appoint executive-level positions with responsibility for economic, environment, and social issues resulting from its business operations, and to report the status of the handling to the board of directors. The handling processes and the responsible person for each relevant issue shall be concrete and clear.</p>	
<p>Article 7</p> <p>The Company should, on a regular basis, organize education and training on the <u>promotion of sustainable development</u>, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>Article 7</p> <p>The Company should, on a regular basis, organize education and training on the <u>implementation of corporate social responsibility</u>, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>In compliance with the amendment to laws and regulations.</p>
<p>Article 8</p> <p>For the purpose of managing <u>sustainable development</u>, the Company designates the general administration division and the office of environment, safety and health as exclusive units in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The Company should adopt reasonable remuneration policies to ensure that remuneration arrangements support the strategic aims of the organization and the interests of stakeholders.</p> <p>The employee performance evaluation system should be combined with <u>sustainable development</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>Article 8</p> <p>For the purpose of managing <u>corporate social responsibility</u>, the Company designates the general administration division and the office of environment, safety and health as exclusive units in charge of proposing and enforcing the <u>corporate social responsibility</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The Company should adopt reasonable remuneration policies to ensure that remuneration arrangements support the strategic aims of the organization and the interests of stakeholders.</p> <p>The employee performance evaluation system should be combined with <u>corporate social responsibility</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>In compliance with the amendment to laws and regulations.</p>
<p>Article 9</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders, and establish a designated section for stakeholders on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.</p>	<p>Article 9</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders, and establish a designated section for stakeholders on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication, and adequately respond to the important <u>corporate social responsibility</u> issues which they are concerned about.</p>	<p>In compliance with the amendment to laws and regulations.</p>

Amended Article	Original Article	Explanation
<p>Article 11</p> <p>The Company should endeavor to utilize <u>energy</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of nature resources.</p>	<p>Article 11</p> <p>The Company should endeavor to utilize <u>all resources</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of nature resources.</p>	<p>In compliance with the amendment to laws and regulations.</p>
<p>Article 16</p> <p>The Company should assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>related</u> measures.</p> <p>The Company should adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which should include the following:</p> <ol style="list-style-type: none"> <li>1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.</li> <li>2. Indirect greenhouse gas emissions: emissions resulting from the consumption of electricity, heat, or steam.</li> <li>3. <u>Other indirect emissions: emissions that are from operations of the Company, not related to indirect emissions from energy, and are from sources owned or controlled by other enterprises.</u></li> </ol> <p>The Company should compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption, or management of other wastes. The Company's carbon reduction strategies should include obtaining carbon credits and be promoted to minimize the impact of business operations on climate change.</p>	<p>Article 16</p> <p>The Company should assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>climate related</u> measures.</p> <p>The Company should adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which should include the following:</p> <ol style="list-style-type: none"> <li>1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.</li> <li>2. Indirect greenhouse gas emissions: emissions resulting from the consumption of <u>externally purchased or acquired</u> electricity, heat, or steam.</li> </ol> <p>The Company should compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption, or management of other wastes. The Company's carbon reduction strategies should include obtaining carbon credits and be promoted to minimize the impact of business operations on climate change.</p>	<p>In compliance with the amendment to laws and regulations.</p>
<p><b>Chapter 5</b></p> <p><b><u>Enhancing Disclosure of Sustainable Development Information</u></b></p>	<p><b>Chapter 5</b></p> <p><b><u>Enhancing Disclosure of Corporate Social Responsibility Information</u></b></p>	<p>In compliance with the amendment to laws and regulations.</p>
<p>Article 27</p> <p>The Company shall disclose information according to relevant laws, regulations and its Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> to improve information transparency.</p> <p>Information relating to <u>sustainable development</u> includes:</p> <ol style="list-style-type: none"> <li>1. The policy, systems, or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> as resolved by the board of directors.</li> <li>2. The risks and impact on the Company's operation and financial condition arising from exercising corporate governance, fostering a sustainable environment, and preserving public welfare.</li> <li>3. Goals and measures for <u>promoting sustainable</u></li> </ol>	<p>Article 27</p> <p>The Company shall disclose information according to relevant laws, regulations and its Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its <u>corporate social responsibility</u> to improve information transparency.</p> <p>Information relating to <u>corporate social responsibility</u> includes:</p> <ol style="list-style-type: none"> <li>1. The policy, systems, or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> as resolved by the board of directors.</li> <li>2. The risks and impact on the Company's operation and financial condition arising from exercising corporate governance, fostering a sustainable environment, and preserving public welfare.</li> <li>3. Goals and measures for <u>realizing corporate social</u></li> </ol>	<p>In compliance with the amendment to laws and regulations.</p>

Amended Article	Original Article	Explanation
<p><u>development</u> and performance in implementation.</p> <p>4. Major stakeholders and their concerns.</p> <p>5. Disclosure of information on major suppliers' management and performance with respect to major environment and social issues.</p> <p>6. Other information relating to <u>sustainable development</u>.</p>	<p><u>responsibility</u> and performance in implementation.</p> <p>4. Major stakeholders and their concerns.</p> <p>5. Disclosure of information on major suppliers' management and performance with respect to major environment and social issues.</p> <p>6. Other information relating to <u>corporate social responsibility</u>.</p>	
<p>Article 28</p> <p>The Company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainable development</u> report to disclose the status of implementation, and should obtain a third-party assurance or verification for report to enhance the reliability of information in the report. The report should include:</p> <p>1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u>.</p> <p>2. Major stakeholders and their concerns.</p> <p>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>4. Future improvements and goals.</p>	<p>Article 28</p> <p>The Company shall adopt internationally widely recognized standards or guidelines when producing <u>corporate social responsibility</u> report to disclose the status of implementation, and should obtain a third-party assurance or verification for report to enhance the reliability of information in the report. The report should include:</p> <p>1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>corporate social responsibility</u>.</p> <p>2. Major stakeholders and their concerns.</p> <p>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>4. Future improvements and goals.</p>	<p>In compliance with the amendment to laws and regulations.</p>
<p>Article 29</p> <p>The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve its established <u>sustainable development</u> framework and to obtain better results from the <u>promotion of the sustainable development</u> policy.</p>	<p>Article 29</p> <p>The Company shall at all times monitor the development of domestic and foreign <u>corporate social responsibility</u> standards and the change of business environment so as to examine and improve its established <u>corporate social responsibility</u> framework and to obtain better results from the <u>implementation of the corporate social responsibility</u> policy.</p>	<p>In compliance with the amendment to laws and regulations.</p>
<p>Article 31</p> <p>The Principles were established on April 29, 2015.</p> <p>First amendment was made on March 3, 2017.</p> <p>Second amendment was made on March 4, 2020.</p> <p><u>Third amendment was made on March 8, 2022.</u></p>	<p>Article 31</p> <p>The Principles were established on April 29, 2015.</p> <p>First amendment was made on March 3, 2017.</p> <p>Second amendment was made on March 4, 2020.</p>	<p>The revision dates were added.</p>

## **Attachment (3)-2 : Sustainable Development Best Practice Principles (After Amendment)**

### **Dynapack International Technology Corporation**

#### **Sustainable Development Best Practice Principles**

##### **Chapter I General Principles**

- Article 1 In order to fulfill corporate social responsibility and promote economic, environment, and social advancement for purposes of sustainable development, the Company adopts the Principles in accordance with relevant laws and regulations and the Sustainable Development Best Practice Principles jointly promulgated by the Taiwan Stock Exchange Corporation (“TWSE”) and Taipei Exchange (“TPEX”).
- Article 2 The Principles apply to the Company including the entire operations of its business group. The Company actively fulfill sustainable development in the course of business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizen, and to enhance competitive edges built on sustainable development.
- Article 3 In promoting sustainable development, the Company shall give due consideration to the rights and interests of stakeholders, while pursuing sustainable operation and profits, also give due consideration to the environment, society, and corporate governance.  
The Company shall, in accordance with materiality principle, conduct risk assessments of environment, social, and corporate governance issues pertaining to its operations and establish the relevant risk management policy or strategy.
- Article 4 To implement sustainable development, the Company should follow the principles below:  
1.Exercising corporate governance.  
2.Fostering a sustainable environment.  
3.Preserving public welfare.  
4.Enhancing disclosure of corporate sustainable development information.

##### **Chapter II Exercising Corporate Governance**

- Article 5 The Company should follow its Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Code of Ethical Conduct to establish effective corporate governance frameworks and relevant ethical standards to enhance corporate governance.
- Article 6 The directors of the Company shall exercise the due care of good faith administrators to urge the Company to perform its sustainable development, examine the results of the implementation thereof from time to time, and continually make adjustments to ensure the thorough implementation of its sustainable development policies.  
The board of directors of the Company should fully consider the interest of stakeholders, including the following matters, in promoting sustainable development:  
1.Identifying the Company’s sustainable development mission or vision, and declaring its sustainable development policy, system, or relevant management guidelines;  
2.Making sustainable development the guiding principle of the Company’s operations and development, and ratifying concrete promotional plans for sustainable development; and  
3.Enhancing the timeliness and accuracy of the disclosure of sustainable development information.  
The board of directors shall appoint executive-level positions with responsibility for economic, environment, and social issues resulting from its business operations, and to report the status of the handling to the board of directors. The handling processes and the responsible person for each relevant issue shall be concrete and clear.
- Article 7 The Company should, on a regular basis, organize education and training on the promotion of sustainable development, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 8 For the purpose of managing sustainable development, the Company designates the general administration division and the office of environment, safety and health as exclusive units in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company should adopt reasonable remuneration policies to ensure that remuneration arrangements support the strategic aims of the organization and the interests of stakeholders.

The employee performance evaluation system should be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article 9 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders, and establish a designated section for stakeholders on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication, and adequately respond to the important sustainable development issues which they are concerned about.

### **Chapter III Fostering a Sustainable Environment**

Article 10 The Company shall follow relevant environment laws, regulations, and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 11 The Company should endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of nature resources.

Article 12 The Company should establish proper environment management systems based on the characteristics of industry. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment;
2. Establishing measurable goals for environmental sustainability and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis;
3. Adopting enforcement measures such as concrete plans or action plans and examining the results of operations on a regular basis.

Article 13 The Company designates the office of environment, safety, and health as exclusive unit in charge of drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for managerial officers and other employees on a periodic basis.

Article 14 The Company should consider the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its operations.

1. Reduce resource and energy consumption of products and services.
2. Reduce emission of pollutants, toxins, and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance durability of products.
6. Improve efficiency of products and services.

Article 15 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environment protection treatment facilities to avoid polluting water, air, and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 16 The Company should assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The Company should adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which should include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the consumption of electricity, heat, or steam.
3. Other indirect emissions: emissions that are from operations of the Company, not related to indirect emissions from energy, and are from sources owned or controlled by other enterprises.

The Company should compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption, or management of other wastes. The Company's carbon reduction strategies should include obtaining carbon credits and be promoted to minimize the impact of business operations on climate change.

#### **Chapter IV Preserving Public Welfare**

Article 17 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

To fulfill its responsibility to protect human rights, the Company should adopt relevant management policies and procedures, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling procedures.
3. Reviewing on a regular basis the effectiveness of the corporate human rights policy or statement on human rights.
4. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and ensure that human resource policies do not contain different treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, trainings, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 18 The Company shall provide information for its employees so that employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company has business operations.

Article 19 The Company should provide safe and healthful work environment for its employees, including necessary health and first-aid facilities, and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company should organize training on safety and health for its employees on a regular basis.

