

HERAN

Stock code: 5283

Heran Co., Ltd.

**2023 Regular Shareholders'
Meeting
Meeting Agenda**

Date of shareholders' meeting: June 2, 2023

**Place of shareholders' meeting: 1F., No. 289, Wenhe Rd.,
Guishan Dist., Taoyuan City**

Table of Contents

One. Meeting Procedure.....	2
Two. Meeting Agenda.....	3
I. Reports	5
II. Acceptance.....	7
III. Discussion items (I):	8
IV. Election items	10
V. Discussion items (II):.....	11
VI. Extempore motions	13
VII. Meeting adjourned.....	13
Three. Attachments	14
Attachment 1: Business Report.....	15
Attachment 2: Audit Committee’s Review Report.....	19
Attachment 3: Comparison table of amendments to the clauses of Regulations Governing Procedure for Board of Directors Meetings	20
Attachment 4: Corporate Governance Best Practice Principles before and after Amendment	26
Attachment 5. Independent Auditors’ Report; Individual Financial Statements for 2022; Consolidated Financial Statements	32
Attachment 6. Comparison table of amendments to Articles of Incorporation.....	53
Attachment 7: Comparison table of amendments to the clauses of Regulations for Election of Directors.....	55
Attachment 8. Comparison table of amendments to the clauses of Rules of Procedure for Shareholders Meetings	57
Attachment 9. The Comparison Table of Articles about Regulations Governing the Acquisition and Disposal of Assets.....	89
Attachment 10. The List of Candidates was Examined and Approved by the Board of Directors.....	107
Four. Appendixes.....	109
Appendix 1: Rules of Procedure for Shareholders’ Meetings (Before revision)	110
Appendix 2: Articles of Incorporation (Before revision).....	117
Appendix 3. Regulations Governing Procedure for Board of Directors Meetings (Before revision).....	122
Appendix 4. Corporate Governance Best Practice Principles (Before revision)	128
Appendix 5. Regulations for Election of Directors (Before revision)	148
Appendix 6. Regulations Governing the Acquisition and Disposal of Assets (Before revision).....	151
Appendix 7: Shareholdings of the Company’s directors as a whole.....	165

One. Meeting Procedure

Heran Co., Ltd.

Meeting Procedure of 2023 Regular Shareholders' Meeting

- I. Call meeting to order
- II. Chair takes seat
- III. Chair's speech
- IV. Reports
- V. Acceptance
- VI. Discussion and election items
- VII. Extempore Motions
- VIII. Meeting adjourned

Two. Meeting Agenda

Heran Co., Ltd. Meeting Agenda of 2023 Regular Shareholders' Meeting

- I. Time: 9:00 A.M., June 2 (Friday), 2023
Place: 1F., No. 289, Wenhe Rd., Guishan Dist., Taoyuan City
- II. Call meeting to order
- III. Chair's speech
- IV. Reports
 - (I) 2022 Business Report.
 - (II) Audit Committee's Review Report
 - (III) Report on earnings distribution for 2022
 - (IV) Report on distribution of remunerations to employees and directors for 2022.
 - (V) Report on amendment to the Company's "Regulations Governing Procedure for Board of Directors Meetings".
 - (VI) Report on the amendment to the Company's "Corporate Governance Best Practice Principles".
- V. Acceptance
 - (I) Acceptance of the 2022 Business Report and Financial Statements.
- VI. Discussion and election items
 - Discussion items (I):
 - (1) Proposal on amendment to the Company's "Articles of Incorporation".
 - (2) Proposal on amendment to the Company's "Regulations for Election of Directors".
 - (3) Proposal on amendment to the Company's "Rules of Procedure for Shareholders Meetings".
 - (4) Proposal on the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets".
 - Election item: Proposal on re-election of directors.
 - Discussion items (II):
 - (1) Proposal for lifting restrictions on competition among the directors of

the Company.

VII. Extempore Motions

VIII. Meeting adjourned

I. Reports

Proposal 1:

Case: 2022 Business Report.

Description: The Company's 2022 Business Report. [Please refer to Page 15~18 (Attachment 1) of this handbook]

Proposal 2

Case: Audit Committee's Review Report

Description: Audit Committee's Review Report [Please refer to Page 19 (Attachment 2) of this handbook]

Proposal 3

Case: Report on earnings distribution for 2022.

Description: The Earnings Distribution Proposal is stated as follows:

Unit: New Taiwan Dollars

Item	2nd half of 2022	1st half of 2022
Board of Directors resolution date	March 14, 2023	December 20, 2022
Legal reserve	32,572,725	42,004,035
Cash dividend	292,001,700	292,001,700
Cash dividend per share (NT\$)	4	4

Proposal 4

Case: Report on distribution of remunerations to employees and directors for 2022.

Description: 1. Passed at the Board of Directors meeting dated March 14, 2023, the said remunerations to employees and directors have all been recognized as expenses for 2022, as required by Article 29 of the Company's Articles of Incorporation. The amount stated on the accounting book is consistent with the amount intended to be distributed by the Board of Directors. Below is the description of distribution:

Unit: New Taiwan Dollars

Distribution item	Distribution percentage	Amount	Distribution method
Employees' remuneration	3.3%	31,148,004	All distributed in cash
Directors' remuneration	1.2%	11,326,547	

Proposal 5

Case: Report on the amendment to the Company's "Regulations Governing Procedure for Board of Directors Meetings".

Description: Some clauses and the corresponding table of the "Regulations Governing Procedure for Board of Directors Meetings" were amended based on the official letter of the Financial Supervisory Committee (FSC) coded Jin Guan Zheng Fa Zi No. 1110383263 and dated August 5, 2022. [Please refer to Page 20~25 (Attachment 3) of this handbook]

Proposal 6

Case: Report on the amendment to the Company's "Corporate Governance Best Practice Principles".

Description: Some clauses and the corresponding table of the "Corporate Governance Best Practice Principles" were amended based on the official letter of the Financial Supervisory Committee (FSC) coded Jin Guan Zheng Fa Zi No. 1110152489 and dated December 21, 2022, and based on the official letter of the Taiwan Stock Exchange Corporation (TWSE) coded Tai Zheng Shang Yi Zi No. 1110023245 and dated November 25, 2022. [Please refer to Page 26~31 (Attachment 4) of this handbook]

II. Acceptance

Proposal 1:

Proposed by the Board of Directors

Case: Please accept the 2022 Business Report and Financial Statements.

Description: I. The Company's 2022 financial statements have been audited by CPA Chih Jui-Chuan and CPA Hsieh Chien-Hsin of Deloitte & Touche.

II. 2022 Independent Auditors' Report and Financial Statements (individual and consolidated financial statements). [Please refer to Page 32~52 (Attachment 5) of this handbook]

III. Hereby submitted for your acceptance.

Resolution:

III. Discussion items (I):

Proposal 1: Proposed by the Board of Directors

Case: Proposal on amendment to the Company's "Articles of Incorporation", hereby submitted for discussion.

Description: I. In line with the amendment of laws and regulations and the needs of operation, it is proposed to revise some clauses of the Articles of Incorporation and amend some clauses and the corresponding table. [Please refer to Page 53~54 (Attachment 6) of this handbook]

II. Hereby submitted for your discussion.

Resolution:

Proposal 2: Proposed by the Board of Directors

Case: Proposal on amendment to the Company's "Regulations for Election of Directors", hereby submitted for discussion.

Description: I. Some clauses and the corresponding table of the "Regulations for Election of Directors" were amended based on the official letter of the Financial Supervisory Committee (FSC) coded Jin Guan Zheng Fa Zi No. 1090338980 and dated May 29, 2020, and based on the official letter of the Taiwan Stock Exchange Corporation (TWSE) coded Tai Zheng Zhi Li Zi No. 10900094681 and dated June 3, 2020. [Please refer to Page 55~56 (Attachment 7) of this handbook]

II. Hereby submitted for your discussion.

Resolution:

Proposal 3: Proposed by the Board of Directors

Case: Proposal on amendment to the Company's "Rules of Procedure for Shareholders Meetings", hereby submitted for discussion.

Description: I. Some clauses and the corresponding table of the "Rules of Procedure for Shareholders Meetings" were amended based on the official letter of the Financial Supervisory Committee (FSC) coded Jin Guan Zheng Jiao Zi No. 1110133385 and dated March 7, 2022. [Please refer to Page 57~88 (Attachment 8) of this handbook]

II. Hereby submitted for your discussion.

Resolution:

Proposal 4: Proposed by the Board of Directors

Case: Proposal on the amendment to the Company's "Regulations Governing the Acquisition and Disposal of Assets", hereby submitted for discussion.

Description: I. Some clauses and the corresponding table of the "Regulations Governing the Acquisition and Disposal of Assets" were amended based on the official letter of the Financial Supervisory Committee (FSC) coded Jin Guan Zheng Fa Zi No. 1110380465 and dated January 28, 2022. [Please refer to Page 89~106 (Attachment 9) of this handbook]

II. Hereby submitted for your discussion.

Resolution:

IV. Election items

Proposal 1:

Proposed by the Board of Directors

Case: Proposal on re-election of directors, hereby submitted for discussion.

Description: I. The term of office of the seventh Board of Directors (including independent directors) of the Company expires on June 1, 2023. In order to establish good corporate governance, in accordance with the provisions of the Company Act, the Securities and Exchange Act, and Article 18 of the Company's Articles of Incorporation, nine new directors (including three independent directors) were re-elected from the Regular Shareholders' Meeting and will serve for a term of three years from June 2, 2023 to June 1, 2026.

II. The list of candidates was examined and approved by the Board of Directors on March 14, 2023. [Please refer to Page 107~108(Attachment 10) of this handbook]

III. The directors (including independent directors) to be elected this time shall be elected in accordance with the provisions of the "Regulations for Election of Directors".

IV. Hereby submitted for your election.

Resolution:

V. Discussion items (II):

Proposal 1: Proposed by the Board of Directors

Case: Proposal for lifting restrictions on competition among the directors of the Company, hereby submitted for discussion.

Description: I. According to Article 209 of the Company Act, directors have the obligation of non competition, except for those licensed by the Regular Shareholders' Meeting.

II. Due to the fact that the Company's directors may have invested in or operated other companies with the same or similar business scope as the Company and serve as directors or managers, we propose to request the approval of the Regular Shareholders' Meeting to waive the restrictions on these directors from the date of taking office as directors or managers of each of our peers, and the same applies when they are reappointed.

III. The new directors of the Company concurrently hold positions in other companies (as the following table shows), hereby submitted for discussion.

Title	Name	Position concurrently held in other company
Heran Tech Co., Ltd. - Representative of the juridical person director	Tsai, Chin-Tu	Ranso Co., Ltd. - Chairman of the Board HERTEC. Co., Ltd. - Chairman of the Board Her Hsiung Co., Ltd. - Chairman of the Board SHAHER AIR TECH CORPORATION - Chairman of the Board Heran Tech Co., Ltd. - Chairman of the Board Zhiheshun Development Co., Ltd. - Chairman of the Board Xiezhi Investment Co., Ltd. - Chairman of the Board Changgu Investment Co. Ltd. - Supervisor Hefa Enterprise Co., Ltd. - Chairman of the Board
	Tsai, Po-I	Yahong Investment Co. Ltd. - Chairman of the Board JOWIN CO., LTD. - Chairman of the Board Bolikim Co., Ltd. - Chairman of the Board

		Yongri Enterprise Co., Ltd. - Chairman of the Board
Hefa Enterprise Co., Ltd. - Representative of the juridical person director	Lin, Chin-Hung	Ranso Co., Ltd. - President; Supervisor HERTEC. Co., Ltd. - President; Supervisor Her Hsiung Co., Ltd. - President; Supervisor SHAHER AIR TECH CORPORATION - President; Supervisor
	Tiao, Chien-Sheng	Taishin Construction Manager Co., Ltd. - Chairman of the Board Taishin Asset Management Co., Ltd. - Director
Xiezhi Investment Co., Ltd. - Representative of the juridical person director	Wu, Ching-Hu	Hehua Construction Co., Ltd. - President
	Chan, Chien-Lung	TSMC - Independent Director, member of the Remuneration Committee Asia Optical Co., Ltd. - Independent Director; member and convener of the Remuneration Committee
Independent Director	Huang, Tien-Chang	Yi Jinn Industrial Co., Ltd. - Independent Director; member of the Remuneration Committee Concord Securities Co., Ltd. - Independent Director; member of the Remuneration Committee THE FIRST LEASING CORPORATION - Director
Independent Director	Chen, Jung-Lung	None
Independent Director	Lin, Chien-Cheng	I-Te Longterm Care Center, incorporated foundation - Director Intelligent Medical Technology Co., Ltd. - Director

Resolution:

VI. Extempore motions

VII. Meeting adjourned

Three. Attachments

Attachments

Attachment 1: Business Report

Heran Co., Ltd. 2022 Business Report

Dear shareholders:

Firstly, I'd like to thank you for your taking time to participate in this Regular Shareholders' Meeting, and also for your support for the Company in the past year. I also want to thank all employees and the management team for their endeavor.