Article 20 The Company should create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

- Article 21 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information and express their opinion on the Company's operations, management, and decisions.  
The Company shall respect the employee representatives' rights to bargain for the working conditions and shall provide the employees with necessary information and hardware equipment to improve the negotiation and cooperation among employer, employees and employee representatives.  
The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.
- Article 21-1 The Company should treat customers of its products or services in a fair and reasonable manner, including the following principles: fairness and good faith in contracting, duty of care and fiduciary, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Company should also develop relevant strategy and specific measures for implementation.
- Article 22 The Company shall take responsibility for its products and services and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. It further shall establish the disclose policies on consumer rights and interests, and enforce them in the course of business operations to prevent the products or services from adversely impacting the rights, interests, or safety of consumers.
- Article 23 The Company shall ensure the quality of its products and services in accordance with the laws and regulations of the government and relevant standards of industries.  
The Company shall follow relevant laws, regulations, and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud, or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.
- Article 24 The Company should evaluate and manage all types of risks that could cause interruptions in operations to reduce the impact on consumers and society.  
The Company should provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, and shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal information provided by consumers.
- Article 25 The Company should assess the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement corporate social responsibility.  
The Company should establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health, or labor rights. Prior to engaging in commercial dealings, the Company should assess whether there is any record of a supplier's impact on the environment and society and avoid conducting transactions with those against corporate social responsibility policy.  
When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate responsibility policy, and that contract may be terminated or rescinded any time if the supplier violates such policy and has caused significant negative impact on the environment and society of the community of the supply source.
- Article 26 The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location it operates to enhance community acceptance.  
The Company should, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to



organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

## **Chapter V Enhancing Disclose of Sustainable Development Information**

**Article 27** The Company shall disclose information according to relevant laws, regulations and its Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its sustainable development to improve information transparency.

Information relating to sustainable development includes:

- 1.The policy, systems, or relevant management guidelines, and concrete promotion plans for sustainable development as resolved by the board of directors.
- 2.The risks and impact on the Company’s operation and financial condition arising from exercising corporate governance, fostering a sustainable environment, and preserving public welfare.
- 3.Goals and measures for promoting sustainable development and performance in implementation.
- 4.Major stakeholders and their concerns.
- 5.Disclosure of information on major suppliers’ management and performance with respect to major environment and social issues.
- 6.Other information relating to sustainable development.

**Article 28** The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development report to disclose the status of implementation, and should obtain a third-party assurance or verification for report to enhance the reliability of information in the report. The report should include:

- 1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development.
- 2.Major stakeholders and their concerns.
- 3.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- 4.Future improvements and goals.

## **Chapter VI Supplementary Provisions**

**Article 29** The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve its established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

**Article 30** The Principles shall be submitted to the board of directors for resolution and shall be reported to the shareholders meeting. The same shall apply to any amendments to the Principles.

**Article 31** The Principles were established on April 29, 2015.  
First amendment was made on March 3, 2017.  
Second amendment was made on March 4, 2020.  
Third amendment was made on March 8, 2022.

**Attachment (4)-1 : Comparison table for “Rules of Procedure for Board of Directors Meetings”**

Amended	Original	Explanation
<p>Article 12 (Matters requiring discussion at a board meeting) The matters listed below as they relate to the company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. <u>Interim and</u> annual financial reports.</li> <li>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</li> <li>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</li> <li>5. The offering, issuance, or private placement of equity-type securities.</li> <li>6. The appointment or discharge of a financial, accounting, or internal audit officer.</li> <li>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</li> <li>8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</li> </ol> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director of the company shall attend the meeting in person. With respect to the matters which must be approved by resolutions</p>	<p>Article 12 (Matters requiring discussion at a board meeting) The matters listed below as they relate to the company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. Annual financial reports.</li> <li>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</li> <li>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</li> <li>5. The offering, issuance, or private placement of equity-type securities.</li> <li>6. The appointment or discharge of a financial, accounting, or internal audit officer.</li> <li>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</li> <li>8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</li> </ol> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director of the company shall attend the meeting in person. With respect to the matters which must be approved by resolutions</p>	<p>Enhancement of corporate governance</p>

Amended	Original	Explanation
<p>at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	
<p>Article 19  These rules of procedure were established on December 29, 2006.  The first amendment was made on March 6, 2008.  The second amendment was made on June 18, 2010.  The third amendment was made on December 21, 2012.  The fourth amendment was made on December 31, 2014.  The fifth amendment was made on March 6, 2015.  The sixth amendment was made on October 30, 2017.  The seventh amendment was made on March 4, 2020.  The eighth amendment was made on October 27, 2020.  <u>The ninth amendment was made on March 8, 2022.</u></p>	<p>Article 19  These rules of procedure were established on December 29, 2006.  The first amendment was made on March 6, 2008.  The second amendment was made on June 18, 2010.  The third amendment was made on December 21, 2012.  The fourth amendment was made on December 31, 2014.  The fifth amendment was made on March 6, 2015.  The sixth amendment was made on October 30, 2017.  The seventh amendment was made on March 4, 2020.  The eighth amendment was made on October 27, 2020.</p>	<p>The revision dates were added.</p>

## **Attachment (4)-2 : Rules of Procedure for Board of Directors Meetings (After Amendment)**

### **Dynapack International Technology Corporation Rules of Procedure for Board of Directors Meetings**

- Article 1: (Basis for the adoption of these Rules)
- To establish a strong governance system and sound supervisory capabilities for the company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
- Article 2: (Scope of these Rules)
- With respect to the board of directors meetings ("board meetings") of the company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.
- Article 3: (Convening and notice of board meetings)
- The board of directors shall meet at least quarterly.
- A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.
- The notice to be given under the preceding paragraph may be effected in writing, fax, or E-mail with the prior consent of the recipients.
- All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.
- Article 4: (Meeting notification and meeting materials)
- The designated unit responsible for the board meetings of the company shall be secretary's office.
- The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.
- A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5: (Preparation of attendance book and other documents; attendance by proxy)
- When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.
- Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the company's articles of incorporation. Attendance by videoconference will be deemed attendance in person.
- A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.
- The proxy referred to in paragraph 2 may be the appointed proxy of only one person.
- Article 6: (Principles for determining the place and time of a board meeting)
- A board meeting shall be held at the premises and during the business hours of the company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7: (Chair and acting chair of a board meeting)

Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

In accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, if the board meeting is convened by more than half of the directors, the directors shall elect one among themselves as the chair.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 8: (Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the designated unit responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by the company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9: (Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the company.

Article 10: (Agenda items)

Agenda items for regular board meetings of the company shall include at least the following:

1. Matters to be reported:

- (1) Minutes of the last meeting and action taken.
- (2) Important financial and business matters.
- (3) Internal audit activities.

(4) Other important matters to be reported.

2. Matters for discussion:

(1) Items for continued discussion from the last meeting.

(2) Items for discussion at this meeting.

3. Extraordinary motions.

Article 11: (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 5 shall apply *mutatis mutandis*.

Article 12: (Matters requiring discussion at a board meeting)

The matters listed below as they relate to the company shall be raised for discussion at a board meeting:

1. The Company's business plan.

2. Interim and annual financial reports.

3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.

4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.

5. The offering, issuance, or private placement of equity-type securities.

6. The appointment or discharge of a financial, accounting, or internal audit officer.

7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.

8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director of the company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting

minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 13: (Voting-I)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at the company's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14: (Voting-II and methods for vote monitoring and counting)

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or 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. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15: (Recusal system for directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

If a director's spouse, second-tier relative and other blood relatives, or a company with a controlling or affiliation relationship with the director has an interest in an item at the preceding meeting, it shall be regarded that the director has a personal interest in the item.

Where a director is prohibited by the preceding two paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 16: (Meeting minutes and sign-in matters)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in

attendance, excused, and absent.

4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission at the specified declaration time in accordance with the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities."

1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the company.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the company.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

Article 17: (Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the company's articles of incorporation, the levels of such delegation and the content or matters as below:

1. Perform the relevant authorization for the endorsement and guarantee matters in accordance with the "Procedures for Endorsements and Guarantees" .
2. Execute matters according to the authorized limit of various assets as in the "Procedures for Acquisition or Disposing of Assets" .
3. Execute matters according to the authorized limit as in the "Procedures for Derivatives Trading" .
4. Execute matters according to the authorized limit as in the "Level of Authority Table."
5. Other related matters.

Article 18: (Supplementary provisions)

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be



authorized to adopt, by resolution, any future amendments to these Rules.

Article 19: These rules of procedure were established on December 29, 2006.

The first amendment was made on March 6, 2008.

The second amendment was made on June 18, 2010.

The third amendment was made on December 21, 2012.

The fourth amendment was made on December 31, 2014.

The fifth amendment was made on March 6, 2015.

The sixth amendment was made on October 30, 2017.

The seventh amendment was made on March 4, 2020.

The eighth amendment was made on October 27, 2020.

The ninth amendment was made on March 8, 2022.

**Attachment (5)-1 : Comparison table for “Guidelines for Issuance and Subscription of 2019 Employee Stock Options ”**

Amended	Original	Explanation																
<p>V. Criteria for subscription</p> <p>(I) Subscription Price : The subscription price shall be the closing price of the Company’s common shares on the day these stock options are issued.</p> <p>(II) Period of subscription rights :</p> <p>1、The duration of stock options is 5 years. Once duration has lapsed, any stock options that have not been exercised shall be deemed as waived and optionees may no longer claim rights to exercise their subscription rights. The options and their respective rights may not be transferred, pledged, assigned as a gift or otherwise disposed of, except for inheritance.</p> <p>2、Optionees may exercise their stock options according to the following schedule and proportion after two years have elapsed since the granting of the stock options.</p> <table border="1"> <thead> <tr> <th align="center">Grant period of stock options</th> <th align="center">Ceiling for proportion of stock options exercisable (accumulated)</th> </tr> </thead> <tbody> <tr> <td>After 2 years</td> <td align="center">50%</td> </tr> <tr> <td>After 3 years</td> <td align="center">75%</td> </tr> <tr> <td>After 4 years</td> <td align="center">100%</td> </tr> </tbody> </table> <p>3、The Company shall have the right to forfeit and cancel all or part of the stock options for which rights have not been vested in the event that the optionee violates his/her employment contract or work rules after the stock options have been granted by the Company.</p> <p>(III)Types of shares which may be subscribed for : Common shares of the Company.</p> <p>(IV)Regarding optionees who have left employment, the stock options shall be handled as follows before they expire:</p> <p>1、Resignation (including voluntary resignation, <u>voluntary retirement pursuant to Article 53 of the Labor Standards Act</u>, severance package, or discharge)</p> <p>Vested stock options shall be exercised within one month of the date of such occurrence. All rights for unvested stock options shall be deemed as waived upon the date of such occurrence.</p> <p>2、<u>Mandatory retirement pursuant to Article 54 of the Labor Standards Act</u> Granted stock options may be exercised in full upon <u>mandatory</u></p>	Grant period of stock options	Ceiling for proportion of stock options exercisable (accumulated)	After 2 years	50%	After 3 years	75%	After 4 years	100%	<p>V. Criteria for subscription</p> <p>(I) Subscription Price : The subscription price shall be the closing price of the Company’s common shares on the day these stock options are issued.</p> <p>(II) Period of subscription rights :</p> <p>1、The duration of stock options is 5 years. Once duration has lapsed, any stock options that have not been exercised shall be deemed as waived and optionees may no longer claim rights to exercise their subscription rights. The options and their respective rights may not be transferred, pledged, assigned as a gift or otherwise disposed of, except for inheritance.</p> <p>2、Optionees may exercise their stock options according to the following schedule and proportion after two years have elapsed since the granting of the stock options.</p> <table border="1"> <thead> <tr> <th align="center">Grant period of stock options</th> <th align="center">Ceiling for proportion of stock options exercisable (accumulated)</th> </tr> </thead> <tbody> <tr> <td>After 2 years</td> <td align="center">50%</td> </tr> <tr> <td>After 3 years</td> <td align="center">75%</td> </tr> <tr> <td>After 4 years</td> <td align="center">100%</td> </tr> </tbody> </table> <p>3、The Company shall have the right to forfeit and cancel all or part of the stock options for which rights have not been vested in the event that the optionee violates his/her employment contract or work rules after the stock options have been granted by the Company.</p> <p>(III) Types of shares which may be subscribed for : Common shares of the Company.</p> <p>(IV) Regarding optionees who have left employment, the stock options shall be handled as follows before they expire:</p> <p>1、Resignation (including voluntary resignation, severance package, or discharge)</p> <p>Vested stock options shall be exercised within one month of the date of such occurrence. All rights for unvested stock options shall be deemed as waived upon the date of such occurrence.</p> <p>2、Retirement</p> <p>Granted stock options may be exercised in full upon retirement. Restrictions</p>	Grant period of stock options	Ceiling for proportion of stock options exercisable (accumulated)	After 2 years	50%	After 3 years	75%	After 4 years	100%	<p>The definition regarding optionees who have left employment and retirement was not strictly in the original guidelines. Renew the definition and amend the handling of stock options on retirement.</p>
Grant period of stock options	Ceiling for proportion of stock options exercisable (accumulated)																	
After 2 years	50%																	
After 3 years	75%																	
After 4 years	100%																	
Grant period of stock options	Ceiling for proportion of stock options exercisable (accumulated)																	
After 2 years	50%																	
After 3 years	75%																	
After 4 years	100%																	