Below is the report on the 2022 business results and 2023 outlook:

I. 2022 Business Report

(I) 2022 Business Plan Implementation Achievements

In 2022, the Company's consolidated operating revenue reached NT\$6,840,370 thousand, up 7.50% from NT\$6,363,088 thousand in 2021; the post-tax profit stood at NT\$745,237 thousand, down NT\$34,903 thousand from 780,140 thousand in 2021. The increase in turnover was due to the growth in sales of air conditioners and household appliances in 2022, while the decrease in profit was due to the increase in raw material prices and the increase in costs and the decline in gross profit caused by the strengthening of the US dollar.

(II) Budget execution status: The Company did not make a financial forecast for 2022.

(III) Income and expenses and profitability analysis

Unit: NT\$ thousand

Item		2022	2021	
Income and expenses	Operating revenue	6,840,370	6,363,088	
	Gross profit	2,171,890	2,306,137	
	Pre-tax profit (loss), net	915,460	953,586	
Profitability	Return on assets (%)	12.48	13.48	
	Return on equity (%)	18.07	19.77	
	As a percentage of paid-in capital (%)	Operating profit	100.99	115.03
		Pretax profit	125.40	130.63
	Net profit (loss) to sales	10.89	12.26	
	Earnings (loss) per share (NT\$)	10.21	10.69	

(IV) Research and Development Status

In terms of LCDs:

Develop smart home platforms, strengthen voice recognition functions, compatible with Mandarin/Taiwanese recognition, adopt voiceprint recognition technology, and increase application scenarios and accuracy.

In terms of air conditioners:

1. According to the continuous development of one-to-one 2.3kW~16.8kW series, it meets the first-level specification of new energy efficiency announced by the state in 2025.
2. R32 one-to-many free distribution of new high-efficiency environmentally friendly refrigerant: development of miniaturized and

high-efficiency outdoor units: development of one-to-two ~ one-to-five R32 air conditioning outdoor units.

3. The development of 2.3kW and 2.8kW, 3.6kW and 4.1kW frequency conversion R32 window type miniaturized engine bodies can reduce carbon emissions, easily adapt to the market installation space, and develop in advance in line with Taiwan's 2025 national new energy efficiency first-level design standards. The design uses high energy-efficient R32 compressors to improve energy efficiency and achieve the goal of energy conservation and carbon reduction.
4. Develop and introduce one-to-many miniaturized side-blown outdoor unit body of light commercial VRF above 16kW, which is suitable for commercial construction with long installation pipeline and limited installation space.
5. In response to the government's joint procurement of air conditioners gradually adopt energy-saving monitoring communication needs, we have developed a series of one-to-one to one-to-many specifications with energy-saving monitoring communication functions to meet the national energy-saving and carbon reduction needs.

In terms of household appliances:

With the honor of the 2022 Excellence Award, the bacteriostatic fan expanded to launch various new types this year, hoping to continue to protect the health of consumers at home in the post epidemic era. A series of independent drying dishwashers with UV sterilization function for kitchen appliances, instant-heat water dispensers with negative hydrogen ion water and quadruple filtration were highly praised as soon as they came into the market. In addition, a series of innovative products, such as fanless fans, multifunctional fabric cleaning machines, and other innovative products, continue to bring forth new ideas. At the same time, by developing its own technology to meet the customized requirements and specifications of major channels, it is bound to bring another wave of performance growth to the Company in the future.

II. 2023 Business Plan summary

(I) Business strategy and important production and sale policy

1. The Company aims to provide customers with quality products and considerate after-sale services.
2. The Company pursues product differentiation and launch of new products, so that sales can grow constantly.
3. The Company will accurately grasp the market trend, continue the innovation of products, and improve quality, so as to meet customers' needs.
4. The Company will establish a complete distribution channel and delivery and installation system.

(II) Estimated sales; estimation basis

The Company's products have been deeply cultivated in the Taiwan market under its own brand HERAN for many years and have been highly favored by consumers. With the listing of the Company's stock on the exchange, the brand awareness of the Company has also greatly increased. Over the years, the sales volume and market share of air conditioners have been continuously increasing. In terms of LCDs, they have been among the top for many years and have a certain market share. Aside from maintaining the market share and growth rate

of the two products, the Company also launched a series of household appliances which were sold remarkably well and increased in sales every year. The Company expects continuous growth in shipping volume and revenue in 2023.

III. Future company development strategy; impact from external competition, legal environment, and overall business environment

(I) Future development strategy

1. Improve product performance and customer experience:

In terms of LCDs, we will strengthen the application of artificial intelligence technology and enhance voice recognition functions. In addition to compatible Chinese/Taiwanese language recognition, we will also add acoustic features technology to identify the user's identity based on this feature.

In terms of air conditioners, we will continue to improve the existing hardware technology and more diversified models. With the first-level model of frequency conversion as the main development item, the unique biogas protection technology of Heran Air Conditioner has won the certification of the French Texcell laboratory, which effectively inhibits the fungicidal efficacy of phytoncide against COVID-19 by 99.999%. In addition, we will combine the self-cleaning function of the new technology "Synchronous Frost Cleaning of Indoor and Outdoor Units" to create the most comfortable and quiet home living environment; In the light commercial sector, continuous breakthroughs and innovations have been made in the development of high-power multi-connected outdoor units with side blown single fans. The advantages of small cases have made consumers more satisfied in the era when an inch of land values an inch of gold, and the installation of connecting pipes has broken through previous installation modes. They can be directly locked with brass nuts without welding, and communication cables can be connected in different forms without worrying about losing signals due to wire breakage, greatly reducing repair time for maintenance personnel; Heran Air Conditioner comprehensively strengthens the integrity of its entire product line, not only based on the household air conditioner market, but also continues to cultivate the commercial air conditioner market, aiming to become the leader in the most complete range of domestic air conditioner brand products.

2. Establish an open-type innovation ecosystem:

In the future, on the basis of the eco-industrial chain of home appliance IoT, integrate and apply multiple chip functions, including sensing technology, intelligent algorithms, and reliable communication technology, so as to complete situational home applications and promote the development of smart homes.

3. Strengthen information security and privacy protection:

In smart home appliances, there is a large amount of personal data and privacy information involved. In compliance with regulatory policies, security and privacy protection are important considerations for research and development technology strategies.

(II) Impact from external competition, legal environment, and overall business environment

There is fierce market competition from not only domestic appliance

brands but also those from Japan, Korea, Europe, Americas, and China. On the legal front, products have to comply with the energy efficiency standards ever raised by the Bureau of Energy, MOEA. In terms of the overall business environment, customers' awareness of environmental friendliness and energy conservation are edging up. As such, the only way the Company can survive the market is to constantly pursue innovation and breakthrough. The Company will continue to deliver the HERAN brand marketing strategy, which aims to evoke a sense of quality and high added value for products; to evolve product quality; and to develop quality, differentiated products to differential the Company from competitors, thereby grasping the key competitive advantages.

Lastly,
I wish every shareholder
a good health and good luck!

Chairman: Tsai, Chin-Tu President: Lin, Chin-Hung Accounting manager: Lei, Chia-Chun

Attachment 2: Audit Committee's Review Report

Heran Co., Ltd. Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2022 Business Report, Financial Statements (Individual and Consolidated Financial Statements), and the Earnings Distribution Proposal, of which the Financial Statements were audited by Deloitte & Touche, which furnished an audit report. The Audit Committee had audited the said Business Report, Financial Statements, and Earnings Distribution Proposal and found them to be compliant, and thus presented the above documents in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review and approval.

To
Heran Co., Ltd.
2023 Regular Shareholders' Meeting

Audit Committee convener: Huang, Tien-Chang

March 14, 2023

Attachment 3: Comparison table of amendments to the clauses of
Regulations Governing Procedure for Board of Directors Meetings
Heran Co., Ltd.

Comparison table of amendments to the clauses of Regulations Governing
Procedure for Board of Directors Meetings

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 3	<p>The Board of Directors shall be convened at least quarterly and shall be specified in the Rules of Procedure.</p> <p>When the Board of Directors is convened, the reasons for the convening shall be stated and all directors and supervisors shall be notified seven days in advance. But in case of emergency, these personnel must be summoned at any time.</p> <p>The notification of the convening referred to in the preceding paragraph may be made electronically with the consent of the addressee.</p> <p><u>Except for emergencies or justified reasons</u>, the matters in Paragraph 1 of Article 7 shall be listed in the reasons for convening, and shall not be proposed by extempore motions.</p>	<p>The Board of Directors shall be convened at least quarterly and shall be specified in the Rules of Procedure.</p> <p>When the Board of Directors is convened, the reasons for the convening shall be stated and all directors and supervisors shall be notified seven days in advance. But in case of emergency, these personnel must be summoned at any time.</p> <p>The notification of the convening referred to in the preceding paragraph may be made electronically with the consent of the addressee.</p> <p>The matters in Paragraph 1 of Article 7 shall be listed in the reasons for convening, and shall not be proposed by extempore motions.</p>	<p>I. Paragraphs 1 to 3 have not been amended.</p> <p>II. Considering that the provisions of Paragraph 1, Article 7, are important matters related to the Company's operations, they shall be clearly stated in the reasons for convening the meeting to provide sufficient information and time for directors to evaluate their proposals before making decisions. Therefore, the provisions of Paragraph 4 are deleted, stating that the matters of Paragraph 1, Article 7, shall be listed in the reasons for convening the meeting and shall not be proposed as extempore motions. In addition, the Company may call a meeting of the Board of Directors at any time in accordance with the provisions of the Paragraph 2 if there is any urgent matter that shall be referred to the Board of Directors for</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
			discussion, which shall not affect the normal operation of the Company's business or operations. The convening of an emergency Board of Directors shall still be carried out in accordance with Article 4 at a place and time convenient for directors to attend, and in accordance with Article 5, the procedure contents of Board of Directors, meeting materials, and the convening notification shall be delivered to the members of the Board of Directors.
Article 7	<p>The Company shall submit the following matters to its Board of Directors for discussion:</p> <p>I. Corporate business plans.</p> <p>II. Annual and semi-annual financial reports. however, this does not apply to the semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a CPA.</p> <p>III. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14 of this Act.</p> <p>IV. Adoption or</p>	<p>The Company shall submit the following matters to its Board of Directors for discussion:</p> <p>I. Corporate business plans.</p> <p>II. Annual and semi-annual financial reports. however, this does not apply to the semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a CPA.</p> <p>III. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14 of this Act.</p> <p>IV. Adoption or</p>	<p>I. According to Paragraph 1 and Paragraph 2, Article 208 of the Company Act, the election of Chairman of the Board is the authority of the Board of Directors or the Managing Board of Directors. Although the Company Act does not specify the procedure for the removal of the Chairman of the Board, it is subject to the interpretation of the Ministry of Economic Affairs Jing Shang Zi No. 09402105990 on August 2, 2005. The</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.</p> <p>V. The offering, issuance, or private placement of any equity-type securities.</p> <p>VI. The appointment or discharge of a financial, accounting, or internal auditing officer.</p> <p>VII. A donation to a related party or a major donation to a non-related party; Nonetheless, a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</p> <p>VIII. Any matter required by Article 14-3 of the Act or any other law, regulations, or bylaw to be approved by resolution at a shareholders' meeting or to be approved by resolution at a meeting of the Board of Directors, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term 'related parties'</p>	<p>amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.</p> <p>V. The offering, issuance, or private placement of any equity-type securities.</p> <p>VI. <u>If the Board of Directors does not have a managing director, the Chairman of the Board shall be elected or dismissed.</u></p> <p>VII. The appointment or discharge of a financial, accounting, or internal auditing officer.</p> <p>VIII. A donation to a related party or a major donation to a non-related party; Nonetheless, a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</p> <p>IX. Any matter required by Article 14-3 of the Act or any other law, regulations, or bylaw to be approved by resolution at a shareholders' meeting or to be approved by resolution at a meeting of the Board of</p>	<p>method for the removal of the Chairman is not explicitly stated in the Company Act, unless otherwise provided for in the Articles of Incorporation, it is more reasonable to adopt a resolution from the originally elected Board of Directors or Managing Board of Directors.</p> <p>II. Taking into account the provisions of the Company Act and the interpretation of the Ministry of Economic Affairs, and considering that the removal and election of the Chairman are important matters of the Company, a new Subparagraph 6 has been added, stating that if the Board of Directors does not have an managing director, the selection or removal of the Chairman shall be discussed by the Board of Directors. The current Subparagraphs 6 to 8 have been moved to Subparagraphs 7 to 9. In accordance with Paragraph 2, Article 208 of the Company Act, the Chairman elected by the Managing Board of Directors shall be consistent with the</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>referred to in Subparagraph 8 of the preceding paragraph refers to the related parties regulated by the financial report preparation standards of securities issuers; The term ‘significant donations to non related parties’ refers to donation of NT\$100 million or more for each donation amount or cumulative donation amounts to the same recipient within a year, or amounts to 1% of the net operating income or 5% or more of the paid in capital certified by a CPA for the most recent fiscal year. The term ‘within one year’ referred to in the preceding paragraph is based on the date of the current Board of Directors, and is retroactively calculated for one year. The portion that has been approved by the Board of Directors resolution is exempt from re counting. Where there is no par value of the shares of a foreign company or the par value of each share is not NT\$10, the amount of 5% of the paid in capital referred to in Paragraph 2 shall be calculated as 2.5% of shareholders’ equity. If the Company has independent directors, at least one independent director shall personally attend the Board of Directors; For the matters to be resolved by the Board of Directors in Paragraph 1, all independent directors shall attend the Board of Directors. If independent directors are unable to attend</p>	<p>Directors, or any such significant matter as may be prescribed by the competent authority. The term ‘related parties’ referred to in Subparagraph 8 of the preceding paragraph refers to the related parties regulated by the financial report preparation standards of securities issuers; The term ‘significant donations to non related parties’ refers to donation of NT\$100 million or more for each donation amount or cumulative donation amounts to the same recipient within a year, or amounts to 1% of the net operating income or 5% or more of the paid in capital certified by a CPA for the most recent fiscal year. The term ‘within one year’ referred to in the preceding paragraph is based on the date of the current Board of Directors, and is retroactively calculated for one year. The portion that has been approved by the Board of Directors resolution is exempt from re counting. Where there is no par value of the shares of a foreign company or the par value of each share is not NT\$10, the amount of 5% of the paid in capital referred to in Paragraph 2 shall be calculated as 2.5% of shareholders’ equity. If the Company has independent directors, at least one independent director shall personally attend the Board of Directors; For the matters</p>	<p>procedures and rules of procedure for the selection and dismissal of the Chairman of the Board of Directors, and the applicable provisions of Article 19 shall be amended. III. Paragraph 2 is amended in line with the paragraphs mentioned in Paragraph 1, while Paragraphs 3 to 5 are not amended.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>in person, they shall appoint other independent directors to attend on their behalf. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board of Directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she shall provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the Board of Directors meeting.</p>	<p>to be resolved by the Board of Directors in Paragraph 1, all independent directors shall attend the Board of Directors. If independent directors are unable to attend in person, they shall appoint other independent directors to attend on their behalf. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board of Directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she shall provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the Board of Directors meeting.</p>	
Article 19	None	<p>Where the Board of Directors has a managing director, the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Article 9 and Article 11 to the preceding article shall apply to the procedures of the Managing Board of Directors; <u>Paragraph 4 of Article 3 shall apply to the election or dismissal of the Chairman.</u> However, if the Managing Board of Directors is convened regularly within seven days, it may notify each managing director two days in advance.</p>	<p>This article is additionally added. Where the Board of Directors has a managing director, the applicable provisions on the election or dismissal of the Chairman of the Board shall be added for the same reasons as those explained in Article 7 detail 1 and 2.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 20	None	The formulation of these rules of procedure shall be discussed by the Audit Committee of the Company, and then submitted to the Board of Directors for approval and submitted to the Shareholders' Meeting for reporting. If there are any amendments in the future, the Board of Directors may be authorized to make a resolution. Matters not provided herein shall be handled in accordance with the Company Act, Securities and Exchange Act, the Company's Articles of Incorporation, and other applicable laws and regulations. (Omitted later)	Adjust the order of articles to coordinate with this additional articles.

Attachment 4: Corporate Governance Best Practice Principles before and after Amendment

Heran Co., Ltd.

Corporate Governance Best Practice Principles before and after Amendment

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 3-1	<p>(Personnel responsible for corporate governance affairs)</p> <p>Paragraph 1 is omitted.</p> <p>The corporate governance affairs mentioned in the preceding paragraph shall include at least the following:</p> <p>I. Handling matters relating to board meetings and shareholders' meetings according to laws.</p> <p>II. Producing minutes of board meetings and shareholders' meetings.</p> <p>III. Assisting in onboarding and continuous education of directors and supervisors.</p> <p>IV. Furnishing information required for business execution by directors and supervisors.</p> <p>V. Assisting directors and supervisors in legal compliance.</p> <p>VI. Other matters set out in the Articles of Incorporation or contracts.</p>	<p>(Personnel responsible for corporate governance affairs)</p> <p>Paragraph 1 is omitted.</p> <p>The corporate governance affairs mentioned in the preceding paragraph shall include at least the following:</p> <p>I. Handling matters relating to board meetings and shareholders' meetings according to laws.</p> <p>II. Producing minutes of board meetings and shareholders' meetings.</p> <p>III. Assisting in onboarding and continuous education of directors and supervisors.</p> <p>IV. Furnishing information required for business execution by directors and supervisors.</p> <p>V. Assisting directors and supervisors in legal compliance.</p> <p><u>VI. Report to the Board of Directors the results of their inspection on whether the qualifications of independent directors during nomination, election, and tenure comply with relevant laws and regulations.</u></p> <p><u>VII. Handle matters related to the change of directors.</u></p> <p><u>VIII. Other matters set out in the Articles of Incorporation or contracts.</u></p>	<p>According to the planning of Corporate Governance 3.0 - Sustainable Development Roadmap and the results of consulting outside opinions, the legal compliance matters of the qualifications of independent directors (including independent director candidates and current independent directors) are included in the functions of corporate governance supervisors; In addition, in order to strengthen the function of corporate governance supervisor, the change of directors (including but not limited to the matters that shall be handled according to regulations when the corporate governance supervisor receives the notice of resignation of directors or reassignment under Paragraph 3 of Article 27 of the Company Act) is included in the function of corporate governance supervisor, and Subparagraphs 6 and 7 are added respectively.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 12	<p>In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders' meeting so as to protect the interests of the shareholders.</p> <p>When the event of a merger or public acquisition of the Company occur, in addition to the provisions of the relevant laws and regulations, the Company shall pay attention to the fairness and reasonableness of the merger or public acquisition plan and transaction, and pay attention to the disclosure of information and the subsequent soundness of the Company 's financial structure.</p>	<p>In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders' meeting so as to protect the interests of the shareholders.</p> <p>When the event of a merger or public acquisition of the Company occur, in addition to the provisions of the relevant laws and regulations, the Company shall pay attention to the fairness and reasonableness of the merger or public acquisition plan and transaction, and pay attention to the disclosure of information and the subsequent soundness of the Company 's financial structure.</p> <p><u>If the management or major shareholders of the Company participate in the merger and acquisition, whether the members of the Audit Committee who review the merger and acquisition matters referred to in the preceding paragraph meet the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for</u></p>	<p>I. If the management or major shareholders of TWSE/TPEX Listed Companies participate in mergers and acquisitions, the type of mergers and acquisitions involves a high degree of structural conflicts of interest and information asymmetry, and it is necessary to let a professional and objective third party participate in the whole process of mergers and acquisitions, and ensure the fairness of mergers and acquisitions through control procedures. Paragraph 3 of the amendment is added, which stipulates that the Company where the management or major shareholders participate in mergers and acquisitions shall appoint lawyers to consider whether the members of the Audit Committee for reviewing mergers and acquisitions meet the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and it is not allowed to be a related party or have an interest</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>Public Companies and it is not allowed to be a related party or have an interest relationship with the trading counterparties of the merger and acquisition transaction, which may affect their independence. As for whether the design and implementation of relevant procedures comply with relevant laws and regulations, and whether the information is fully disclosed in accordance with relevant laws and regulations, legal opinions shall be issued by independent lawyers. The qualification of a lawyer referred to in the preceding paragraph shall comply with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and it is not allowed to be a related party or have an interest relationship with the trading counterparties of the merger and acquisition transaction, which may affect their independence.</u></p> <p>The relevant personnel of the Company handling the matters related to <u>mergers and acquisitions or open purchase</u> shall pay attention to the occurrence of any conflicts of interest and the need for recusal.</p>	<p>relationship with the trading counterparties of the merger and acquisition transaction, which may affect their independence. Legal opinions shall be issued on whether the design and implementation of relevant procedures comply with relevant laws and regulations, such as the measures adopted by the Audit Committee and the Board of Directors in the review process, and whether the information is fully disclosed in accordance with relevant laws, so as to make the review results of the Review Committee and the Board of Directors more reliable and control the abuse of power by major shareholders or the management of the Company through the practice of due process of law.</p> <p>II. Considering the provisions of Paragraph 2, Article 4 of the Measures for the Establishment and Related Matters of the Special Committee on Mergers and Acquisitions of Public Companies, regarding the qualification of members of the Special Committee,</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
			<p>the provisions of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies shall be applied mutatis mutandis, and the conditions for the independence of lawyers shall be added to the Paragraph 4 of the amended clause.</p> <p>III. In conjunction with the addition of Paragraphs 3 and 4 of the revised clauses, the Paragraph 3 of the current clauses is deferred and amended as appropriate.</p>
	Section 3: Corporate Governance Relationships Between the Company and Its Affiliated <u>Enterprises</u>	Section 3: Corporate Governance Relationships Between the Company and Its Related <u>Parties</u>	Considering that the normative content of this section not only includes the governance relationship between TWSE/TPEX Listed Companies and affiliated enterprises, but also includes management of transactions with related parties, the name of this section is hereby amended.

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 17	<p>When the Company and its affiliated <u>enterprises</u> enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.</p> <p><u>All transactions or contracts made by and between TWSE/TPEX Listed Companies and their affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.</u></p>	<p>When the Company, its related <u>parties</u> and <u>shareholders</u> enter into financial business <u>contacts</u> or transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and <u>improper transfer of benefits shall be prohibited.</u></p> <p><u>The written specifications referred to in the preceding paragraph shall include management procedures for transactions such as purchase and sale of goods, acquisition or disposal of assets, loaning of funds, and endorsements and guarantees, and relevant major transactions shall be submitted to the Board of Directors for resolution and approval, and submitted to the Shareholders' Meeting for approval or report.</u></p>	<p>I. Paragraph 1 is amended. The current provisions only stipulate that written specifications shall be established for transactions between companies and their affiliated enterprises. In order to strengthen the management of transactions between companies and related parties, written specifications shall also be established for transactions between companies and related parties and shareholders. Since the scope of related parties originally includes affiliated enterprises, the current Paragraph 2 shall be merged and moved to the Paragraph 1, and appropriate wording amendments shall be made as appropriate.</p> <p>II. Paragraph 2 is added, which clearly stipulates that the written specifications mentioned in the preceding paragraph shall include the management procedures of relevant transactions, and major transactions shall be submitted to the Board of Directors for resolution and approval, and submitted to the Shareholders' Meeting for approval or report.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 28	The Company shall establish <u>either an Audit Committee or a supervisor</u> . (Omitted below).	The Company shall set up an Audit Committee. (Omitted below).	According to the competent authority's Jin Guan Zheng Fa Zi No. 10703452331, all TWSE/TPEX Listed Companies shall complete the setup of an Audit Committee by 2022, fully replacing the previous supervisory system.
Article 29	Paragraphs 1 to 4 omitted. The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.	Paragraphs 1 to 4 omitted. The Company shall regularly (at least once a year) assess the independence and suitability of the CPA engaged by the Company <u>with reference to audit quality indicators (AQIs)</u> . In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.	In order to improve the transparency of audit quality, the "Corporate Governance 3.0 - Sustainable Development Roadmap" encourages the Audit Committee of TWSE/TPEX Listed Companies to refer to the AQI information provided by the firms when evaluating the replacement of accounting firms by promoting audit quality indicators (AQIs).

Attachment 5. Independent Auditors' Report; Individual Financial Statements for 2022; Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Heran Co., Ltd.

Opinion

We have audited the accompanying financial statements of Heran Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 matter are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a sperate opinion on these matters.

The key audit matter identified in the company financial statements for the year ended December 31, 2022 is stated as follows:

Occurrence of Operating Income

For 2022, operating income of the Company is a key indicator used by management to evaluate business performance, the products for sale include air-conditioning system, LCD monitors and other electrical equipment. Among various products for sale, the sales of air-conditioning system occur frequently and the effect of the recognition of related revenues on the financial statements is material. Therefore, we have determined that there may be a risk of the authenticity of revenue from sales of air-conditioning system and considered the occurrence of operating income to be a key audit matter. The related accounting policies are described in Note 4(n) to the financial statements.

Our auditing procedures with respect to the above matter are as follows:

1. Understood and evaluated the procedure and the internal control system related to revenue from sales of air-conditioning system.
2. Tested the effectiveness of the internal control system related to the occurrence of revenue from sales of air-conditioning system.
3. In order to confirm no material difference, we obtained the sales revenue details of the air-conditioning system in 2022, sampled and verified original sales orders, shipping documents and invoices of the relevant transactions, and reconciled them with the recorded amounts in the accounting books.
4. Verified and confirmed the existence of material sales return and discount after the balance sheet date.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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 internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the 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.