Amended	Original	Explanation
<p>retirement. Restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year following the date of <u>mandatory retirement</u> or after two years since the options are granted (whichever occurs later). However, the Company shall have the right to forfeit and cancel vested stock options in the event that the optionee violates non-compete clause <u>within two years of mandatory retirement.</u></p> <p><u>In the event that stock options have been exercised, the Company shall have the right to claim for the disgorgement of any profit between the subscription price and the closing price of the Company's common shares on the date of exercise during the period from the date of exercise to the date of returning. However, if the optionee is appointed as a full-time consultant upon mandatory retirement by the Company or any of its domestic or foreign controlled or affiliated entity and receives more than 80% of monthly salary amount before mandatory retirement, he/she shall not be deemed as leave employment and shall exercise his/her options subject to the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5. The Labor Standards Act shall apply mutatis mutandis for employees of the Company's foreign controlled or affiliated entity who are subject to mandatory retirement in this subparagraph and resignation in preceding subparagraph.</u></p> <p>3、Death</p> <p>Vested stock options may be exercised by the heir within one year from the date of death and inheritance. Unvested stock options shall lose validity from the date of death.</p> <p>4、Transfer</p> <p>If the Company, due to business needs, transfers the employee to an affiliate of the Company, the stock options granted shall not be affected by such transfer.</p> <p>5、Leave without pay</p> <p>For optionees who have been approved by the Company for leave without pay pursuant to relevant laws and regulations as well as due to reasons such as major illness, major family emergencies, and study abroad, vested stock options may be exercised within</p>	<p>regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year following the date of retirement or after two years since the options are granted (whichever occurs later). However, the Company shall have the right to forfeit and cancel vested stock options in the event that the optionee violates non-compete clause.</p> <p>3、Death</p> <p>Vested stock options may be exercised by the heir within one year from the date of death and inheritance. Unvested stock options shall lose validity from the date of death.</p> <p>4、Transfer</p> <p>If the Company, due to business needs, transfers the employee to an affiliate of the Company, the stock options granted shall not be affected by such transfer.</p> <p>5、Leave without pay</p> <p>For optionees who have been approved by the Company for leave without pay pursuant to relevant laws and regulations as well as due to reasons such as major illness, major family emergencies, and study abroad, vested stock options may be exercised within</p>	

Amended	Original	Explanation
<p>thirty days following the date of leave without pay. If not exercised by then, vested stock options shall be frozen, and shall be deferred until reinstatement. Rights and interests to any unvested stock options shall be restored upon reinstatement. However, the vesting period shall be deferred retroactively by the same duration as the period of leave without pay, subject at all times to the original duration of the stock options.</p> <p>6、Disability or death caused by work injury</p> <p>(1) In the event that an employee who has been granted stock options becomes physically disabled and cannot continue his/her employment due to work injury, he/she may exercise all granted stock options at the time of resignation. However, two years shall have elapsed since the granting of such stock options in order for them to be exercised and restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year after the date of employment termination or after two years have elapsed since the options are granted (whichever occurs later).</p> <p>(2) In the event that an employee who has been granted stock options dies due to work injury, his/her heir may exercise all such options. However, two years shall have elapsed since the granting of such stock options in order for them to be exercised and restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year after the date of death or after two years have elapsed since the options are granted (whichever occurs later).</p> <p>7、If the optionee or his/her heir is unable to exercise the stock options within the period set forth above, rights for stock options that have not been exercised shall be deemed as waived, and he/she may no longer claim rights to exercise subscription rights afterwards.</p> <p>(V) Handling method for stock options on which rights have been waived: The Company shall cancel any stock options on which rights have been waived and shall not be issued again.</p>	<p>thirty days following the date of leave without pay. If not exercised by then, vested stock options shall be frozen, and shall be deferred until reinstatement. Rights and interests to any unvested stock options shall be restored upon reinstatement. However, the vesting period shall be deferred retroactively by the same duration as the period of leave without pay, subject at all times to the original duration of the stock options.</p> <p>6、Disability or death caused by work injury</p> <p>(1) In the event that an employee who has been granted stock options becomes physically disabled and cannot continue his/her employment due to work injury, he/she may exercise all granted stock options at the time of resignation. However, two years shall have elapsed since the granting of such stock options in order for them to be exercised and restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year after the date of employment termination or after two years have elapsed since the options are granted (whichever occurs later).</p> <p>(2) In the event that an employee who has been granted stock options dies due to work injury, his/her heir may exercise all such options. However, two years shall have elapsed since the granting of such stock options in order for them to be exercised and restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year after the date of death or after two years have elapsed since the options are granted (whichever occurs later).</p> <p>7、If the optionee or his/her heir is unable to exercise the stock options within the period set forth above, rights for stock options that have not been exercised shall be deemed as waived, and he/she may no longer claim rights to exercise subscription rights afterwards.</p> <p>(V) Handling method for stock options on which rights have been waived: The Company shall cancel any stock options on which rights have been waived and shall not be issued again.</p>	

**Attachment (5)-2 : Guidelines for Issuance and Subscription of 2019 Employee Stock Options  
(After Amendment)**

**Dynapack International Technology Corporation  
Guidelines for Issuance and Subscription of 2019 Employee Stock Options**

**I. Purposes**

In accordance with Article 28-3 of the Securities and Exchange Act and Regulations Governing the Offering and Issuance of Securities by Securities Issuers issued by Financial Supervisory Commission, the Company intends to establish the guidelines for issuance and subscription of employee stock options to attract and retain talents, encourage employees and enhance their cohesion, and jointly create benefits for the Company and shareholders.

**II. Issuance Period**

Within one year since the date of receipt for notice of the competent authority's approval and effectiveness; issued at once or in tranches depending on actual requirements. Actual issue date shall be determined by the Chairman.

**III. Eligibility criteria for optionees**

- (I) Restricted to employees of either the Company or any of its domestic or foreign controlled or affiliated entity employed before the record date of subscription eligibility and in accordance with Jin-Guan-Zheng-Zi No. 1070121068 of the Financial Supervisory Commission dated December 27, 2018. Record date of subscription eligibility shall be determined by the Chairman.
- (II) The Chairman shall determine the employees who are entitled to the stock options and the no. of stock options to be granted after taking into consideration factors including but not limited to position, performance, overall contribution or specific achievement, and then submit the decision to the Board of Directors for approval. For employees who are managerial officers or directors, approval by the Compensation Committee must be obtained first.
- (III) The cumulative no. of shares a single employee can subscribe for by exercising the stock options granted to him/her by the Company under Paragraph 1, Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Security Issuers, in combination with the cumulative no. of restricted stock awards obtained by such employee, shall not exceed 0.3% of the total issued shares. The above, in combination with the cumulative no. of shares a single optionee can subscribe for by exercising the stock options granted under Paragraph 1, Article 56 shall not exceed 1% of the total issued shares.

**IV. Number of total issued units of employee stock options**

The number of total issued units is 5,000 units and each stock option unit may subscribe for 1,000 common shares of the Company. The total number of new shares to be issued for the exercise of these options shall be 5,000,000 shares.

**V. Criteria for subscription**

- (I) **Subscription Price** : The subscription price shall be the closing price of the Company's common shares on the day these stock options are issued.
- (II) **Period of subscription rights** :
  - 1、The duration of stock options is 5 years. Once duration has lapsed, any stock options that have not been exercised shall be deemed as waived and optionees may no longer claim rights to exercise their subscription rights. The options and their respective rights may not be transferred, pledged, assigned as a gift or otherwise disposed of, except for inheritance.
  - 2、Optionees may exercise their stock options according to the following schedule and proportion after two years have elapsed since the granting of the stock options.

Grant period of stock options	Ceiling for proportion of stock options exercisable (accumulated)
After 2 years	50%
After 3 years	75%
After 4 years	100%

- 3、The Company shall have the right to forfeit and cancel all or part of the stock options for which rights have not been vested in the event that the optionee violates his/her employment contract or work rules after the stock options have been granted by the Company.

(III) Types of shares which may be subscribed for : Common shares of the Company.

(IV) Regarding optionees who have left employment, the stock options shall be handled as follows before they expire:

- 1、Resignation (including voluntary resignation, voluntary retirement pursuant to Article 53 of the Labor Standards Act, severance package, or discharge)

Vested stock options shall be exercised within one month of the date of such occurrence. All rights for unvested stock options shall be deemed as waived upon the date of such occurrence.

- 2、Mandatory retirement pursuant to Article 54 of the Labor Standards Act

Granted stock options may be exercised in full upon mandatory retirement. Restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year following the date of mandatory retirement or after two years since the options are granted (whichever occurs later). However, the Company shall have the right to forfeit and cancel vested stock options in the event that the optionee violates non-compete clause within two years of mandatory retirement.

In the event that stock options have been exercised, the Company shall have the right to claim for the disgorgement of any profit between the subscription price and the closing price of the Company's common shares on the date of exercise during the period from the date of exercise to the date of returning. However, if the optionee is appointed as a full-time consultant upon mandatory retirement by the Company or any of its domestic or foreign controlled or affiliated entity and receives more than 80% of monthly salary amount before mandatory retirement, he/she shall not be deemed as leave employment and shall exercise his/her options subject to the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5.

The Labor Standards Act shall apply mutatis mutandis for employees of the Company's foreign controlled or affiliated entity who are subject to mandatory retirement in this subparagraph and resignation in preceding subparagraph.

- 3、Death

Vested stock options may be exercised by the heir within one year from the date of death and inheritance. Unvested stock options shall lose validity from the date of death.

- 4、Transfer

If the Company, due to business needs, transfers the employee to an affiliate of the Company, the stock options granted shall not be affected by such transfer.

- 5、Leave without pay

For optionees who have been approved by the Company for leave without pay pursuant to relevant laws and regulations as well as due to reasons such as major illness, major family emergencies, and study abroad, vested stock options may be exercised within thirty days following the date of leave without pay. If not exercised by then, vested stock options shall be frozen, and shall be deferred until reinstatement. Rights and interests to any unvested stock options shall be restored upon reinstatement. However, the vesting period shall be deferred retroactively by the same duration as the period of leave without pay, subject at all times to the original duration of the stock options.

## 6 · Disability or death caused by work injury

- (1) In the event that an employee who has been granted stock options becomes physically disabled and cannot continue his/her employment due to work injury, he/she may exercise all granted stock options at the time of resignation. However, two years shall have elapsed since the granting of such stock options in order for them to be exercised and restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year after the date of employment termination or after two years have elapsed since the options are granted (whichever occurs later).
- (2) In the event that an employee who has been granted stock options dies due to work injury, his/her heir may exercise all such options. However, two years shall have elapsed since the granting of such stock options in order for them to be exercised and restrictions regarding the schedule and proportion in Subparagraph 2, Paragraph 2, Article 5 shall not apply. Such stock options shall be exercised within one year after the date of death or after two years have elapsed since the options are granted (whichever occurs later).

7 · If the optionee or his/her heir is unable to exercise the stock options within the period set forth above, rights for stock options that have not been exercised shall be deemed as waived, and he/she may no longer claim rights to exercise subscription rights afterwards.

- (V) Handling method for stock options on which rights have been waived:  
The Company shall cancel any stock options on which rights have been waived and shall not be issued again.

## VI. Method for performance of contract

New shares issued by the Company shall be delivered.

## VII. Adjustment for subscription price

- (I) After the stock options are issued, except for the issuance of common shares upon conversion of all securities with conversion rights or subscription rights for common shares, or new shares issued as employee compensation, if there is any change of the Company's no. of common shares (including but not limited to capital increase by offering or private placement, capital increase by earnings, capital increase by capital surplus, merger, demerger, stock divide, transfer of shares from other companies, participation in overseas depository receipts through cash capital increase, and etc.), the subscription price shall be adjusted in accordance with the following formula (rounded up to the nearest tenth of one New Taiwan Dollar).

$$\text{Adjusted subscription price} = \text{Subscription price prior to adjustment} \times \left[ \frac{\text{no. of issued shares} + (\text{paid purchase price per share} \times \text{no. of newly issued shares})}{\text{current price per share}} \right] \div (\text{no. of issued shares} + \text{no. of newly issued shares})$$

Note 1 : No. of issued shares refers to total no. of issued common shares minus the no. of treasury shares repurchased by the Company but not cancelled or transferred and shall not include shares of certificates of payment for exercise of stock options and certificates of bond-to-stock conversion.

Note 2 : In the event of gratuitous distribution of shares, the paid purchase price per share shall be zero.

Note 3 : In the event of merger, demerger or issuance of new shares for transfer of shares of other company, the subscription price shall be adjusted in accordance with merger agreement, share transfer contract, demerger plan and other relevant laws and regulations.

Note 4 : If the adjusted subscription price is higher than the subscription price prior to adjustment, the subscription price shall not be adjusted. If the final adjusted subscription price is lower than the par value of common shares, the subscription price shall be the par value of common shares.

Note 5 : The current price per share shall be the simple arithmetic average of the closing price of common shares either on the first, third, or fifth business day immediately prior to ex-right date, pricing record date, or stock divide record date.

- (II) After the stock options are issued, in the case of cash dividend distribution, the subscription price shall be adjusted in accordance with the following formula (rounded up to the nearest tenth of one New Taiwan Dollar).

Adjusted subscription price = Subscription price prior to adjustment  $\times$  (1 - cash dividends distributed per common share  $\div$  current price per share)

Note 1 : Current price per share shall be the simple arithmetic average of closing price of common shares either on the first, third, or fifth business day immediately prior to the announced book closure and ex-dividend date for the cash dividends.

- (III) After the stock options are issued, in the case that the reduction in the no. of common shares not caused by capital reduction through cancellation of treasury shares, the subscription price shall be adjusted in accordance with the following formula (rounded up to the nearest tenth of one New Taiwan Dollar).

1、Capital reduction to offset losses

Adjusted subscription price = Subscription price prior to adjustment  $\times$  (no. of issued common shares before capital reduction  $\div$  no. of issued common shares after capital reduction)

2、Capital reduction with cash payment

Adjusted subscription price = (Subscription price prior to adjustment - cash refund per share)  $\times$  (no. of issued common shares before capital reduction  $\div$  no. of issued common shares after capital reduction)

#### VIII. Procedures for exercising stock options

- (I) Except during the statutory book closure period, an optionee may exercise stock options in accordance with the schedule set forth in the guidelines by filling a subscription request and applying with the Company's stock affairs unit.
- (II) Upon receipt of the subscription request, the Company's stock affairs unit shall inform the optionee to make payment for shares to the designated bank within the designated period. Once the optionee has performed the payment, subscription payment cannot be revoked. Any delayed payment shall be deemed as a waiver of subscription rights for the said request.
- (III) Upon confirmation of sufficient payment for shares, the Company's stock affairs unit shall register the no. of shares subscribed for by the employee and his/her name in the shareholders' roster and shall issue the new common shares to such optionee through depository book-entry transfer within five business days.
- (IV) The newly issued common shares of the Company will be TPEX-listed and ready for trade upon on the date of delivery to the optionee.
- (V) The Company shall announce the no. of newly issued shares for the previous quarter within fifteen days at the end of a quarter and complete change registration for amount of capital with the competent authority in which the Company is registered.

#### IX. Rights and obligations after exercising stock options

- (I) The rights and obligations of the newly issued common shares delivered shall be the same as those for the Company's common shares.
- (II) The taxes for shares subscribed for by the optionee according to the guidelines and from their trading shall be governed by related tax regulations of the competent authority of Republic of China and foreign controlled or affiliated entity to which the stock options are granted.

#### X. Other important terms and conditions

- (I) After stock options are granted to optionees, optionees shall abide by confidentiality regulations and shall not disclose related contents and information unless otherwise requested by law or the competent authority. The Company shall have the right to forfeit and cancel unexercised stock options if optionees violate the regulations.



- (II) The establishment and amendment of the guidelines shall be approved by a majority vote in a Board of Directors meeting attended by two-thirds or more of the directors, and approval is granted by the competent authority upon reporting. The Chairman shall be authorized to amend the guidelines as requested by the competent authority and submit the amendments to the Board of Directors for ratification and issuance afterwards.
- (III) Any other matters not set forth in the guidelines shall be dealt with in accordance with relevant laws and regulations.

**Attachment 6 : The investment information in mainland China**

**DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1)	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
Dynapack (Suchou) Co., Ltd.	Manufacturing and selling various lithium-ion battery packs, nickel-metal hydride battery packs, new electronic components, wireless communication modules, various chargers and technical development of power management systems, etc.	\$ 2,487,238 (US\$ 80,000) (Note 4)	(Note 5)	\$ 2,229,856 (US\$ 72,100)	\$ -	\$ -	\$ 2,229,856 (US\$ 72,100)	\$ 320,051 (RMB 73,739)	100	\$ 320,051 (RMB 73,739)	\$ 6,923,581	\$ -
Dynapack (Kunshan) Co., Ltd.	Manufacturing and selling computers, various lithium-ion battery packs for communications, nickel-metal hydride battery packs, new electronic components, wireless communication modules, and various chargers	- (Note 6)	(Note 5)	311,580 (US\$ 10,000)	-	311,580 (US\$ 10,000) (Note 6)	-	(4,542) (RMB (1,041))	-	(4,542) (RMB (1,041))	- (Note 6)	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$2,229,856 (US\$72,100)	\$2,541,436 (US\$82,100)	\$5,819,462

Note 1: The calculation was based on the original investment cost.

Note 2: The calculation was based on the average exchange rate for the year ended December 31, 2021.

Note 3: The basis for investment income (loss) recognition is the financial statements audited and attested by parent company's CPA in the ROC.

Note 4: The paid-in capital includes the original outward remittance for investment from Taiwan of US\$72,100 thousand and the earnings transferred to ordinary shares of US\$7,900 thousand.

Note 5: The Company indirectly invested in mainland China through Dynapack Technology (Hong Kong) Corporation Limited by investing via a third region.

Note 6: Dynapack (Kunshan) Co., Ltd. has completed the liquidation and remitted the remaining fund from the liquidation to Dynapack Technologies (Cayman) Corporation through the third region Dynapack Technology (Hong Kong) Corporation Limited.

Note 7: All intercompany transactions have been eliminated upon consolidation.

## **Attachment (7) : 2021 Independent Auditors' Report and Parent Company Only Financial Statements**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Dynapack International Technology Corporation

#### **Opinion**

We have audited the accompanying parent company only financial statements of Dynapack International Technology Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

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

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's parent company only financial statements for the year ended December 31, 2021 are as follows:

Authenticity of the Recognition of Revenue of Transaction through Outbound Freight Warehouses from Specific Customers

The Company's products include battery packs for notebooks and tablet PCs. Since there is a significant growth in revenue from specific customers compared with the previous year, and the process of revenue recognition of transaction through outbound freight warehouses usually involves a lot of procedures and operations, which can easily cause the risk of improper revenue recognition, we have identified such revenue recognition as a key audit matter.

The main audit procedures were as follows:

1. We obtained an understanding of the internal control related to the recognition of sales revenue through outbound freight warehouses from specific customers and tested the design and operating effectiveness of the control of selected samples.
2. We performed tests of details by checking the selected samples of recorded revenue against the related customer orders, shipping documents, and collection of payments for specific customers to verify the authenticity of the revenue recognition.
3. We performed cut-off procedures for revenue of transaction through outbound freight warehouses from specific customers, before and after the end of the financial reporting date, and verified that sales transactions were recorded in the correct period.

**Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements**

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

In preparing the parent company only financial statements, management is responsible for assessing the 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 Parent company only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tzu-Jung Kuo and Shih-Tsung Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2022

Notice to Readers

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

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

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,276,405	9	\$ 1,402,740	6
Financial assets carried at amortized cost - current (Notes 4 and 8)	1,600,000	6	574,500	3
Trade receivables from unrelated parties (Notes 4, 5 and 9)	4,956,346	20	4,298,567	20
Trade receivables from related parties (Notes 4, 9, and 29)	1,265,512	5	-	-
Other receivables (Note 4)	4,283	-	6,689	-
Other receivables from related parties (Notes 4 and 29)	10,224	-	11,039	-
Inventories (Notes 4, 5 and 10)	2,519,505	10	2,086,639	9
Other current assets (Notes 15 and 29)	73,958	-	37,179	-
Total current assets	<u>12,706,233</u>	<u>50</u>	<u>8,417,353</u>	<u>38</u>
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using the equity method (Notes 4 and 11)	9,348,185	37	8,761,154	40
Property, plant, and equipment (Notes 4, 12, 14, and 29)	62,733	-	469,914	2
Right-of-use assets (Notes 4 and 13)	161,238	1	1,884	-
Investment properties (Notes 4, 12, and 14)	2,752,677	11	3,935,462	18
Deferred tax assets (Notes 4 and 24)	220,203	1	194,858	1
Refundable deposits	122,516	-	2,289	-
Other non-current assets (Notes 15 and 29)	153,474	-	146,917	1
Total non-current assets	<u>12,821,026</u>	<u>50</u>	<u>13,512,478</u>	<u>62</u>
<b>TOTAL</b>	<u>\$ 25,527,259</u>	<u>100</u>	<u>\$ 21,929,831</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 1,110,000	4	\$ 200,000	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	9,218	-
Trade payables from unrelated parties (Note 17)	2,131,366	8	1,984,321	9
Trade payables from related parties (Notes 17 and 29)	8,336,088	33	6,485,983	30
Other payables (Notes 19 and 29)	447,057	2	337,686	2
Current tax liabilities (Notes 4 and 24)	305,539	1	188,011	1
Provisions - current (Notes 4 and 18)	72,123	-	72,955	-
Lease liabilities - current (Notes 4 and 13)	41,383	-	1,906	-
Current portion of long-term borrowings (Note 16)	100,000	1	22,914	-
Other current liabilities (Notes 19 and 29)	186,525	1	761,230	3
Total current liabilities	<u>12,730,081</u>	<u>50</u>	<u>10,064,224</u>	<u>46</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 16)	1,261,397	5	3,099,226	14
Deferred tax liabilities (Notes 4 and 24)	1,066,415	4	1,022,387	5
Lease liabilities - non-current (Notes 4 and 13)	239,506	1	-	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	1,650	-	3,965	-
Guarantee deposits received (Note 14)	526,110	2	412,991	2
Other non-current liabilities (Note 19)	2,997	-	4,291	-
Total non-current liabilities	<u>3,098,075</u>	<u>12</u>	<u>4,542,860</u>	<u>21</u>
Total liabilities	<u>15,828,156</u>	<u>62</u>	<u>14,607,084</u>	<u>67</u>
<b>EQUITY (Notes 4,11,20,21, 24,and 26)</b>				
<b>Capital</b>				
Share capital	1,492,185	6	1,474,805	7
Capital collected in advance	160	-	-	-
Total capital	<u>1,492,345</u>	<u>6</u>	<u>1,474,805</u>	<u>7</u>
Capital surplus	2,105,416	8	2,007,457	9
<b>Retained earnings</b>				
Legal reserve	1,493,942	6	1,390,703	6
Special reserve	454,161	2	481,562	2
Unappropriated earnings	4,698,589	18	2,422,381	11
Total retained earnings	<u>6,646,692</u>	<u>26</u>	<u>4,294,646</u>	<u>19</u>
<b>Other equity</b>				
Exchange differences on translation of the financial statements of foreign operations	(545,350)	( 2)	(454,161)	( 2)
Total equity	<u>9,699,103</u>	<u>38</u>	<u>7,322,747</u>	<u>33</u>
<b>TOTAL</b>	<u>\$ 25,527,259</u>	<u>100</u>	<u>\$ 21,929,831</u>	<u>100</u>