The engagement partners on the audits resulting in this independent auditors' report are Jui-Chuan Chih and Chien-Hsieh Hsieh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

Notice to Readers

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

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

HERAN CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 882,180	15	\$ 421,078	7
Contract assets - current (Notes 23 and 30)	-	-	284,599	5
Note receivables from unrealized parties (Note 10)	264,679	5	365,677	6
Trade receivables from unrealized parties (Note 10)	776,191	14	792,201	14
Trade receivables from related parties (Notes 10 and 30)	25,214	-	60,738	1
Other receivables (Note 10)	2,870	-	2,396	-
Other receivables from related parties (Notes 10 and 30)	566	-	679	-
Inventories (Note 11)	1,359,997	24	1,543,031	26
Prepayments (Note 17)	66,714	1	79,970	1
Right to recover products - current (Note 17)	68,693	1	57,803	1
Other current assets	-	-	51	-
Total current assets	<u>3,447,104</u>	<u>60</u>	<u>3,608,223</u>	<u>61</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 8 and 31)	-	-	128	-
Investments accounted for using equity method (Note 12)	682,154	12	733,261	12
Property, plant and equipment (Note 13)	1,357,121	24	1,364,827	23
Right of use assets (Note 14)	12,931	-	26,084	1
Investment property (Note 15)	93,714	2	95,786	2
Intangible assets (Note 16)	14,857	-	6,573	-
Deferred tax assets (Note 25)	68,138	1	74,160	1
Prepayments for equipment	34,740	1	3,097	-
Refundable deposits	13,399	-	12,308	-
Net defined benefit asset, non-current (Note 21)	4,840	-	3,776	-
Total non-current assets	<u>2,281,894</u>	<u>40</u>	<u>2,320,000</u>	<u>39</u>
TOTAL	<u>\$ 5,728,998</u>	<u>100</u>	<u>\$ 5,928,223</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Note 7)	\$ 6,462	-	\$ 381	-
Contract liabilities - current (Note 19)	-	-	15,292	-
Notes payable (Note 18)	91,400	2	97,311	2
Trade payables to unrelated parties (Note 18)	249,130	5	382,373	7
Trade payables to related parties (Notes 18 and 30)	89,016	2	241,411	4
Other payables to unrelated parties (Note 19)	581,663	10	551,145	9
Other payables to related parties (Notes 19 and 30)	11,017	-	10,940	-
Current tax liabilities (Note 25)	61,095	1	82,372	1
Provisions - current (Note 20)	8,562	-	7,461	-
Lease liabilities - current (Notes 14 and 30)	7,170	-	23,973	1
Refund liabilities - current (Note 19)	351,161	6	424,340	7
Other current liabilities (Note 19)	1,979	-	1,896	-
Total current liabilities	<u>1,458,655</u>	<u>26</u>	<u>1,838,895</u>	<u>31</u>
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 20)	35,591	1	23,547	1
Deferred tax liabilities (Note 25)	18,191	-	12,909	-
Lease liabilities - non-current (Notes 14 and 30)	5,839	-	4,729	-
Guaranteed deposits received	4,658	-	3,843	-
Total non-current liabilities	<u>64,279</u>	<u>1</u>	<u>45,028</u>	<u>1</u>
Total liabilities	<u>1,522,934</u>	<u>27</u>	<u>1,883,923</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital	730,004	13	730,004	12
Capital surplus	825,306	14	825,306	14
Retained earnings				
Legal reserve	669,657	12	593,092	10
Unappropriated earnings	1,981,097	34	1,895,898	32
Total equity	<u>2,650,754</u>	<u>46</u>	<u>2,488,990</u>	<u>42</u>
Total equity	<u>4,206,064</u>	<u>73</u>	<u>4,044,300</u>	<u>68</u>
TOTAL	<u>\$ 5,728,998</u>	<u>100</u>	<u>\$ 5,928,223</u>	<u>100</u>

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

HERAN CO., LTD.

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)				
Sales	\$ 7,618,994	121	\$ 7,918,256	121
Sales returns	(303,803)	(5)	(289,709)	(4)
Sales discounts and allowances	<u>(988,021)</u>	<u>(16)</u>	<u>(1,080,177)</u>	<u>(17)</u>
Total operating revenue	6,327,170	100	6,548,370	100
OPERATING COSTS (Notes 11, 24 and 30)	<u>(4,528,497)</u>	<u>(72)</u>	<u>(4,617,729)</u>	<u>(70)</u>
GROSS PROFIT	1,798,673	28	1,930,641	30
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND SUBSIDIARIES	(412)	-	(34,127)	(1)
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND SUBSIDIARIES	<u>34,127</u>	<u>1</u>	<u>236</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>1,832,388</u>	<u>29</u>	<u>1,896,750</u>	<u>29</u>
OPERATING EXPENSES (Notes 24 and 30)				
Selling and marketing expenses	(938,855)	(15)	(984,885)	(15)
General and administrative expenses	(112,953)	(2)	(103,167)	(2)
Research and development expenses	(46,178)	(1)	(47,243)	(1)
Expected credit losses	<u>(6,554)</u>	<u>-</u>	<u>(1,342)</u>	<u>-</u>
Total operating expenses	<u>(1,104,540)</u>	<u>(18)</u>	<u>(1,136,637)</u>	<u>(18)</u>
PROFIT FROM OPERATIONS	<u>727,848</u>	<u>11</u>	<u>760,113</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 30)				
Interest income	4,469	-	338	-
Other income	26,980	-	26,502	1
Other gains and losses	48,955	1	9,558	-
Finance costs	(1,333)	-	(493)	-
Share of profit or loss of associates and subsidiaries accounted for using the equity method	<u>94,486</u>	<u>2</u>	<u>150,291</u>	<u>2</u>
Total non-operating income and expenses	<u>173,557</u>	<u>3</u>	<u>186,196</u>	<u>3</u>

(Continued)

HERAN CO., LTD.

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

	2022		2021	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 901,405	14	\$ 946,309	14
INCOME TAX EXPENSE (Note 25)	<u>(156,168)</u>	<u>(2)</u>	<u>(166,169)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>745,237</u>	<u>12</u>	<u>780,140</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	664	-	167	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(133)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>531</u>	<u>-</u>	<u>134</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 745,768</u>	<u>12</u>	<u>\$ 780,274</u>	<u>12</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 10.21</u>		<u>\$ 10.69</u>	
Diluted	<u>\$ 10.16</u>		<u>\$ 10.65</u>	

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

(Concluded)

HERAN CO., LTD.

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

	Share Capital			Retained Earnings		Total
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	
BALANCE AT JANUARY 1, 2021	73,000	\$ 730,004	\$ 825,306	\$ 499,650	\$ 1,793,069	\$ 3,848,029
Appropriation of 2020 earnings						
Legal reserve	-	-	-	93,442	(93,442)	-
Cash dividends distributed by the Company	-	-	-	-	(584,003)	(584,003)
Net profit for the year ended December 31, 2021	-	-	-	-	780,140	780,140
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	134	134
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	780,274	780,274
BALANCE AT DECEMBER 31, 2021	73,000	730,004	825,306	593,092	1,895,898	4,044,300
Appropriation of 2021 earnings						
Legal reserve	-	-	-	76,565	(76,565)	-
Cash dividends distributed by the Company	-	-	-	-	(584,004)	(584,004)
Net profit for the year ended December 31, 2022	-	-	-	-	745,237	745,237
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	531	531
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	745,768	745,768
BALANCE AT DECEMBER 31, 2022	73,000	\$ 730,004	\$ 825,306	\$ 669,657	\$ 1,981,097	\$ 4,206,064

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

HERAN CO., LTD.

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 901,405	\$ 946,309
Adjustments for:		
Expected credit loss recognized on trade receivables	61,934	74,774
Depreciation expense	8,851	7,414
Amortization expense	6,554	1,342
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(49,122)	(1,412)
Finance costs	1,333	493
Interest income	(4,469)	(338)
Share of profit of associates and subsidiaries accounted for using the equity method	(94,486)	(150,291)
Loss on decline in value of inventories and slow moving	20,119	7,116
Unrealized gain on transactions with associates and subsidiaries	412	34,127
Realized gain on transactions with associates and subsidiaries	(34,127)	(236)
Net gain on lease modification	(26)	(3)
Recognition of provisions	32,098	10,670
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	56,189	1,793
Notes receivables	100,998	(150,703)
Trade receivables	9,456	(186,094)
Trade receivables from related parties	35,524	(38,081)
Other receivables	(474)	(1,556)
Other receivables from related parties	113	(13)
Inventories	162,915	(384,834)
Contract assets	284,599	(284,599)
Prepayments	13,256	2,822
Other current assets	51	(51)
Net defined benefit assets	(400)	(392)
Right to recover products	(10,890)	(11,088)
Financial liabilities held for trading	(986)	-
Contract liabilities	(15,292)	1,551
Notes payable	(5,911)	74,586
Trade payables	(133,243)	124,609
Trade payables to related parties	(152,395)	(69,588)
Other payables	28,784	60,691
Other payables to related parties	77	2,292
Provisions - current	(18,953)	(14,435)
Refund liabilities - current	(73,179)	124,438
Other current liabilities	83	625
Cash generated from operations	1,130,798	181,938
Interest paid	(1,333)	(493)
Income tax paid	(166,274)	(237,345)
Net cash generated from operating activities	963,191	(55,900)

(Continued)

HERAN CO., LTD.

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

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	\$ 128	\$ -
Acquisition of associates and subsidiaries	-	(178,990)
Proceeds from capital reduction of subsidiaries	120,000	-
Payments for property, plant and equipment	(5,782)	(10,383)
Increase in refundable deposits	(1,091)	(2,135)
Payments for intangible assets	(17,135)	(10,725)
Increase in prepayments for equipment	(41,827)	(9,119)
Increase in prepayments for land	(12,305)	-
Interest received	4,469	338
Dividends received from associates and subsidiaries	<u>59,308</u>	<u>101,469</u>
Net cash used in investing activities	<u>105,765</u>	<u>(109,545)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	815	-
Increase in guarantee deposits received	-	(26)
Decrease in guarantee deposits received	(24,665)	(35,117)
Allocation of cash dividends	<u>(584,004)</u>	<u>(584,003)</u>
Net cash used in financing activities	<u>(607,854)</u>	<u>(619,146)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	461,102	(784,591)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>421,078</u>	<u>1,205,669</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 882,180</u>	<u>\$ 421,078</u>

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

(Concluded)

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Heran Co., Ltd. as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Heran Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

HERAN CO., LTD.

By

CHIN TU TSAI
Chairman

March 14, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Heran Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Heran Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Occurrence of Operating Income

For 2022, operating income of the Group is a key indicator used by management to evaluate business performance, the products for sale include air-conditioning system, LCD monitors and other electrical equipment. Among various products for sale, the sales of air-conditioning system occur frequently and the effect of the recognition of related revenues on the financial statements is material. Therefore, we have determined that there may be a risk of the authenticity of revenue from sales of air-conditioning system and considered the occurrence of operating income to be a key audit matter. The related accounting policies are described in Note 4(n) to the consolidated financial statements.

Our auditing procedures with respect to the above matter are as follows:

1. Understood and evaluated the procedure and the internal control system related to revenue from sales of air-conditioning system.
2. Tested the effectiveness of the internal control system related to the occurrence of revenue from sales of air-conditioning system.
3. In order to confirm no material difference, we obtained the sales revenue details of the air-conditioning system in 2022, sampled and verified original sales orders, shipping documents and invoices of the relevant transactions, and reconciled them with the recorded amounts in the accounting books.
4. Verified and confirmed the existence of material sales return and discount after the balance sheet date.

Other Matters

We have also audited the separate financial statements of Heran Co., Ltd. for the years ended December 31, 2022 and 2021 on which we have expressed an unqualified opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report are Jui-Chuan Chih and Chien-Hsin Hsieh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

Notice to Readers

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

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

HERAN CO., LTD. AND SUBSIDIARIES

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

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,292,253	22	\$ 822,208	14
Note receivable (Note 10)	266,142	4	368,291	6
Trade receivables from unrelated parties (Note 10)	788,817	13	808,547	14
Trade receivables from related parties (Notes 10 and 31)	101	-	2	-
Other receivables (Note 10)	7,881	-	2,556	-
Other receivables from related parties (Notes 10 and 31)	43	-	4	-
Current tax assets (Note 26)	8,575	-	9,688	-
Inventories (Note 11)	1,541,260	26	1,941,253	32
Prepayments (Note 18)	90,747	2	192,125	3
Current asset recognised as right to recover products from customers (Note 18)	68,693	1	57,803	1
Other current assets	830	-	686	-
Total current assets	<u>4,065,342</u>	<u>68</u>	<u>4,203,163</u>	<u>70</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost non-current (Note 8)	-	-	128	-
Investments accounted for using equity method (Note 13)	191,541	3	171,471	3
Property, plant and equipment (Note 14)	1,369,108	23	1,374,675	23
Right of use assets (Note 15)	12,931	-	31,425	-
Investment property (Note 16)	93,714	2	95,786	2
Intangible assets (Note 17)	15,480	-	8,602	-
Deferred tax assets (Note 26)	77,392	2	79,057	1
Prepayments for equipment	74,699	1	16,190	-
Refundable deposits	32,546	1	41,021	1
Net defined benefit asset, non-current (Note 22)	4,840	-	3,776	-
Total non-current assets	<u>1,872,251</u>	<u>32</u>	<u>1,822,131</u>	<u>30</u>
TOTAL	<u>\$ 5,937,593</u>	<u>100</u>	<u>\$ 6,025,294</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Note 7)	\$ 9,090	-	\$ 435	-
Contract liabilities - current (Note 20)	-	-	15,292	-
Notes payable (Note 19)	91,400	2	97,311	2
Account payable (Note 19)	447,017	8	629,099	10
Other payables to unrelated parties (Note 20)	654,285	11	640,964	11
Other payables to related parties (Notes 20 and 31)	4,568	-	1,872	-
Current tax liabilities (Note 26)	76,334	1	87,048	1
Provisions - current (Note 21)	8,562	-	7,461	-
Lease liabilities - current (Notes 15 and 31)	7,170	-	29,336	1
Refund liabilities - current (Note 20)	351,176	6	424,356	7
Other current liabilities (Note 20)	5,018	-	2,781	-
Total current liabilities	<u>1,654,620</u>	<u>28</u>	<u>1,935,955</u>	<u>32</u>
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 21)	35,591	1	23,547	1
Deferred income tax liabilities (Note 26)	18,911	-	12,920	-
Lease liabilities - non-current (Notes 15 and 31)	5,839	-	4,729	-
Refund liabilities - non-current (Note 20)	2,611	-	-	-
Deposit received	13,957	-	3,843	-
Total non-current liabilities	<u>76,909</u>	<u>1</u>	<u>45,039</u>	<u>1</u>
Total liabilities	<u>1,731,529</u>	<u>29</u>	<u>1,980,994</u>	<u>33</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital	730,004	12	730,004	12
Capital surplus	825,306	14	825,306	14
Retained earnings				
Legal reserve	669,657	11	593,092	10
Unappropriated earnings	1,981,097	34	1,895,898	31
Total equity	<u>4,206,064</u>	<u>71</u>	<u>4,044,300</u>	<u>67</u>
TOTAL	<u>\$ 5,937,593</u>	<u>100</u>	<u>\$ 6,025,294</u>	<u>100</u>

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

HERAN CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)				
Sales	\$ 8,134,358	119	\$ 7,717,834	121
Sales returns	(305,501)	(5)	(278,987)	(4)
Sales discounts and allowances	<u>(988,487)</u>	<u>(14)</u>	<u>(1,075,759)</u>	<u>(17)</u>
	6,840,370	100	6,363,088	100
OPERATING COSTS (Notes 11, 25 and 31)				
Cost of goods sold	<u>(4,668,480)</u>	<u>(68)</u>	<u>(4,056,977)</u>	<u>(64)</u>
GROSS PROFIT	2,171,890	32	2,306,111	36
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	(26)	-	(26)	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>26</u>	<u>-</u>	<u>52</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,171,890</u>	<u>32</u>	<u>2,306,137</u>	<u>36</u>
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing expenses	(1,248,804)	(18)	(1,291,766)	(20)
General and administrative expenses	(126,343)	(2)	(119,661)	(2)
Research and development expenses	(52,942)	(1)	(53,645)	(1)
Expected credit losses	<u>(6,554)</u>	<u>-</u>	<u>(1,342)</u>	<u>-</u>
Total operating expenses	<u>(1,434,643)</u>	<u>(21)</u>	<u>(1,466,414)</u>	<u>(23)</u>
PROFIT FROM OPERATIONS	<u>737,247</u>	<u>11</u>	<u>839,723</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)				
Interest income	6,189	-	458	-
Other income	24,856	-	23,573	1
Other gains and losses	95,010	1	20,461	-
Finance costs	(1,668)	-	(1,468)	-
Share of profit or loss of associates/and joint ventures	<u>53,826</u>	<u>1</u>	<u>70,839</u>	<u>1</u>
Total non-operating income and expenses	<u>178,213</u>	<u>2</u>	<u>113,863</u>	<u>2</u>

(Continued)

HERAN CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 915,460	13	\$ 953,586	15
INCOME TAX EXPENSE (Note 26)	<u>(170,223)</u>	<u>(2)</u>	<u>(173,446)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>745,237</u>	<u>11</u>	<u>780,140</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	664	-	167	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(133)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>531</u>	<u>-</u>	<u>134</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 745,768</u>	<u>11</u>	<u>\$ 780,274</u>	<u>12</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO:				
Owner(s) of the Company	\$ 745,237	11	\$ 780,140	12
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 745,237</u>	<u>11</u>	<u>\$ 780,140</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
Owner(s) of the Company	\$ 745,768	11	\$ 780,274	12
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 745,768</u>	<u>11</u>	<u>\$ 780,274</u>	<u>12</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$10.21</u>		<u>\$10.69</u>	
Diluted	<u>\$10.16</u>		<u>\$10.65</u>	

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

(Concluded)

HERAN CO., LTD. AND SUBSIDIARIES

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

	Share Capital			Retained Earnings		Total
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	
BALANCE AT JANUARY 1, 2021	73,000	\$ 730,004	\$ 825,306	\$ 499,650	\$ 1,793,069	\$ 3,848,029
Appropriation of 2020 earnings						
Legal reserve	-	-	-	93,442	(93,442)	-
Cash dividends distributed by the Company	-	-	-	-	(584,003)	(584,003)
Net profit for the year ended December 31, 2021	-	-	-	-	780,140	780,140
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	134	134
Total comprehensive loss for the year ended December 31, 2021	-	-	-	-	780,274	780,274
BALANCE AT DECEMBER 31, 2021	73,000	730,004	825,306	593,092	1,895,898	4,044,300
Appropriation of 2021 earnings						
Legal reserve	-	-	-	76,565	(76,565)	-
Cash dividends distributed by the Company	-	-	-	-	(584,004)	(584,004)
Net profit for the year ended December 31, 2022	-	-	-	-	745,237	745,237
Other comprehensive loss for the year ended December 31, 2022, net of income tax	-	-	-	-	531	531
Total comprehensive loss for the year ended December 31, 2022	-	-	-	-	745,768	745,768
BALANCE AT DECEMBER 31, 2022	<u>73,000</u>	<u>\$ 730,004</u>	<u>\$ 825,306</u>	<u>\$ 669,657</u>	<u>\$ 1,981,097</u>	<u>\$ 4,206,064</u>

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

HERAN CO., LTD. AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 915,460	\$ 953,586
Adjustments for:		
Depreciation expense	71,910	89,076
Amortization expense	9,609	8,919
Expected credit loss recognized on trade receivables	6,554	1,342
Net gain or fair value changes of financial assets and liabilities at fair value through profit or loss	(123,987)	(4,061)
Finance costs	1,668	1,468
Interest income	(6,189)	(458)
Share of profit of associates and subsidiaries accounted for using the equity method	(53,826)	(70,839)
(Gain) on disposal of property, plant and equipment	8	-
Net loss (gain) on lease modification	(26)	(3)
Write-down of inventories	28,724	7,915
Unrealized gain on transactions with associates	26	26
Realized gain on transactions with associates	(26)	(52)
Provisions	32,098	10,670
Changes in operating assets and liabilities		
Net gain on fair value changes of financial assets at fair value through profit or loss	133,630	4,496
Note receivables	102,149	(150,697)
Account receivables	13,176	(182,387)
Account receivables to related parties	(99)	436
Other receivables	(5,325)	(1,553)
Other receivables to related parties	(39)	6
Inventories	368,596	(735,679)
Prepayments	101,378	(102,369)
Other current assets	(144)	(116)
Current asset recognised as right to recover products from customers	(10,890)	(11,088)
Net defined benefit asset	(400)	(392)
Financial liability held for trading	(988)	-
Contract liabilities	(15,292)	1,551
Notes payable	(5,911)	74,586
Account payables	(182,082)	60,247
Other payables	(2,840)	63,897
Other payables to related parties	2,696	2
Provisions	(18,953)	(14,435)
Other current liabilities	2,237	932
Refund liabilities	(70,569)	124,444
Cash generated from operations	1,292,333	129,470
Interest paid	(1,668)	(1,468)
Income tax paid	(172,301)	(263,927)
Net cash generated from operating activities	<u>1,118,364</u>	<u>(135,925)</u>

(Continued)

HERAN CO., LTD. AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	\$ 128	\$ -
Payments for property, plant and equipment	(6,639)	(11,113)
Proceeds from disposal of property, plant and equipment	1	-
Increase in received deposits	-	(10,016)
Decrease in received deposits	8,475	-
Proceeds from disposal of intangible assets	(16,487)	(9,497)
Increase in prepayments for equipment	(57,519)	(22,212)
Increase in prepayments for land	(12,305)	-
Interest received	6,189	458
Dividends received from associates	<u>33,756</u>	<u>24,094</u>
Net cash used in investing activities	<u>(44,401)</u>	<u>(28,286)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	10,114	-
Decrease in guarantee deposits received	-	(26)
Repayment of the principal portion of lease liabilities	(30,028)	(45,799)
Dividends paid to owners of the Company	<u>(584,004)</u>	<u>(584,003)</u>
Net cash used in financing activities	<u>(603,918)</u>	<u>(629,828)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	470,045	(794,039)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>822,208</u>	<u>1,616,247</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,292,253</u>	<u>\$ 822,208</u>

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

Attachment 6. Comparison table of amendments to Articles of Incorporation

Heran Co., Ltd.

Comparison table of amendments to Articles of Incorporation

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 13	A shareholder who cannot attend shareholders' meeting may appoint a proxy to attend on his/her behalf by executing a proxy form indicating his/her signature or seal and stating the scope of authorization. Delegation of a proxy to attend a shareholders' meeting may be made only if it is conducted in the manner specified in Article 177 of the Company Act, as well as in the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.	A shareholder who cannot attend shareholders' meeting may appoint a proxy to attend on his/her behalf by executing a proxy form indicating his/her signature or seal and stating the scope of authorization. Delegation of a proxy to attend a shareholders' meeting may be made only if it is conducted in the manner specified in Article 177 of the Company Act, as well as in the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority. When the Shareholders' Meeting is held, it may be held through video conference or other means announced by the central competent authority. If a video conference is held, shareholders who participate in the meeting through video shall be deemed to have personally attended the meeting.	To meet the operation needs of the Company, additional shareholders may attend the Shareholders' Meeting via video conferencing.
Article 32	This Articles of Incorporation was established on April 27, 2002. The 1st-time amendment was made on December 25, 2002. The 2nd-time amendment was made on June 21, 2007. The 3rd-time amendment was made on October 26, 2007. The 4th-time amendment was made on July 23, 2009. The 5th-time amendment was made on June 18, 2010. The 6th-time amendment was made on April 23, 2012. The 7th-time amendment was made on June 28, 2013.	This Articles of Incorporation was established on April 27, 2002. The 1st-time amendment was made on December 25, 2002. The 2nd-time amendment was made on June 21, 2007. The 3rd-time amendment was made on October 26, 2007. The 4th-time amendment was made on July 23, 2009. The 5th-time amendment was made on June 18, 2010. The 6th-time amendment was made on April 23, 2012. The 7th-time amendment was made on June 28, 2013.	Add the date and number of amendments.

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>The 8th-time amendment was made on June 20, 2016.</p> <p>The 9th-time amendment was made on June 13, 2017.</p> <p>The 10th-time amendment was made on June 13, 2018.</p> <p>The 11th-time amendment was made on June 6, 2019.</p> <p>The 12th-time amendment was made on August 24, 2021.</p>	<p>The 8th-time amendment was made on June 20, 2016.</p> <p>The 9th-time amendment was made on June 13, 2017.</p> <p>The 10th-time amendment was made on June 13, 2018.</p> <p>The 11th-time amendment was made on June 6, 2019.</p> <p>The 12th-time amendment was made on August 24, 2021.</p> <p>The 13th-time amendment was made on June 2, 2023.</p>	

Attachment 7: Comparison table of amendments to the clauses of Regulations for Election of Directors

Heran Co., Ltd.