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

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22, and 29)				
Net sales revenue	\$ 19,870,213	100.0	\$ 17,957,195	100.0
OPERATING COSTS (Notes 4, 5, 10, 12, 13, 23, 26 and 29)				
Cost of goods sold	<u>18,957,514</u>	<u>95.4</u>	<u>16,807,885</u>	<u>93.6</u>
GROSS PROFIT	<u>912,699</u>	<u>4.6</u>	<u>1,149,310</u>	<u>6.4</u>
OPERATING EXPENSES (Notes 4, 12, 13, 20, 23, 26 and 29)				
Selling and marketing expenses	38,469	0.2	33,510	0.2
General and administrative expenses	192,301	0.9	153,399	0.9
Research and development expenses	<u>294,289</u>	<u>1.5</u>	<u>255,178</u>	<u>1.4</u>
Total operating expenses	<u>525,059</u>	<u>2.6</u>	<u>442,087</u>	<u>2.5</u>
PROFIT FROM OPERATIONS	<u>387,640</u>	<u>2.0</u>	<u>707,223</u>	<u>3.9</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	2,615	-	20,991	0.1
Other income (Notes 4, 23 and 29)	126,939	0.6	89,367	0.5
Net Gain on disposal of property, plant, and equipment (Note 4, 13 and 14)	721,679	3.6	5	-
Net gain on disposal of investment property (Notes 4, 13 and 14)	1,949,996	9.8	-	-
Net foreign exchange gain (Notes 4, 23 and 30)	93,855	0.5	136,454	0.8
Net gain on financial assets (liabilities) at fair value through profit or loss (Notes 4 and 7)	9,642	0.1	-	-
Miscellaneous disbursements (Note 23)	( 58,535 )	( 0.3 )	( 26,143 )	( 0.1 )
Loss on financial assets (liabilities) at fair value through profit or loss (Notes 4 and 7)	-	-	( 1,197 )	-
Finance costs (Note 23)	( 26,295 )	( 0.1 )	( 26,338 )	( 0.2 )
Share of gain of subsidiaries and associated accounted using the equity method (Notes 4 and 11)	<u>446,367</u>	<u>2.2</u>	<u>372,919</u>	<u>2.1</u>
Total non-operating income	<u>3,266,263</u>	<u>16.4</u>	<u>566,058</u>	<u>3.2</u>
ROFIT BEFORE INCOME TAX	3,653,903	18.4	1,273,281	7.1

(Continued)



# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 24)	( <u>344,884</u> )	( <u>1.8</u> )	( <u>238,026</u> )	( <u>1.3</u> )
NET PROFIT FOR THE YEAR	<u>3,309,019</u>	<u>16.6</u>	<u>1,035,255</u>	<u>5.8</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 11, 20, 21, and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	<u>1,650</u>	<u>-</u>	( <u>2,866</u> )	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	( <u>113,986</u> )	( <u>0.5</u> )	34,251	0.2
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>22,797</u> ( <u>91,189</u> )	<u>0.1</u> ( <u>0.4</u> )	( <u>6,850</u> ) <u>27,401</u>	( <u>0.1</u> ) <u>0.1</u>
Other comprehensive income (loss) for the year, net of income tax	( <u>89,539</u> )	( <u>0.4</u> )	<u>24,535</u>	<u>0.1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,219,480</u>	<u>16.2</u>	<u>\$ 1,059,790</u>	<u>5.9</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 22.42</u>		<u>\$ 7.02</u>	
Diluted	<u>\$ 22.12</u>		<u>\$ 6.94</u>	

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

## DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Capital (Note 21)				Capital Surplus (Notes 4, 21 and 26)	Retained Earnings (Note 21)				Other Equity (Notes 4, 21 and 24)	Total Equity	
	Shares (In Thousands)	Share Capital	Capital Collected in Advance	Total		Legal Reserve	Special Reserve	Unappropriated Earnings		Total		Exchange Differences on Translating of the Financial Statements of Foreign Operations
								Legal Reserve	Special Reserve			
BALANCE AT JANUARY 1, 2020	147,481	\$ 1,474,805	\$ -	\$ 1,474,805	\$ 1,990,190	\$ 1,308,131	\$ 232,533	\$ 2,458,996	\$ 3,999,660	\$ (481,562)	\$ 6,983,093	
Appropriation of 2019 earnings												
Legal reserve	-	-	-	-	-	82,572	-	(82,572)	-	-	-	
Special reserve	-	-	-	-	-	-	249,029	(249,029)	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(737,403)	(737,403)	-	(737,403)	
Other changes in capital surplus:												
Changes in equity of subsidiaries for using the equity method	-	-	-	-	4,800	-	-	-	-	-	4,800	
Compensation cost of employee share options	-	-	-	-	12,467	-	-	-	-	-	12,467	
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	1,035,255	1,035,255	-	1,035,255	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	-	(2,866)	(2,866)	27,401	24,535	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-	-	1,032,389	1,032,389	27,401	1,059,790	
BALANCE AT DECEMBER 31, 2020	147,481	1,474,805	-	1,474,805	2,007,457	1,390,703	481,562	2,422,381	4,294,646	(454,161)	7,322,747	
Appropriation of 2020 earnings												
Legal reserve	-	-	-	-	-	103,239	-	(103,239)	-	-	-	
Special reserve	-	-	-	-	-	-	(27,401)	27,401	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(958,623)	(958,623)	-	(958,623)	
Other changes in capital surplus:												
Changes in equity of subsidiaries for using the equity method	-	-	-	-	4,650	-	-	-	-	-	4,650	
Compensation cost of employee share options	-	-	-	-	12,976	-	-	-	-	-	12,976	
Share-based payment transaction	1,738	17,380	160	17,540	80,333	-	-	-	-	-	97,873	
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	3,309,019	3,309,019	-	3,309,019	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	1,650	1,650	(91,189)	(89,539)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	3,310,669	3,310,669	(91,189)	3,219,480	
BALANCE AT DECEMBER 31, 2021	<u>149,219</u>	<u>\$ 1,492,185</u>	<u>\$ 160</u>	<u>\$ 1,492,345</u>	<u>\$ 2,105,416</u>	<u>\$ 1,493,942</u>	<u>\$ 454,161</u>	<u>\$ 4,698,589</u>	<u>\$ 6,646,692</u>	<u>\$ (545,350)</u>	<u>\$ 9,699,103</u>	

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

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 3,653,903	\$ 1,273,281
Adjustments for		
Depreciation expense	62,095	52,389
Amortization expense	16,308	12,664
Net loss on financial assets and liabilities at fair value through profit or loss	-	9,218
Finance costs	26,295	26,338
Interest income	( 2,615 )	( 20,991 )
Compensation cost of employee share options	12,976	12,467
Share of gain of subsidiaries and associated accounted using the equity method	( 446,367 )	( 372,919 )
Gain on disposal of property, plant, and equipment	( 721,679 )	( 5 )
Gain on disposal of investment property	( 1,949,996 )	-
Inventory write-downs (reversed)	108,235	( 65,696 )
Reversal of provisions	( 832 )	( 44,660 )
Changes in operating assets and liabilities		
Trade receivables from unrelated parties	( 657,779 )	( 713,309 )
Trade receivables from related parties	( 1,265,512 )	1,701,800
Other receivables	2,102	1,405
Other receivables from related parties	815	( 596 )
Inventories	( 541,101 )	( 673,980 )
Other current assets	( 36,779 )	( 4,981 )
Financial liabilities at fair value through profit or loss - current	( 9,218 )	( 760 )
Trade payables from unrelated parties	147,045	747,092
Trade payables from related parties	1,850,105	( 2,163,566 )
Other payables	14,953	( 125,906 )
Other current liabilities	( 574,705 )	460,265
Net defined benefit liabilities	( 665 )	( 702 )
Other non-current liabilities	( 1,294 )	567
Cash generated from operations	( 313,710 )	109,415
Interest received	2,919	25,237
Income tax paid	( 155,874 )	( 39,773 )
Net cash (used in)/generated from operating activities	( 466,665 )	94,879
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(\$ 2,082,500)	(\$ 3,296,996)
Proceeds from sale of financial assets at amortized cost	1,062,165	4,001,112
Purchase of Investments accounted for using the equity method	( 280,000 )	-
Payments for property, plant and equipment	( 56,487 )	( 25,876 )
Proceeds from disposal of property, plant and equipment	1,215,645	-
Increase in refundable deposits	( 121,327 )	-
Decrease in refundable deposits	1,100	3
Payments for investment properties	( 895 )	( 31,148 )
Proceeds from disposal of investment properties	3,277,496	-

(Continued)

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Increase in other non-current assets	( 41,642 )	( 65,461 )
Dividend received from subsidiary	30,000	-
Income tax paid	( 30,002 )	-
Net cash generated from investing activities	2,973,553	581,634
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	4,010,000	200,000
Repayments of short-term borrowings	( 3,100,000 )	-
Proceeds from long-term borrowings	3,579,740	4,096,140
Repayments of long-term borrowings	( 5,340,483 )	( 4,250,000 )
Proceeds from guarantee deposits received	113,119	147,657
Repayment of the principal portion of lease liabilities	( 3,789 )	( 1,884 )
Cash dividends distributed	( 958,623 )	( 737,403 )
Proceeds from employee share options	97,873	-
Interest paid	( 25,895 )	( 26,262 )
Net cash used in financing activities	( 1,628,058 )	( 571,752 )
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	( 5,165 )	( 14,008 )
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>873,665</b>	<b>90,753</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b><u>1,402,740</u></b>	<b><u>1,311,987</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>\$ 2,276,405</u></b>	<b><u>\$ 1,402,740</u></b>

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

## **Attachment (8) : 2021 Independent Auditors' Report and Consolidated Financial Statements**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Dynapack International Technology Corporation

#### **Opinion**

We have audited the accompanying consolidated financial statements of Dynapack International Technology Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and 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 (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2021 are as follows:

Authenticity of the Recognition of Revenue of Transaction through Outbound Freight Warehouses from Specific Customers

The Group's products include battery packs for notebooks and tablet PCs. Since there is a significant growth in revenue from specific customers compared with the previous year, and the process of revenue recognition of transaction through outbound freight warehouses usually involves a lot of procedures and operations, which can easily cause the risk of improper revenue recognition, we have identified such revenue recognition as a key audit matter.

The main audit procedures were as follows:

1. We obtained an understanding of the internal control related to the recognition of sales revenue through outbound freight warehouses from specific customers and tested the design and operating effectiveness of the control of selected samples.
2. We performed tests of details by checking the selected samples of recorded revenue against the related customer orders, shipping documents, and collection of payments for specific customers to verify the authenticity of the revenue recognition.
3. We performed cut-off procedures for revenue of transaction through outbound freight warehouses from specific customers, before and after the end of the financial reporting date, and verified that sales transactions were recorded in the correct period.

**Other Matter**

We have also audited the parent company only financial statements of Dynapack International Technology Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tzu-Jung Kuo and Shih-Tsung Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2022

#### Notice to Readers

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

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



# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,473,932	21	\$ 2,487,122	13
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	233,296	1	143,691	1
Financial assets at amortized cost - current (Notes 4, 8 and 31)	2,955,236	14	2,727,111	14
Trade receivables from unrelated parties (Notes 4, 5 and 9)	5,149,858	24	4,465,981	24
Other receivables (Note 4)	141,395	1	29,371	-
Inventories (Notes 4, 5 and 10)	2,945,115	14	2,397,334	13
Other current assets (Note 16)	<u>154,693</u>	<u>1</u>	<u>113,691</u>	<u>1</u>
Total current assets	<u>16,053,525</u>	<u>76</u>	<u>12,364,301</u>	<u>66</u>
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using the equity method (Notes 4 and 12)	13,717	-	14,478	-
Property, plant and equipment (Notes 4, 13 and 15)	1,375,302	7	1,648,096	9
Right-of-use assets (Notes 4 and 14)	289,661	1	134,675	1
Investment properties (Notes 4, 13 and 15)	2,752,677	13	3,935,462	21
Deferred tax assets (Notes 4 and 25)	305,452	1	285,885	1
Refundable deposits	122,542	1	2,315	-
Other non-current assets (Note 16)	<u>300,259</u>	<u>1</u>	<u>356,409</u>	<u>2</u>
Total non-current assets	<u>5,159,610</u>	<u>24</u>	<u>6,377,320</u>	<u>34</u>
<b>TOTAL</b>	<u>\$ 21,213,135</u>	<u>100</u>	<u>\$ 18,741,621</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 17)	\$ 3,269,430	15	\$ 1,961,773	11
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	9,218	-
Trade payables from unrelated parties (Note 18)	3,438,140	16	3,511,996	19
Other payables (Note 20)	958,543	5	827,185	5
Current tax liabilities (Notes 4 and 25)	340,412	2	223,463	1
Provisions - current (Notes 4 and 19)	72,123	-	72,955	-
Lease liabilities - current (Notes 4 and 14)	41,383	-	1,906	-
Current portion of long-term borrowings (Note 17)	100,000	1	22,914	-
Other current liabilities (Note 20)	<u>195,926</u>	<u>1</u>	<u>243,965</u>	<u>1</u>
Total current liabilities	<u>8,415,957</u>	<u>40</u>	<u>6,875,375</u>	<u>37</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 17)	1,261,397	6	3,099,226	17
Deferred tax liabilities (Notes 4 and 25)	1,066,415	5	1,023,026	5
Lease liabilities - non-current (Notes 4 and 14)	239,506	1	-	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,650	-	3,965	-
Guarantee deposits received (Note 15)	526,110	2	412,991	2
Other non-current liabilities (Note 20)	<u>2,997</u>	<u>-</u>	<u>4,291</u>	<u>-</u>
Total non-current liabilities	<u>3,098,075</u>	<u>14</u>	<u>4,543,499</u>	<u>24</u>
Total liabilities	<u>11,514,032</u>	<u>54</u>	<u>11,418,874</u>	<u>61</u>
<b>EQUITY (Notes 4, 21, 22, 25 and 27)</b>				
Capital				
Share capital	1,492,185	7	1,474,805	8
Capital collected in advance	160	-	-	-
Total capital	<u>1,492,345</u>	<u>7</u>	<u>1,474,805</u>	<u>8</u>
Capital surplus	<u>2,105,416</u>	<u>10</u>	<u>2,007,457</u>	<u>11</u>
Retained earnings				
Legal reserve	1,493,942	7	1,390,703	7
Special reserve	454,161	2	481,562	3
Unappropriated earnings	4,698,589	22	2,422,381	13
Total retained earnings	<u>6,646,692</u>	<u>31</u>	<u>4,294,646</u>	<u>23</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	<u>(545,350)</u>	<u>( 2 )</u>	<u>(454,161)</u>	<u>( 3 )</u>
Total equity	<u>9,699,103</u>	<u>46</u>	<u>7,322,747</u>	<u>39</u>
<b>TOTAL</b>	<u>\$ 21,213,135</u>	<u>100</u>	<u>\$ 18,741,621</u>	<u>100</u>

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

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 34)				
Net sales revenue	\$ 20,769,514	100.0	\$ 19,348,268	100.0
OPERATING COSTS (Notes 4, 5, 10, 13, 14, 24 and 27)				
Cost of goods sold	<u>19,133,982</u>	<u>92.1</u>	<u>17,277,919</u>	<u>89.3</u>
GROSS PROFIT	<u>1,635,532</u>	<u>7.9</u>	<u>2,070,349</u>	<u>10.7</u>
OPERATING EXPENSES (Notes 4, 9, 13, 14, 21, 24 and 27)				
Selling and marketing expenses	103,398	0.5	89,965	0.5
General and administrative expenses	315,156	1.5	262,621	1.3
Research and development expenses	362,713	1.8	328,838	1.7
Expected credit loss	<u>5,938</u>	<u>-</u>	<u>45,340</u>	<u>0.2</u>
Total operating expenses	<u>787,205</u>	<u>3.8</u>	<u>726,764</u>	<u>3.7</u>
PROFIT FROM OPERATIONS	<u>848,327</u>	<u>4.1</u>	<u>1,343,585</u>	<u>7.0</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	38,391	0.2	67,007	0.3
Dividend income	7,460	-	948	-
Other income (Notes 4 and 24)	129,343	0.6	90,323	0.5
Net gain on disposal of property, plant and equipment (Notes 4, 14 and 15)	721,994	3.5	-	-
Net gain on disposal of investment property (Notes 4, 14 and 15)	1,949,996	9.4	-	-
Net gain on disposal of investments	64,291	0.3	16,956	0.1
Net foreign exchange gain (Notes 4, 24 and 32)	68,732	0.3	-	-
Net gain on financial assets (liabilities) at fair value through profit or loss (Notes 4 and 7)	25,205	0.1	24,307	0.1
Miscellaneous disbursements (Note 24)	(59,762)	(0.3)	(27,891)	(0.1)
Net loss on disposal of property, plant and equipment (Note 4)	-	-	(28,401)	(0.2)
Net foreign exchange loss (Notes 4, 24 and 32)	-	-	(93,149)	(0.5)
Finance costs (Note 24)	(33,976)	(0.1)	(48,566)	(0.2)

(Continued)

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of loss of associates accounted for using the equity method (Notes 4 and 12)	<u>(761)</u>	<u>-</u>	<u>(627)</u>	<u>-</u>
Total non-operating income	<u>2,910,913</u>	<u>14.0</u>	<u>907</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	3,759,240	18.1	1,344,492	7.0
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(450,221)</u>	<u>(2.2)</u>	<u>(309,237)</u>	<u>(1.6)</u>
NET PROFIT FOR THE YEAR	<u>3,309,019</u>	<u>15.9</u>	<u>1,035,255</u>	<u>5.4</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 21, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	<u>1,650</u>	<u>-</u>	<u>(2,866)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(113,986)	(0.5)	34,251	0.2
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>22,797</u>	<u>0.1</u>	<u>(6,850)</u>	<u>(0.1)</u>
	<u>(91,189)</u>	<u>(0.4)</u>	<u>27,401</u>	<u>0.1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(89,539)</u>	<u>(0.4)</u>	<u>24,535</u>	<u>0.1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,219,480</u>	<u>15.5</u>	<u>\$ 1,059,790</u>	<u>5.5</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 22.42</u>		<u>\$ 7.02</u>	
Diluted	<u>\$ 22.12</u>		<u>\$ 6.94</u>	

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

(Concluded)

**DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

	Capital (Note 22)				Capital Surplus (Notes 4, 22 and 27)	Retained Earnings (Note 22)				Other Equity (Notes 4, 22 and 25) Exchange Differences on Translating of the Financial Statements of Foreign Operations	Total Equity
	Shares (In Thousands)	Share Capital	Capital Collected in Advance	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		
BALANCE AT JANUARY 1, 2020	147,481	\$ 1,474,805	\$ -	\$ 1,474,805	\$ 1,990,190	\$ 1,308,131	\$ 232,533	\$ 2,458,996	\$ 3,999,660	\$ (481,562)	\$ 6,983,093
Appropriation of 2019 earnings											
Legal reserve	-	-	-	-	-	82,572	-	(82,572)	-	-	-
Special reserve	-	-	-	-	-	-	249,029	(249,029)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(737,403)	(737,403)	-	(737,403)
Compensation cost of employee share options	-	-	-	-	17,267	-	-	-	-	-	17,267
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	1,035,255	1,035,255	-	1,035,255
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	-	(2,866)	(2,866)	27,401	24,535
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-	-	1,032,389	1,032,389	27,401	1,059,790
BALANCE AT DECEMBER 31, 2020	147,481	1,474,805	-	1,474,805	2,007,457	1,390,703	481,562	2,422,381	4,294,646	(454,161)	7,322,747
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	-	103,239	-	(103,239)	-	-	-
Special reserve	-	-	-	-	-	-	(27,401)	27,401	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(958,623)	(958,623)	-	(958,623)
Compensation cost of employee share options	-	-	-	-	17,626	-	-	-	-	-	17,626
Share-based payment transaction	1,738	17,380	160	17,540	80,333	-	-	-	-	-	97,873
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	3,309,019	3,309,019	-	3,309,019
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	1,650	1,650	(91,189)	(89,539)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	3,310,669	3,310,669	(91,189)	3,219,480
BALANCE AT DECEMBER 31, 2021	149,219	\$ 1,492,185	\$ 160	\$ 1,492,345	\$ 2,105,416	\$ 1,493,942	\$ 454,161	\$ 4,698,589	\$ 6,646,692	\$ (545,350)	\$ 9,699,103

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

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 3,759,240	\$ 1,344,492
Adjustments for:		
Depreciation expense	235,720	176,508
Amortization expense	62,505	55,269
Expected credit loss	5,938	45,340
Net gain on financial assets and liabilities at fair value through profit or loss	(15,563)	(16,285)
Finance costs	33,976	48,566
Interest income	(38,391)	(67,007)
Dividend income	(7,460)	(948)
Compensation cost of employee share options	17,626	17,267
Share of loss of associates accounted for using the equity method	761	627
(Gain)/loss on disposal of property, plant and equipment	(721,994)	28,401
Gain on disposal of investment property	(1,949,996)	-
Inventory write-downs (reversed)	143,858	(62,878)
Reversal of provisions	(832)	(44,660)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss - current	(76,002)	107,818
Notes receivable from unrelated parties	-	2,149
Trade receivables from unrelated parties	(689,572)	(531,936)
Other receivables	(113,300)	(13,161)
Inventories	(690,970)	(768,741)
Other current assets	(56,263)	(15,252)
Financial liabilities at fair value through profit or loss - current	(9,218)	(760)
Trade payables from unrelated parties	(73,856)	896,864
Other payables	23,772	(67,889)
Other current liabilities	(48,039)	(57,187)
Net defined benefit liabilities	(665)	(702)
Other non-current liabilities	(1,294)	567
Cash (used in)/generated from operations	(210,019)	1,076,462
Interest received	39,667	76,939
Income tax paid	(257,179)	(110,617)
Net cash (used in)/generated from operating activities	<u>(427,531)</u>	<u>1,042,784</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(8,732,501)	(12,347,057)
Proceeds from sale of financial assets at amortized cost	8,471,764	12,490,936
Payments for property, plant and equipment	(269,500)	(198,299)
Proceeds from disposal of property, plant and equipment	1,216,508	4,521
Increase in refundable deposits	(121,327)	-
Decrease in refundable deposits	1,100	3

(Continued)

# DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Payments for investment properties	(895)	(31,148)
Proceeds from disposal of investment properties	3,277,496	-
Increase in other non-current assets	(95,755)	(230,125)
Dividends received	7,460	948
Income tax paid	<u>(30,002)</u>	<u>-</u>
Net cash generated from/(used in) investing activities	<u>3,724,348</u>	<u>(310,221)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	10,394,161	6,140,643
Repayments of short-term borrowings	(9,037,325)	(5,477,558)
Proceeds from long-term borrowings	3,579,740	4,096,140
Repayments of long-term borrowings	(5,340,483)	(4,250,000)
Proceeds from guarantee deposits received	113,119	147,657
Repayment of the principal portion of lease liabilities	(3,789)	(1,884)
Cash dividends distributed	(958,623)	(737,403)
Proceeds from employee share options	97,873	-
Interest paid	<u>(34,073)</u>	<u>(52,831)</u>
Net cash used in financing activities	<u>(1,189,400)</u>	<u>(135,236)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(120,607)</u>	<u>18,214</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,986,810	615,541
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>2,487,122</u>	<u>1,871,581</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 4,473,932</u>	<u>\$ 2,487,122</u>