Comparison table of amendments to the clauses of Regulations for Election of Directors

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 3	<p>Paragraphs 1, 2 and 3 are omitted.</p> <p>The matters of selecting or dismissing directors and supervisors, changing Articles of Incorporation, reducing capital, applying for cessation of public offering, directors' competition permission, surplus transferring to capital increment, reserve transferring to capital increment, company dissolution, merger, division or the matters of Paragraph 1, Article 185, of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the convening reasons, and shall not be proposed by extempore motions; <u>The main contents may be placed on the website designated by the securities competent authority or the Company, and the website shall be stated in the notification.</u></p> <p>(Omitted below).</p>	<p>Paragraphs 1, 2 and 3 are omitted.</p> <p>The matters of selecting or dismissing directors and supervisors, changing Articles of Incorporation, reducing capital, applying for cessation of public offering, directors' competition permission, surplus transferring to capital increment, reserve transferring to capital increment, company dissolution, merger, division or the matters of Paragraph 1, Article 185, of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the convening reasons, and shall not be proposed by extempore motions.</p> <p>(Omitted below).</p>	Adjust the announcement method in accordance with the specifications of clauses.
Article 9	<p>Paragraph 1 is omitted.</p> <p>The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such</p>	<p>Paragraph 1 is omitted.</p> <p>The Chair shall call the meeting to order at the appointed meeting time and <u>disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u></p> <p>However, when the attending</p>	Paragraph 2 is amended to enhance corporate governance and safeguard shareholders' equities.

	<p>postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned.</p> <p>(Omitted below).</p>	<p>shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned.</p> <p>(Omitted below).</p>	
Article 14	<p>The election of directors and supervisors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the election results shall be announced on the spot, including the list of elected directors and supervisors and the number of votes they received.</p> <p>Paragraph 2 is omitted.</p>	<p>The election of directors and supervisors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the election results shall be announced on the spot, including the list of elected directors and supervisors, the number of votes they received and <u>the list of directors and supervisors not elected and number of votes they received.</u></p> <p>Paragraph 2 is omitted.</p>	<p>Paragraph 1 is amended to enhance corporate governance and safeguard shareholders' equities.</p>

Attachment 8. Comparison table of amendments to the clauses of Rules of Procedure for Shareholders Meetings

Heran Co., Ltd.

Comparison table of amendments to the clauses of Rules of Procedure for Shareholders Meetings

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 3	<p>Unless otherwise provided by laws or regulations, the Company's Shareholders' Meeting shall be convened by the Board of Directors.</p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors and supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a Regular Shareholders' Meeting or 15 days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the Meeting Handbook and supplementary information of the Shareholders' Meeting and upload them to the MOPS 21 days before the date of the Regular Shareholders' Meeting or 15 days before the date of extraordinary shareholders meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the Meeting Handbook and supplementary information</p>	<p>Unless otherwise provided by laws or regulations, the Company's Shareholders' Meeting shall be convened by the Board of Directors.</p> <p><u>Any change in the mode of convening the Shareholders' Meeting of the Company shall be subject to a resolution of the Board of Directors and shall be made at the latest before the notice of the meeting of the Shareholders' Meeting is sent.</u></p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors and supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a Regular Shareholders' Meeting or 15 days before the date of an extraordinary shareholders meeting. The Company shall make electronic files of the Meeting Handbook and supplementary information of the Shareholders' Meeting and transmit them to the Market Observation Post System 21 days before the</p>	<p>I. Paragraph 1 and the original Paragraphs 3 to 10 are not amended.</p> <p>II. In order for shareholders to be aware of any changes in the method of convening a Shareholders' Meeting, the change in the method of convening a Shareholders' Meeting shall be resolved by the Board of Directors and shall be made no later than before the notice of the Shareholders' Meeting is sent. Therefore, Paragraph 2 shall be amended additionally.</p> <p>III. In accordance with Article 6 of the Procedures for Recording and Compliance in the Meeting Handbook of Shareholders' Meeting of Public Companies amended and issued on December 16, 2021, where the paid-in capital of</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>of the Shareholders' Meeting and made them available for review by shareholders at any time. The Meeting Handbook and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated by the Company, <u>and shall be distributed at the place of the Shareholders' Meeting.</u></p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>The matters of selecting or dismissing directors and supervisors, changing Articles of Incorporation, reducing capital, applying for cessation of public offering, directors' competition permission, surplus transferring to capital increment, reserve transferring to capital increment, company dissolution, merger, division or the matters of Paragraph 1, Article 185, of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the convening reasons, and shall not be proposed by extempore motions.</p> <p>Where re-election of all directors and supervisors as well as their inauguration</p>	<p>Regular Shareholders' Meeting or 15 days before the extraordinary shareholders meeting. <u>However, if the paid-in capital of the Company at the end of the latest fiscal year is more than NT\$10 billion or the total shareholding ratio of foreign capital and continental capital recorded in the shareholders list of the Regular Shareholders' Meeting in the latest fiscal year is more than 30%, the electronic files shall be transmitted 30 days before the meeting of the Regular Shareholders' Meeting.</u> In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the Meeting Handbook and supplementary information of the Shareholders' Meeting and made them available for review by shareholders at any time. The Meeting Handbook and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated by the Company.</p> <p><u>The Meeting Handbook and supplementary information of the meeting referred to in the preceding paragraph shall be made available to shareholders for reference on the day of the Shareholders' Meeting in the following manner:</u></p> <p>I. <u>When the entity Shareholders' Meeting is held, the above-mentioned information</u></p>	<p>TWSE/TPEX Listed Companies at the end of the latest fiscal year is more than NT\$10 billion or the total shareholding ratio of foreign capital and continental capital recorded in the shareholders list of the Regular Shareholders' Meeting in the latest fiscal year is more than 30%, in order to enable foreign capital and continental capital shareholders abroad to read the relevant information of Shareholders' Meeting as early as possible, the Company shall complete the transmission of the previous electronic files 30 days before the convening of Regular Shareholders' Meeting in advance, so as to cooperate with the amendment of Paragraph 3.</p> <p>IV. In order to enable an open Public Company to hold its Shareholders' Meeting by video conference, the Company may hold its Shareholders' Meeting by entity</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a Regular Shareholders' Meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</p> <p>Prior to the book closure date before a Regular Shareholders' Meeting is held, the Company shall publicly announce its</p>	<p><u>shall be distributed at the shareholders' meeting site.</u></p> <p>II. <u>When the video-assisted Shareholders' Meeting is held, the above-mentioned information shall be distributed at the Shareholders' Meeting site and transmitted to the video conference platform by electronic file.</u></p> <p>III. <u>When the video Shareholders' Meeting is held, the above-mentioned information shall be transmitted to the video conference platform by electronic file.</u></p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>The matters of selecting or dismissing directors and supervisors, changing Articles of Incorporation, reducing capital, applying for cessation of public offering, directors' competition permission, surplus transferring to capital increment, reserve transferring to capital increment, company dissolution, merger, division or the matters of Paragraph 1, Article 185, of the Company Act, Article 26-1 and Article 43-6 of the</p>	<p>Shareholders' Meeting or by video conference. Paragraph 2 is amended and Paragraph 4 is revised additionally in order to enable shareholders, whether participating in the entity Shareholders' Meeting or participating in the Shareholders' Meeting by video, to refer to the Meeting Handbook of Shareholders' Meeting and supplementary information of the meeting on the day of the Shareholders' Meeting.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>acceptance of submission of shareholder proposals, the manner in which a submission in writing or electronic form will be accepted, and the location and time period for their submission; the period for acceptance of submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the Regular Shareholders' Meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals from the agenda.</p>	<p>Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the convening reasons, and shall not be proposed by extempore motions.</p> <p>Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a Regular Shareholders' Meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of</p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p>items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</p> <p>Prior to the book closure date before a Regular Shareholders' Meeting is held, the Company shall publicly announce its acceptance of submission of shareholder proposals, the manner in which a submission in writing or electronic form will be accepted, and the location and time period for their submission; the period for acceptance of submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the Regular Shareholders' Meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder</p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
		proposals from the agenda.	
Article 4	<p>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by Company and stating the scope of authorization granted to the proxy.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by Company and stating the scope of authorization granted to the proxy.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the Shareholders' Meeting via video conferencing, a written notice of proxy cancellation shall be submitted to the Company two business days before the</u></p>	<p>I. Paragraphs 1 to 3 have not been amended.</p> <p>II. For shareholders who entrust agents to attend Shareholders' Meetings, after a proxy form has been delivered to the Company, if the shareholder intends to attend the Shareholders' Meeting via video conferencing, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. Therefore, Paragraph 4 is amended additionally.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<u>meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>	
Article 5	<p>(Principle of place and time for convening Shareholders' Meetings)</p> <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p> <p>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p>(Principle of place and time for convening Shareholders' Meetings)</p> <p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>When the Company convenes a video Shareholders' Meeting, it is not limited by the meeting place mentioned in the preceding paragraph.</u></p>	<p>I. The current clause has been moved to Paragraph 1 and the content has not been amended.</p> <p>II. Paragraph 2 is amended additionally, which stipulates that when the Company holds a video Shareholders' Meeting, it is not limited by the meeting place.</p>
Article 6	<p>(Preparation of attendance books, etc.)</p> <p>The Company shall specify in the notice of the meeting the time, place and other matters needing attention for the acceptance of registration by shareholders. The time for accepting shareholders' registration in the preceding paragraph shall be at least 30 minutes before the meeting starts; The registration place shall be clearly marked and appropriate and competent personnel shall be dispatched to handle the acceptance of registration time.</p> <p>Shareholders or their proxies ("Shareholders" hereinafter)</p>	<p>(Preparation of attendance books, etc.)</p> <p>The Company shall specify in the notice of meeting the time, place and other matters needing attention of the accepting <u>shareholders, solicitors and proxy agents (hereinafter referred to as shareholders)</u> to report for duty.</p> <p>The time for accepting shareholders' registration in the preceding paragraph shall be at least 30 minutes before the meeting starts; The registration place shall be clearly marked and appropriate and competent personnel shall be dispatched to handle the acceptance of registration</p>	<p>I. Paragraphs 4 to 6 have not been amended.</p> <p>II. In order to specify the time and procedure for registration for shareholders attending the meeting by video conference, Paragraph 2 is amended.</p> <p>III. To tie in with the provision of shareholder abbreviation in Paragraph 1, Paragraph 3 is amended.</p> <p>IV. Shareholders who intend to attend the</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish a attendance book for attending shareholders to sign in, or the attending shareholders shall hand in their sign-in cards in lieu of signing in.</p> <p>The Company shall furnish attending Shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election for directors and supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person is appointed to attend a Shareholders' Meeting as proxy, it may designate only one person to represent it in the meeting.</p>	<p>time; <u>The video conference of the Shareholders' Meeting shall be accepted and registered on the video conference platform of the Shareholders' Meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed to have attended the Shareholders' Meeting in person.</u></p> <p><u>Shareholders</u> or shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish a attendance book for attending shareholders to sign in, or the attending shareholders shall hand in their sign-in cards in lieu of signing in.</p> <p>The Company shall furnish attending Shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election for directors and supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than</p>	<p>Shareholders' Meeting through video conferencing shall register with the Company two days before the meeting, and therefore Paragraph 7 is amended additionally.</p> <p>V. In order for shareholders attending through video conferencing to have access to read relevant data such as the Meeting Handbook and annual report, the Company shall upload them to the video conference platform of the Shareholders' Meeting, and therefore Paragraph 8 is amended additionally.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p>one representative at a Shareholders' Meeting. When a juristic person is appointed to attend a Shareholders' Meeting as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>Shareholders who intend to attend a Shareholders' Meeting via video conferencing shall register with the Company two days prior to the meeting.</u></p> <p><u>If the Shareholders' Meeting is held through video conference, the Company shall upload the Meeting Handbook, annual report, and other related data to the Shareholders' Meeting video conference platform at least 30 minutes before the meeting begins, and continuously disclose them until the end of the meeting.</u></p>	
Article 6-1		<p><u>(Convening a video conference of the Shareholders' Meeting and calling the matters to be included in the notification)</u></p> <p><u>When the Company convenes a video conference of the Shareholders' Meeting, the following items shall be stated in the notification of convening the Shareholders' Meeting:</u></p> <p><u>I. Methods for shareholders to participate in video conference and exercise their rights.</u></p> <p><u>II. The handling methods for obstacles caused by natural disasters, incidents or other force majeure on the video conference platform or</u></p>	<p>I. This article is additionally added.</p> <p>II. In order to make shareholders aware of the relevant rights and restrictions on participating in the Shareholders' Meeting before the Shareholders' Meeting starts, it is specified that the notification of convening the Shareholders' Meeting shall include the methods for shareholders to participate in the video conference and exercise the</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>participation by video means shall at least include the following items:</u></p> <p><u>(I) The duration of the obstacles before the occurrence cannot be ruled out, resulting in the need to postpone or resume the meeting, and the date when the meeting needs to be postponed or resumed.</u></p> <p><u>(II) Shareholders who have not registered to participate in the original Shareholders' Meeting through video conferencing shall not participate in the postponed or resumed meeting.</u></p> <p><u>(III) Hold video-assisted Shareholders' Meeting. If the video conference cannot be resumed, after deducting the number of shares attending the meeting by video conferencing, the total number of shares attending the meeting reaches the statutory quota for the meeting, and the number of shares attending the meeting by</u></p>	<p>relevant rights, the handling methods for obstacles to participating in the video conference platform or by video means due to natural disasters, incidents or other force majeure, at least the date when the meeting needs to be postponed or resumed and how long the meeting shall be postponed or resumed, the provisions of Paragraphs 1, 2, 4 and 5 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the announcement of the results of all proposals, the handling methods for not making extempore motions, etc., and appropriate alternative measures shall be provided for shareholders who have difficulty participating in the Shareholders' Meeting through video means when the Company convenes a video Shareholders' Meeting.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>video conferencing shall be counted into the total number of shares of shareholders present. All proposals for the Shareholders' Meeting shall be deemed as waivers.</u></p> <p><u>(IV) In the event that all proposals have been announced but no extempore motion has been taken, the handling method shall be as follows.</u></p> <p><u>III. The Company shall convene a Shareholders' Meeting through video conferencing, and shall specify appropriate alternative measures for shareholders who have difficulty in participating in the Shareholders' Meeting via video conferencing.</u></p>	
Article 8	<p>(Depository proof of audio or video recording of the meeting process of Shareholders' Meeting)</p> <p>The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholders' registration, the conduct of the meeting and voting as well as the counting of votes from the time of accepting the shareholders' registration.</p> <p>The audio-visual materials mentioned in the preceding</p>	<p>(Depository proof of audio or video recording of the meeting process of Shareholders' Meeting)</p> <p>The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholders' registration, the conduct of the meeting and voting as well as the counting of votes from the time of accepting the shareholders' registration.</p> <p>The audio-visual materials mentioned in the preceding</p>	<p>I. Paragraphs 1 to 2 have not been amended.</p> <p>II. Referring to Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, it is stipulated that the Company shall record and keep the data of</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>paragraph shall be kept for at least one year. However, if a shareholder files a litigation in accordance with Article 189 of the Company Act, such materials shall be kept until such litigation is settled.</p>	<p>paragraph shall be kept for at least one year. However, if a shareholder files a litigation in accordance with Article 189 of the Company Act, such materials shall be kept until such litigation is settled.</p> <p><u>If the Shareholders' Meeting is held by video conference, the Company shall keep records of the shareholders' registration, reporting for duty, questioning, voting and the results of the Company's vote counting, and make continuous and uninterrupted audio and video recordings during the whole process of the video conference.</u></p> <p><u>The information and audio and video recordings referred to in the preceding paragraph shall be properly kept by the Company during the period of existence, and the audio and video recordings shall be provided to the person entrusted to handle video conference affairs for preservation.</u></p> <p><u>If the Shareholders' Meeting is held by video conference, the Company shall conduct audio and video recordings of the background operation interface of the video conference platform.</u></p>	<p>shareholders' registration, reporting for duty, questioning, voting and the results of the Company's vote counting. The Company shall be required to make uninterrupted audio and video recordings during the whole process of the video conference, and shall properly keep these materials during the Company's existence, and provide them to the entrusted personnel for handling the video conference affairs. Therefore, Paragraphs 3 and 4 are amended.</p> <p>III. In order to preserve the relevant data of the video conference as much as possible, in addition to the provision in Paragraph 3 that the Company shall make continuous and uninterrupted audio and video recordings during the whole process of the video conference, it is also advisable to conduct audio and video recordings of the background</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
			<p>operation interface of the video conference platform. Due to the requirement of having a certain level of computer software and hardware equipment and information security for screen synchronous video recording, the Company may, based on the feasibility of the equipment conditions, explicitly formulate the Rules of Procedure for Shareholders Meetings. Therefore Paragraph 5 is amended additionally.</p>
Article 9	<p>Attendance at shareholders' meetings shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares of which the voting rights are exercised by correspondence or electronically. The Chair shall call the meeting to order at the appointed meeting time and shall announce the number of non-voting rights and the number of shares present, etc. However, when the attending shareholders do</p>	<p>Attendance at shareholders' meetings shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in <u>and the number of shares registered on the video conference platform</u>, plus the number of shares of which the voting rights are exercised by correspondence or electronically. The Chair shall call the meeting to order at the appointed meeting time and shall announce the number of non-voting rights and the number of shares present,</p>	<p>I. Paragraphs 2 to 5 have not been amended. II. To specify that when Shareholders' Meeting of the Company is held through video conferencing, the total number of shares present shall be calculated by adding the number of shares reported to shareholders through video conferencing. Therefore, the Paragraph 1 is amended</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	<p>etc.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned; <u>If the Shareholders' Meeting is held by video conference, the Company shall announce the adjournment of the meeting on the video conference platform of the Shareholders' Meeting.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month; <u>If the Shareholders' Meeting is held by video conferencing, the shareholders who intend to attend the meeting by video conferencing shall re-register with the Company in accordance with Article 6.</u></p>	<p>additionally.</p> <p>III. When the Shareholders' Meeting of the Company is held through video conferencing, if the Chair announces the adjournment of the meeting, the Company shall announce the termination of the meeting on the video conference platform of the Shareholders' Meeting in order to promptly inform the shareholders. Therefore, the Paragraph 3 is amended additionally.</p> <p>IV. If the Company decides to convene a separate Shareholders' Meeting and shareholders wish to attend by video conferencing, they shall register with the Company. Therefore, Paragraph 4 is amended additionally.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.	
Article 11	<p>(Speech by shareholders) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the Chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt the speech unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair</p>	<p>(Speech by shareholders) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the Chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt the speech unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair</p>	<p>I. Paragraphs 1 to 6 are not amended.</p> <p>II. Therefore, Paragraph 7 is added additionally to specify the questioning methods, procedures, and restrictions for shareholders to participate in Shareholders' Meeting through video conferencing.</p> <p>III. In order to help other shareholders understand the content of the shareholders' questions, the Company may screen out questions unrelated to various issues at the Shareholders' Meeting, and other shareholders' questions shall be disclosed on video platforms. Therefore, Paragraph 8 is added additionally.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.</p>	<p>shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.</p> <p><u>If the Shareholders' Meeting is held through video conferencing, shareholders who participate through video conferencing may ask questions in writing on the Shareholders' Meeting video conference platform after the Chair announces the meeting and before the announcement of adjournment. The number of questions for each proposal shall not exceed two, and each question shall be limited to 200 words. The provisions of Paragraphs 1 to 5 shall not apply.</u></p> <p><u>If the question mentioned in the preceding paragraph does not violate regulations or does not exceed the scope of the proposal, it is advisable to disclose the question on the video conference platform of the Shareholders' Meeting as well known.</u></p>	
Article 13	A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.	A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.	<p>I. Paragraphs 1 to 3 and Paragraphs 5 to 8 are not amended.</p> <p>II. In order to specify that if a shareholder wishes to attend a</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person; however, such a shareholder is deemed to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; however, this restriction does not apply if a declaration is made to cancel the previous proxy appointment.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic</p>	<p>When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person; however, such a shareholder is deemed to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; however, this restriction does not apply if a declaration is made to cancel the previous proxy appointment.</p> <p>After a shareholder has exercised voting rights by correspondence or video</p>	<p>Shareholders' Meeting by video after exercising their voting rights in writing or electronic form, they shall first revoke it in the same way as exercising their voting rights. Therefore, Paragraph 4 is amended additionally.</p> <p>III. If the Shareholders' Meeting is held through video conferencing, in order to provide sufficient voting time for shareholders participating through video conferencing, voting on various original proposals can be carried out from the time the Chair announces the meeting until the end of voting. The vote counting operation must be a one-time vote counting to cooperate with the voting time for shareholders participating through video conferencing. Therefore, Paragraphs 9 and 10 are added.</p> <p>IV. Shareholders who participate in the video assisted</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of</p>	<p><u>conferencing</u>, in the event the shareholder intends to attend the Shareholders' Meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the Shareholders' Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal,</p>	<p>Shareholders' Meeting have completed the registration of attending the physical Shareholders' Meeting in person. If they wish to change to attending the physical Shareholders' Meeting in person, they shall cancel the registration in the same way as the registration two days before the Shareholders' Meeting. If the registration is cancelled after the deadline, they can only participate in the Shareholders' Meeting through video. Therefore, Paragraph 11 is added additionally.</p> <p>V. With reference to the provisions of the Ministry of Economic Affairs' official letter Jing Shang Zi No. 10102404740 of February 24, 2012 and the interpretation of the official letter Jing Shang Zi No. 10102414350 of May 3, 2012, shareholders who exercise their voting rights electronically and have not withdrawn their</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>The counting of votes for Shareholders' Meeting or election proposals shall be publicly held in the Shareholders' Meeting, and the voting results, including the weight of the statistics, shall be announced on the spot after the counting of votes is completed, and the record shall be kept.</p>	<p>based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>The counting of votes for Shareholders' Meeting or election proposals shall be publicly held in the Shareholders' Meeting, and the voting results, including the weight of the statistics, shall be announced on the spot after the counting of votes is completed, and the record shall be kept.</p> <p><u>The Company holds Shareholders' Meeting via video conferencing. After the Chair announces the meeting, shareholders who participate through video conferencing shall vote on various proposals and election proposals through the video conference platform. The voting shall be completed before the Chair announces the end of the</u></p>	<p>declaration of will may neither propose amendments to the original proposal nor exercise their voting rights again, but they can still attend the Shareholders' Meeting on the day of the Shareholders' Meeting and can put forward extempore motions on the spot, In addition, they may exercise their voting rights. Considering that both written and electronic voting are one of the ways for shareholders to exercise their rights, and based on the principle of fair treatment, written voting shall also follow the standard spirit of the previous electronic voting to protect shareholders' rights and interests.</p> <p>Therefore, it is clearly stipulated in Paragraph 12 that shareholders who exercise their voting rights in written or electronic form may still register to participate in the Shareholders' Meeting by video</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>voting. If the voting is delayed, it will be deemed as abstention.</u></p> <p><u>If the Shareholders' Meeting is held through video conferencing, the vote shall be counted in one go after the Chair announces the end of voting, and the voting and election results shall be announced.</u></p> <p><u>When the Company holds a video assisted Shareholders' Meeting, shareholders who have registered to attend the Shareholders' Meeting by video in accordance with Article 6 and wish to attend the physical Shareholders' Meeting in person shall cancel their registration in the same manner as the registration two days before the Shareholders' Meeting; Those who have overdue the cancellation may only attend the Shareholders' Meeting via video conferencing.</u></p> <p><u>Those who exercise their voting rights in written or electronic form, have not revoked their declaration of will, and participate in the Shareholders' Meeting by video, shall not exercise their voting rights on the original proposal, or propose amendments to the original proposal, or exercise their voting rights on amendments to the original proposal, except for extempore motions.</u></p>	<p>even if their declaration of will has not been revoked. However, except for extempore motions that can be proposed and voting rights exercised, no voting shall be held on the original proposal or amendments to the original proposal, and no amendments to the original proposal shall be proposed.</p>
Article 15	Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the	Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the	<p>I. Paragraphs 1 to 3 have not been amended.</p> <p>II. In order to facilitate shareholders' understanding of</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the Market Observation Post System.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors and supervisor. The minutes shall be retained for the duration of the existence of the Company.</p>	<p>meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the Market Observation Post System.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors and supervisor. The minutes shall be retained for the duration of the existence of the Company.</p> <p><u>If a Shareholders' Meeting is held through video conferencing, in addition to the matters required to be recorded in accordance with the preceding paragraph, the minutes of the meeting shall also include the start and end time of the Shareholders' Meeting, the method of convening the meeting, the name of the Chair and the minutes, and the handling method and situation in case of obstacles to the video conference platform or</u></p>	<p>the results of the video conference, alternative measures for shareholders with digital divides, and the handling methods and situations of interruption of communication, it is required that the Company, when preparing the minutes of the Shareholders' Meeting, in addition to the matters required to be recorded in accordance with Paragraph 3, shall also record the start and end time of the meeting, the method of holding the meeting, the name of the Chair and minutes, as well as due to natural disasters</p> <p>The Paragraph 4 is hereby added to address the handling methods and situations of obstacles caused by incidents or other force majeure events on the video conference platform or through video participation.</p> <p>III. If a video Shareholders' Meeting is held, the convening notice must</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>participation through video conferencing due to natural disasters, events, or other force majeure circumstances.</u></p> <p><u>The Company shall, in addition to the provisions of the preceding paragraph, specify in its minutes the alternative measures provided by shareholders who have difficulties in participating in the video Shareholders' Meeting.</u></p>	<p>specify appropriate alternative measures for shareholders who have difficulty participating in the Shareholders' Meeting through video communication. Therefore, it shall be clearly stated in the minutes of the meeting, and Paragraph 5 shall be added to the alternative measures provided by shareholders with digital divides.</p>
Article 16	<p>(Public announcement) On the day of a Shareholders' Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the Shareholders' Meeting. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>(Public announcement) The number of shares acquired by the solicitors, the number of shares represented by the proxy agent, and the number of <u>shares attended by shareholders by correspondence or electronic form</u> shall be clearly disclosed in the Shareholders' Meeting venue on the day of the Shareholders' Meeting, using a statistical table compiled in the prescribed format; <u>If the Shareholders' Meeting is held through video conferencing, the Company shall upload the aforementioned information to the Shareholders' Meeting video conference platform at least 30 minutes before the meeting begins, and continuously disclose it until the end of the meeting.</u> <u>The Company holds a Shareholders' Meeting via</u></p>	<p>I. In order to inform shareholders of the number of shares acquired by the solicitor and the number of shares represented by the proxy agent, as well as the number of shares present by correspondence or electronic form, the Company shall clearly disclose them in the Shareholders' Meeting. If the Company convenes a video conference, it shall be uploaded to the Shareholders' Meeting video conference platform, and therefore Paragraph 1 is amended additionally.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>video conference. When announcing the meeting, the total number of attending shareholders' shares shall be disclosed on the video conference platform. If there is another record of the total number of shares and voting rights of the attending shareholders during the meeting, the same applies.</u></p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>II. In order to enable shareholders participating in the Shareholders' Meeting video conference to simultaneously know whether their attendance rights meet the threshold for Shareholders' Meeting, it is stipulated that the Company shall disclose the total number of shareholders' shares present on the video conference platform when announcing the meeting. If there is further statistics on the total number of shares and voting rights of shareholders present, they shall also be disclosed on the video conference platform. Therefore, Paragraph 2 is added additionally.</p>
<p><u>Article 19</u></p>		<p><u>(Information disclosure of video conference)</u></p> <p><u>If the Shareholders' Meeting is held through video conferencing, the Company shall immediately disclose the voting results and election results of various proposals on the Shareholders' Meeting video conference platform in accordance with regulations</u></p>	<p>I. This article is additionally added.</p> <p>II. In order to enable shareholders participating in the Shareholders' Meeting video conference to be immediately informed of the voting status and election results of</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<u>after the voting is completed, and shall continue to disclose them for at least fifteen minutes after the Chair announces the adjournment of the meeting.</u>	various proposals, and to regulate sufficient information disclosure time, therefore this Article is added additionally.
<u>Article 20</u>		<u>When the Company holds a video Shareholders' Meeting, the Chair and recorder shall be at the same location within the country, and the Chair shall announce the address of that location during the meeting.</u>	I. This article is additionally added. II. When the Shareholders' Meeting is held through video conferencing and there is no physical meeting place, the Chair and recorder shall be at the same location within the country. In addition, to make shareholders aware of the Chair's location, the Chair shall announce the address of his location during the meeting, which is therefore added additionally.
<u>Article 21</u>		<u>(Handling of disconnection) If the Shareholders' Meeting is held through video conferencing, the Company may provide shareholder simplified connectivity testing before the meeting and provide relevant services in real-time before and during the meeting to assist in handling communication technology issues. If the Shareholders' Meeting is convened through video conferencing, the Chair shall, at the time of announcement of the meeting, declare that, except for the circumstances</u>	I. This article is additionally added. II. In order to reduce communication issues in video conferencing, taking into account foreign practices, connection testing may be provided before the conference and relevant services may be provided in real-time before and during the conference to assist in handling communication