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

**Attachment (9) : The comparison table for “Articles of Incorporation ”**

Amended	Original	Explanation
<p><b>Article 11</b>  A notice to convene a regular shareholders’ meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene a special shareholders’ meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.  The aforesaid notice shall state the cause or subject of a shareholders’ meeting to be convened.  <u>The shareholders’ meeting can be held by means of visual communication or other methods promulgated by the central competent authority.</u></p>	<p><b>Article 11</b>  A notice to convene a regular shareholders’ meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene a special shareholders’ meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.  The aforesaid notice shall state the cause or subject of a shareholders’ meeting to be convened.</p>	<p>In compliance with the amendment to laws and regulations.</p>
<p><b>Article 28</b>  If the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution.  Where the Company distributes preceding surplus earning in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders’ meeting.  Where the Company incurs no loss, it may distribute its legal reserve and capital reserve set forth in Article 241 of Company Act, in whole or in part, by issuing new shares or by cash. Where legal reserve is distributed by issuing new shares or by cash, only the portion of legal reserve which exceeds 25 percent of the paid-up capital may be distributed.  Where the Company distributes the preceding legal reserve and capital reserve set forth in Article 241 of Company Act in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to</p>	<p><b>Article 28</b>  If the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution.  Where the Company distributes preceding surplus earning in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders’ meeting.  Where the Company incurs no loss, it may distribute its legal reserve and capital reserve set forth in Article 241 of Company Act, in whole or in part, by issuing new shares or by cash. Where legal reserve is distributed by issuing new shares or by cash, only the portion of legal reserve which exceeds 25 percent of the paid-up capital may be distributed.  Where the Company distributes the preceding legal reserve and capital reserve set forth in Article 241 of Company Act in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to</p>	<p>In compliance with the amendment to laws and regulations.</p>

Amended	Original	Explanation
<p>the shareholders' meeting.</p> <p>Allocating surplus profits may be made by way of cash or stock dividend after taking into consideration financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.</p> <p><u>The Company shall first set aside special reserve from previous unappropriated earnings the amount equivalent to the net increase in fair value of investment property and the cumulative amount of net debit balance of other equity items in previous period(s). When there is still deficiency, it shall be set aside from the net profit for the period plus the amount of items other than net profit for the period but included in current unappropriated earnings.</u></p>	<p>the shareholders' meeting.</p> <p>Allocating surplus profits may be made by way of cash or stock dividend after taking into consideration financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.</p>	
<p><b>Article 30</b></p> <p>This Articles of Incorporation was established on June 24, 1998.</p> <p>The first amendment was made on September 24, 1998.</p> <p>The second amendment was made on September 27, 1999.</p> <p>The third amendment was made on September 14, 2000.</p> <p>The fourth amendment was made on July 3, 2001.</p> <p>The fifth amendment was made on June 13, 2002.</p> <p>The sixth amendment was made on June 24, 2003.</p> <p>The seventh amendment was made on October 1, 2003.</p> <p>The eighth amendment was made on April 26, 2004.</p> <p>The ninth amendment was made on May 10, 2005.</p> <p>The tenth amendment was made on May 8, 2006.</p> <p>The eleventh amendment was made on June 15, 2007.</p> <p>The twelfth amendment was made on June 13, 2008.</p> <p>The thirteenth amendment was made on June 18, 2010.</p> <p>The fourteenth amendment was made on September 28, 2010.</p> <p>The fifteenth amendment was made on June 19, 2012.</p> <p>The sixteenth amendment was made on June 11, 2015.</p> <p>The seventeenth amendment was made on June 13, 2016.</p> <p>The eighteenth amendment was made on June 8, 2017.</p> <p>The nineteenth amendment was made on June 12, 2019.</p>	<p><b>Article 30</b></p> <p>This Articles of Incorporation was established on June 24, 1998.</p> <p>The first amendment was made on September 24, 1998.</p> <p>The second amendment was made on September 27, 1999.</p> <p>The third amendment was made on September 14, 2000.</p> <p>The fourth amendment was made on July 3, 2001.</p> <p>The fifth amendment was made on June 13, 2002.</p> <p>The sixth amendment was made on June 24, 2003.</p> <p>The seventh amendment was made on October 1, 2003.</p> <p>The eighth amendment was made on April 26, 2004.</p> <p>The ninth amendment was made on May 10, 2005.</p> <p>The tenth amendment was made on May 8, 2006.</p> <p>The eleventh amendment was made on June 15, 2007.</p> <p>The twelfth amendment was made on June 13, 2008.</p> <p>The thirteenth amendment was made on June 18, 2010.</p> <p>The fourteenth amendment was made on September 28, 2010.</p> <p>The fifteenth amendment was made on June 19, 2012.</p> <p>The sixteenth amendment was made on June 11, 2015.</p> <p>The seventeenth amendment was made on June 13, 2016.</p> <p>The eighteenth amendment was made on June 8, 2017.</p> <p>The nineteenth amendment was made on June 12, 2019.</p>	<p>The revision dates were added.</p>



Amended	Original	Explanation
<p>The twentieth amendment was made on June 9, 2020.</p> <p>The twenty-first amendment was made on July 1, 2021.</p> <p><u>The twenty-second amendment was made on June 6, 2022.</u></p>	<p>The twentieth amendment was made on June 9, 2020.</p> <p>The twenty-first amendment was made on July 1, 2021.</p>	

**Attachment (10) : The comparison table for “Procedures for Acquisition and Disposal of Assets ”**

Amended	Original	Explanation
<p>Article 7 Procedures for Public Disclosure of Information</p> <p>I. Threshold for public announcement: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC’s designated website in the appropriate form as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I) 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 from or to a related party where the transaction amount reaches 20 percent or more of the Company’s paid-in capital, 10 percent or more of total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and reverse purchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition or share transfer.</p> <p>(III) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Where paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</li> <li>2. Where paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</li> </ol> <p>(IV) Where a company is in the construction business, the acquisition or disposal of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more; among</p>	<p>Article 7 Procedures for Public Disclosure of Information</p> <p>I. Threshold for public announcement: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC’s designated website in the appropriate form as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I) 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 from or to a related party where the transaction amount reaches 20 percent or more of the Company’s paid-in capital, 10 percent or more of total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and reverse purchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition or share transfer.</p> <p>(III) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Where paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</li> <li>2. Where paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</li> </ol> <p>(IV) Where a company is in the construction business, the acquisition or disposal of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more; among</p>	<p>In compliance with the amendment to laws and regulations.</p>

Amended	Original	Explanation
<p>such cases, where a company's paid-in capital is NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(V) Where land is acquired by ways of engaging others to build on own land, engaging others to build on rented land, joint construction and splitting of units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>(VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Trading of domestic government bonds <u>and foreign government bonds with a sovereign credit rating not lower than the sovereign rating of the ROC.</u></li> <li>2. Where done by professional investors, trading of securities on securities exchange or over-the-counter markets, subscription of <u>foreign government bonds</u>, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or sellback of exchange traded notes.</u></li> <li>3. Trading of bonds under repurchase and reverse purchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ol> <p>The amount of transactions above in this Article shall be calculated as follows:</p>	<p>such cases, where a company's paid-in capital is NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(V) Where land is acquired by ways of engaging others to build on own land, engaging others to build on rented land, joint construction and splitting of units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>(VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Trading of domestic government bonds.</li> <li>2. Where done by professional investors, trading of securities on securities exchange or over-the-counter markets, subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in primary market, or subscription or redemption of securities investment trust funds or futures trust funds.</li> <li>3. Trading of bonds under repurchase and reverse purchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ol> <p>The amount of transactions above in this Article shall be calculated as follows:</p>	

Amended	Original	Explanation
<p>(I) The amount of any individual transaction.</p> <p>(II) The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same transaction counterparty within one year.</p> <p>(III) The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within one year.</p> <p>(IV) he cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>” Within one year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, and shall retain for 5 years except where another act provides otherwise.</p> <p>II. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with paragraph 1 of this Article, a public report of relevant information shall be made on the information reporting website designated by the FSC with 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) Merger, demerger, acquisition, or share transfer is not completed by</p>	<p>(I) The amount of any individual transaction.</p> <p>(II) The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same transaction counterparty within one year.</p> <p>(III) The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within one year.</p> <p>(IV) he cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>” Within one year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, and shall retain for 5 years except where another act provides otherwise.</p> <p>II. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with paragraph 1 of this Article, a public report of relevant information shall be made on the information reporting website designated by the FSC with 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) Merger, demerger, acquisition, or share transfer is not completed by</p>	

Amended	Original	Explanation
<p>the scheduled date set forth in the contract.</p> <p>(III) Change to the originally publicly announced and reported information.</p> <p>III. When participating in a merger, demerger, acquisition, or share transfer, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraph 2, paragraph 2, Article 9, including basic identification data for personnel and dates of material events to the FSC for records.</p> <p>IV. Control procedures for acquisition and disposal of assets by subsidiary:</p> <p>(I) Acquisition or disposal of assets by the subsidiary shall follow its own Procedures.</p> <p>(II) If the acquisition or disposal by the subsidiary reaches the threshold for public announcement and reporting and such subsidiary is not a public company, the parent company shall announce and report for the subsidiary.</p> <p>(III) Paid-in capital or total assets as used to determine the threshold for public announcement and reporting by the subsidiary shall be based on the paid-in capital or total assets of the parent company.</p>	<p>the scheduled date set forth in the contract.</p> <p>(III) Change to the originally publicly announced and reported information.</p> <p>III. When participating in a merger, demerger, acquisition, or share transfer, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraph 2, paragraph 2, Article 9, including basic identification data for personnel and dates of material events to the FSC for records.</p> <p>IV. Control procedures for acquisition and disposal of assets by subsidiary:</p> <p>(I) Acquisition or disposal of assets by the subsidiary shall follow its own Procedures.</p> <p>(II) If the acquisition or disposal by the subsidiary reaches the threshold for public announcement and reporting and such subsidiary is not a public company, the parent company shall announce and report for the subsidiary.</p> <p>(III) Paid-in capital or total assets as used to determine the threshold for public announcement and reporting by the subsidiary shall be based on the paid-in capital or total assets of the parent company.</p>	
<p>Article 10 Procedures for Assets Appraisal</p> <p>I. When 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.</p> <p>(I) When 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</p>	<p>Article 10 Procedures for Assets Appraisal</p> <p>I. When 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.</p> <p>(I) When 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</p>	<p>In compliance with the amendment to laws and regulations.</p>

Amended	Original	Explanation
<p>advance by the board of directors; the same procedures shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) 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 CPA shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> <li>1. The discrepancy between the appraisal result and transaction amount is 20 percent or more of the transaction amount.</li> <li>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> <p>(IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>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 report shall be obtained within 2 weeks counting inclusively from the date of occurrence, <u>and CPA's opinion under subparagraph 3 of the preceding paragraph shall be obtained</u></p>	<p>advance by the board of directors; the same procedures shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) 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 CPA shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> <li>1. The discrepancy between the appraisal result and transaction amount is 20 percent or more of the transaction amount.</li> <li>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> <p>(IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>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 report, <u>and</u> CPA's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date</p>	

Amended	Original	Explanation
<p><u>with 2 weeks counting inclusively from the date of the said appraisal report.</u></p> <p>II. Unless under the following circumstances, the Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Committee (FSC).</p> <p>(I) Securities acquired through cash contribution in an incorporation by promotion or by public offering with the further requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed.</p> <p>(II) Participation in subscription to securities issued at face value by an issuing company in accordance with relevant laws and regulations.</p> <p>(III) Participation in subscription to securities issued by a 100 percent owned subsidiary that is carrying out a cash capital increase.</p> <p>(IV) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) or emerging stocks.</p> <p>(V) Government bonds, or bonds under repurchase or reverse purchase agreement.</p> <p>(VI) Onshore or offshore publicly offered funds.</p> <p>(VII) TWSE or TPEX listed stock acquired or disposed of in accordance with the TWSE or TPEX rules governing the purchase of listed securities by reverse auction or rules governing the</p>	<p>of occurrence.</p> <p>II. Unless under the following circumstances, the Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by ARDF.</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 the Financial Supervisory Committee (FSC).</p> <p>(I) Securities acquired through cash contribution in an incorporation by promotion or by public offering with the further requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed.</p> <p>(II) Participation in subscription to securities issued at face value by an issuing company in accordance with relevant laws and regulations.</p> <p>(III) Participation in subscription to securities issued by a 100 percent owned subsidiary that is carrying out a cash capital increase.</p> <p>(IV) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) or emerging stocks.</p> <p>(V) Government bonds, or bonds under repurchase or reverse purchase agreement.</p> <p>(VI) Onshore or offshore publicly offered funds.</p> <p>(VII) TWSE or TPEX listed stock acquired or disposed of in accordance with the TWSE or TPEX rules governing the purchase of listed securities by reverse auction or rules governing the</p>	

Amended	Original	Explanation
<p>auction of listed securities.</p> <p>(VIII) Participation in subscription to shares issued by a public company for a cash capital increase or domestic subscription to corporate bonds (including financial debentures), with the further requirement that the securities acquired are not privately placed securities.</p> <p>(IX) Subscription to a domestic privately placed fund before the establishment of the fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act, or subscription to or redemption of a domestic privately placed fund, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining position is the same as that of a publicly offered fund.</p> <p>III. The Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>IV. The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Article 7, paragraph 1 herein, and "within one 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 opinion has been obtained need not be counted toward the transaction amount.</p> <p>V. Professional appraisers and their officers, CPAs, attorneys, or securities underwriters with whom the Company engages according to the Procedures shall meet the following requirements:</p> <p>(I) May not have previously received a final and unappeasable sentence to</p>	<p>auction of listed securities.</p> <p>(VIII) Participation in subscription to shares issued by a public company for a cash capital increase or domestic subscription to corporate bonds (including financial debentures), with the further requirement that the securities acquired are not privately placed securities.</p> <p>(IX) Subscription to a domestic privately placed fund before the establishment of the fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act, or subscription to or redemption of a domestic privately placed fund, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining position is the same as that of a publicly offered fund.</p> <p>III. The Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>IV. The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Article 7, paragraph 1 herein, and "within one 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 opinion has been obtained need not be counted toward the transaction amount.</p> <p>V. Professional appraisers and their officers, CPAs, attorneys, or securities underwriters with whom the Company engages according to the Procedures shall meet the following requirements:</p> <p>(I) May not have previously received a final and unappeasable sentence to</p>	



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<p>imprisonment for 1 year or longer for 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 suspended service, or since a pardon was received.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>self-discipline regulations for their affiliated association</u> and the following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>carrying out</u> a case, they shall appropriately plan and execute adequate working procedures to produce a 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.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>fairness</u> and reasonableness of the sources of data used, the parameters, and the information as the basis for issuance of the appraisal report or opinion.</p> <p>(IV) 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>appropriate and</u> reasonable, and that they have</p>	<p>imprisonment for 1 year or longer for 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 suspended service, or since a pardon was received.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures to produce a 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.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and</u> reasonableness of the sources of data used, the parameters, and the information as the basis for issuance of the appraisal report or opinion.</p> <p>(IV) 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</p>	

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<p>complied with applicable laws and regulations.</p> <p>VI. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>complied with applicable laws and regulations.</p> <p>VI. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
<p>Article 11 Procedures for related party transactions</p> <p>I. Where the Company acquires or disposes of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is assessed, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from professional appraisers or CPA opinion in compliance with the provisions of the preceding Article.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10, paragraph 4 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. Assessment and Operating Procedures</p> <p>When the Company intends to acquire or dispose of real property, right-of-use assets, or assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds, bonds with repurchase or reverse purchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprise, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors.</p> <p>(I) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) The related information on assessment of the reasonableness of the preliminary transaction terms in</p>	<p>Article 11 Procedures for related party transactions</p> <p>I. Where the Company acquires or disposes of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is assessed, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from professional appraisers or CPA opinion in compliance with the provisions of the preceding Article.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10, paragraph 4 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>II. Assessment and Operating Procedures</p> <p>When the Company intends to acquire or dispose of real property, right-of-use assets, or assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds, bonds with repurchase or reverse purchase agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprise, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors.</p> <p>(I) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) The related information on assessment of the reasonableness of the preliminary transaction terms in</p>	<p>In compliance with the amendment to laws and regulations.</p>

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<p>accordance with paragraph 3 of this Article with respect to the acquisition of real property or right-of-use assets from a related party,</p> <p>(IV) The date and price at which the related party originally acquired, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecast for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA opinion obtained in accordance with paragraph 1 of this Article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the chairman to decide such matters when the transaction amount is within NT\$500 million and have the decisions subsequently submitted to and approved by the next board of directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the Securities and Exchange Act, when a matter is submitted for discussion by the board of directors pursuant to preceding paragraph, the board of</p>	<p>accordance with paragraph 3 of this Article with respect to the acquisition of real property or right-of-use assets from a related party,</p> <p>(IV) The date and price at which the related party originally acquired, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecast for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA opinion obtained in accordance with paragraph 1 of this Article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, paragraph 1, and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the board of directors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the chairman to decide such matters when the transaction amount is within NT\$500 million and have the decisions subsequently submitted to and approved by the next board of directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the Securities and Exchange Act, when a matter is submitted for discussion by the board of directors pursuant to preceding paragraph, the board of</p>	

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<p>directors shall take into full consideration each independent director’s opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>Where the Company or its subsidiary that is not a domestic public company enters into a transaction in accordance with subparagraph 2 of this Article and where the transaction amount reaches 10% of the Company’s total assets, the Company may not proceed to enter into a transaction contract or make a payment until all the information prescribed in subparagraph 2 of this Article have been submitted to and approved by the shareholders’ meeting. This shall not apply where the transaction is between the Company and its subsidiaries or between subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, paragraph 1, and “within one year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee, the board of directors <u>and the shareholders’ meeting in accordance with the Procedures</u> need not be counted toward the transaction amount.</p> <p>III. Assessment of reasonableness of the transaction costs</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party, it shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>(I) Based on 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 weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>(II) 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</p>	<p>directors shall take into full consideration each independent director’s opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>III. Assessment of reasonableness of the transaction costs</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party, it shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>(I) Based on 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 weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>(II) 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</p>	

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<p>have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>(III) 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 means prescribed in item 1 and 2, paragraph 3 of this Article.</p> <p>(IV) Where the Company 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 in accordance item 1 to 3, paragraph 3 of this Article, it shall engage a CPA to review the appraisal and render a specific opinion.</p> <p>(V) Item 1 to 4, paragraph 3 of this Article shall not apply where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists.</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</li> <li>2. More than 5 years have elapsed from the date the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or rented land.</li> <li>4. The real property right-of-use assets for business use are acquired by the Company with its subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</li> </ol> <p>(VI) Where the Company acquires real</p>	<p>have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>(III) 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 means prescribed in item 1 and 2, paragraph 3 of this Article.</p> <p>(IV) Where the Company 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 in accordance item 1 to 3, paragraph 3 of this Article, it shall engage a CPA to review the appraisal and render a specific opinion.</p> <p>(V) Item 1 to 4, paragraph 3 of this Article shall not apply where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists.</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</li> <li>2. More than 5 years have elapsed from the date the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or rented land.</li> <li>4. The real property right-of-use assets for business use are acquired by the Company with its subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</li> </ol> <p>(VI) Where the Company acquires real</p>	

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<p>property and when the appraisal results conducted in accordance with items 1 to 3, paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in accordance with item 7, paragraph 3 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, this restriction shall not apply:</p> <ol style="list-style-type: none"> <li>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> <li>(1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable Construction Profit" shall be deemed the average 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.</li> <li>(2) Completed transactions by unrelated parties within one year involving other floors of the same property or nearby region where the area and transaction terms are similar after calculation of reasonable price discrepancies in floor or region in accordance with the standard property market sale or leasing practices.</li> </ol> </li> <li>2. Where the Company acquiring real property or obtaining real property right-of-use assets</li> </ol>	<p>property and when the appraisal results conducted in accordance with items 1 to 3, paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in accordance with item 7, paragraph 3 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, this restriction shall not apply:</p> <ol style="list-style-type: none"> <li>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> <li>(1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable Construction Profit" shall be deemed the average 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.</li> <li>(2) Completed transactions by unrelated parties within one year involving other floors of the same property or nearby region where the area and transaction terms are similar after calculation of reasonable price discrepancies in floor or region in accordance with the standard property market sale or leasing practices.</li> </ol> </li> <li>2. Where the Company acquiring real property or obtaining real property right-of-use assets</li> </ol>	

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<p>through leasing from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions of nearby region of a similar size by unrelated parties within one year.</p> <p>3. Completed transactions of nearby region in the preceding item 1 and 2 in principle refers to real property on the same or adjacent block and within a distance of no more than 500 meters or of similar publicly announced current value; transactions involving similar sized in principle refers to transactions completed by unrelated parties for real property with area of no less than 50 percent of the property in the planned transaction; “within one year” refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p>(VII)Where the Company acquires real property or right-of-use assets thereof from a related party and the appraisal results conducted in accordance with preceding item 1 to 6, Paragraph 3 of this Article are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price of real property or right-of-use assets and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve called for under Paragraph 1, Article 41 of the Securities and Exchange Act shall be set aside pro rata in proportion consistent with the share of the public company’s equity stake in the Company.</p>	<p>through leasing from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions of nearby region of a similar size by unrelated parties within one year.</p> <p>3. Completed transactions of nearby region in the preceding item 1 and 2 in principle refers to real property on the same or adjacent block and within a distance of no more than 500 meters or of similar publicly announced current value; transactions involving similar sized in principle refers to transactions completed by unrelated parties for real property with area of no less than 50 percent of the property in the planned transaction; “within one year” refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p>(VII)Where the Company acquires real property or right-of-use assets thereof from a related party and the appraisal results conducted in accordance with preceding item 1 to 6, Paragraph 3 of this Article are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price of real property or right-of-use assets and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve called for under Paragraph 1, Article 41 of the Securities and Exchange Act shall be set aside pro rata in proportion consistent with the share of the public company’s equity stake in the Company.</p>	

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<p>2. Independent directors of the audit committee shall comply with Article 218 of the Company Act.</p> <p>3. Actions taken pursuant to the preceding paragraphs shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The Company and another public company using the equity method to account for investment in the Company that have set aside special reserve under preceding item may not utilize the special reserve until they have recognized loss on decline in market value of the assets purchased or leased at a premium, or the assets 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 FSC has given its consent.</p> <p>(VIII)When the Company acquires real property or right-of-use assets thereof from a related party, it shall comply with subparagraph 7, paragraph 3, Article 11 if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>2. Independent directors of the audit committee shall comply with Article 218 of the Company Act.</p> <p>3. Actions taken pursuant to the preceding paragraphs shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The Company and another public company using the equity method to account for investment in the Company that have set aside special reserve under preceding item may not utilize the special reserve until they have recognized loss on decline in market value of the assets purchased or leased at a premium, or the assets 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 FSC has given its consent.</p> <p>(VIII)When the Company acquires real property or right-of-use assets thereof from a related party, it shall comply with subparagraph 7, paragraph 3, Article 11 if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	
<p>The Procedures were established on May 6, 2002.</p> <p>First amendment was made on June 24, 2003.</p> <p>Second amendment was made on October 1, 2003.</p> <p>Third amendment was made on June 15, 2007.</p> <p>Fourth amendment was made on June 13, 2008.</p> <p>Fifth amendment was made on June 19, 2012.</p> <p>Sixth amendment was made on June 17, 2013.</p> <p>Seventh amendment was made on June 12, 2014.</p> <p>Eighth amendment was made on June 8, 2017.</p> <p>Ninth amendment was made on June 12, 2019.</p> <p>Tenth amendment was made on June 9, 2020.</p> <p><u>Eleventh amendment was made on June 6, 2022.</u></p>	<p>The Procedures were established on May 6, 2002.</p> <p>First amendment was made on June 24, 2003.</p> <p>Second amendment was made on October 1, 2003.</p> <p>Third amendment was made on June 15, 2007.</p> <p>Fourth amendment was made on June 13, 2008.</p> <p>Fifth amendment was made on June 19, 2012.</p> <p>Sixth amendment was made on June 17, 2013.</p> <p>Seventh amendment was made on June 12, 2014.</p> <p>Eighth amendment was made on June 8, 2017.</p> <p>Ninth amendment was made on June 12, 2019.</p> <p>Tenth amendment was made on June 9, 2020.</p>	<p>The revision dates were added.</p>