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>stipulated in Paragraph 4, Article 44-20 of the Standards for the Handling of Stock Affairs of Public Companies, there is no need to postpone or resume the meeting. Before the Chair announces the adjournment of the meeting, due to natural disasters, accidents, or other force majeure circumstances, obstacles occur to the video conference platform or participation through video conferencing for a period of more than 30 minutes. The date of the meeting shall be postponed or resumed within five days, and the provisions of Article 182 of the Company Act shall not apply.</u></p> <p><u>Shareholders who have not registered to participate in the original Shareholders' Meeting through video communication shall not participate in the postponed or resumed meeting in accordance with the preceding paragraph.</u></p> <p><u>According to the provisions of Paragraph 2, shareholders who have registered to participate in the original Shareholders' Meeting by video and have completed their registration shall be counted in the total number of shares, voting rights, and voting rights of shareholders present at the original Shareholders' Meeting, as well as the number of voting and voting rights exercised, and voting rights of shareholders who have not participated in the postponed or resumed</u></p>	<p>technical issues. Therefore, Paragraph 1 is added.</p> <p>III. When a company convenes a Shareholders' Meeting through video conferencing, the Chair shall announce at the meeting that if there are obstacles to the video conference platform or participation through video conferencing due to natural disasters, incidents, or other force majeure events that cannot be eliminated for more than 30 minutes, the meeting shall be convened or resumed within five days, and the provisions of Article 182 of the Company Act requiring a resolution of the Shareholders' Meeting shall not apply. Therefore, Paragraph 2 is added additionally. Any individual intentional or negligent act by a company, video conference platform, shareholder, solicitor, or proxy agent that causes</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>meeting.</u> <u>When adjourning or resuming a Shareholders' Meeting in accordance with the provisions of Paragraph 2, there is no need to conduct further discussions or resolutions on proposals that have completed the voting and counting of votes, and have announced the voting results or the list of elected directors and supervisors.</u> <u>When the Company holds a video assisted Shareholders' Meeting and Paragraph 2 fails to resume the video meeting, if the total number of shares present at the Shareholders' Meeting still reaches the statutory quota after deducting the number of shares present through video, the Shareholders' Meeting shall be resumed without the need to postpone or resume the meeting in accordance with Paragraph 2.</u> <u>If the situation referred to in the preceding paragraph requires the continuation of the Shareholders' Meeting, the number of shares attended by shareholders through video conferencing shall be included in the total number of shares held by the attending shareholders. However, all proposals made at the Shareholders' Meeting shall be deemed as waivers.</u> <u>The Company shall, in accordance with the provisions of Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, postpone</u></p>	<p>inability to convene or participate in a video conference does not fall within the scope of this article.</p> <p>IV. When Paragraph 2 of the Company requires a postponement or continuation of the meeting, in accordance with Paragraph 2, Article 44-20 of the Standards for the Handling of Stock Affairs of Public Companies, shareholders (including solicitors and proxy agents) who have not registered to participate in the original Shareholders' Meeting via video shall not participate in the postponement or continuation of the meeting. Therefore, they shall cooperate in the addition of Paragraph 3. For those who hold a video assisted Shareholders' Meeting, the shareholders who originally participated in the physical Shareholders' Meeting may resume to participate in the</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
		<p><u>or resume the meeting in accordance with the provisions of Paragraph 2, and shall carry out relevant preparatory procedures in accordance with the original date of the Shareholders' Meeting and the provisions of each of these Articles. During the period specified in after-section Article 12, Paragraph 3, Article 13, Paragraph 2, Article 44-5, Article 44-15 and Paragraph 1, Article 44-17 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, the Company shall postpone or resume the date of the Shareholders' Meeting in accordance with the provisions of Paragraph 2.</u></p>	<p>postponed or resumed meeting through physical means and provide explanations.</p> <p>V. When the Company is required to postpone or resume the meeting in accordance with Paragraph 2, according to the provisions of the Paragraph 3, Article 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders (including solicitor and proxy agent) who have registered to participate in the original Shareholders' Meeting by video and have completed their registration shall be counted in the total number of shares, voting rights, and voting rights of shareholders present at the original Shareholders' Meeting, as well as the number of voting and voting rights exercised, and voting rights of shareholders</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
			<p>who have not participated in the postponed or resumed meeting. Therefore, Paragraph 4 is added additionally.</p> <p>VI. When a Shareholders' Meeting needs to be postponed or resumed due to communication barriers, and a proposal that has completed the voting and counting of votes at the previous meeting and announced the voting results or the list of elected directors and supervisors may be considered as having completed the resolution, there is no need to discuss and resolve again to reduce the meeting time and cost of the resumed meeting. Therefore, Paragraph 5 is established additionally.</p> <p>VII. Considering that the video assisted Shareholders' Meeting has both physical and video meetings, if there are obstacles to the video conference platform or participation through video due to force majeure,</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
			<p>and there are still physical Shareholders' Meeting, if the total number of attending shares still reaches the statutory quota for Shareholders' Meeting after deducting the number of attending shares through video, the Shareholders' Meeting shall be resumed and there is no need to postpone or resume the meeting in accordance with the provisions of Paragraph 2, Therefore, Paragraph 6 is established additionally.</p> <p>VIII. When Paragraph 2 of the Company requires the continuation of the meeting without the need for postponement or continuation of the meeting, in accordance with Paragraph 5, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders (including solicitors and proxy agents) who</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
			<p>participate in the Shareholders' Meeting through video communication shall be counted in the total number of shares attended by the shareholders. However, all proposals for the Shareholders' Meeting shall be deemed as waivers, and therefore, they shall cooperate in the amendment of Paragraph 7.</p> <p>IX. Considering that the postponement or continuation of the Shareholders' Meeting due to the previous suspension of the inquiry is actually the same as the original shareholders' meeting, there is no need to rehandle the pre establishment procedures related to the Shareholders' Meeting in accordance with Paragraph 7, Article 44-20 of the Standards for the Handling of Stock Affairs of Public Companies due to the postponement or continuation of the Shareholders' Meeting.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
			<p>Therefore, Paragraph 8 is established additionally.</p> <p>X. In addition, when the video meeting of the Shareholders' Meeting has been postponed, matters that need to be announced and disclosed on the day of the Shareholders' Meeting, such as the use of power of attorney rules in the latter paragraph of Article 12 and Paragraph 3, Article 13, of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as well as the Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, must still be disclosed to shareholders on the day of the postponed or resumed meeting, Therefore, Paragraph 9 is established additionally.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
<u>Article 22</u>		<u>(Processing of digital divide)</u> <u>The Company shall convene a Shareholders' Meeting through video conferencing, and shall specify appropriate alternative measures for shareholders who have difficulty participating in the Shareholders' Meeting via video conferencing.</u>	I. This article is additionally added. II. When the Company holds a video Shareholders' Meeting, considering the potential obstacles for shareholders with digital divides to participate in the meeting through video, appropriate alternative measures shall be provided, such as exercising voting rights in writing or providing necessary equipment for shareholders to rent to participate in the meeting.
	Article 19 The rule shall come into force after being passed by the Shareholders' Meeting, and the same shall apply to amendments.	Article <u>23</u> The rule shall come into force after being passed by the Shareholders' Meeting, and the same shall apply to amendments.	Adjust the order of articles to coordinate with this additional articles.

Attachment 9. The Comparison Table of Articles about Regulations Governing the Acquisition and Disposal of Assets

Heran Co., Ltd.

The Comparison Table of Articles about Regulations Governing the Acquisition and Disposal of Assets

Article No.	Article before amendment	Article after amendment	Reason for amendment
Article 5	<p>The professional appraisers and their appraisers, CPAs, lawyers or securities underwriters shall meet the following requirements for the appraisal reports or opinions obtained by the Company:</p> <p>I. Having not been convicted of a violation of this Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, and the Business Entity Accounting Act, or having committed fraud, breach of trust, embezzlement, forgery of documents, or any business-related criminal act, and having been sentenced to fixed-term imprisonment of not less than one year. However, this restriction shall not apply to those who have completed execution, expired probation or been pardoned for three years.</p> <p>II. The parties to the transaction shall not</p>	<p>The professional appraisers and their appraisers, CPAs, lawyers or securities underwriters shall meet the following requirements for the appraisal reports or opinions obtained by the Company:</p> <p>I. Having not been convicted of a violation of this Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, and the Business Entity Accounting Act, or having committed fraud, breach of trust, embezzlement, forgery of documents, or any business-related criminal act, and having been sentenced to fixed-term imprisonment of not less than one year. However, this restriction shall not apply to those who have completed execution, expired probation or been pardoned for three years.</p> <p>II. The parties to the transaction shall not</p>	<p>I. Since the trade associations affiliated to the external experts have established relevant regulations for their undertaking of relevant business, if the professional valuer issues a valuation report, there are self-discipline regulations related to real estate valuation, the trade associations of other external experts shall also amend and incorporate the relevant self-discipline regulations related to the opinions issued by the enterprises or personnel in accordance with the “Practical Guidelines for Experts to Issue Opinions” issued by the Taiwan Stock Exchange. To clarify the procedures and responsibilities that external experts shall follow, Paragraph 2 is revised to</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>be related parties or have substantial relations.</p> <p>III. If the Company shall obtain the appraisal reports of two or more professional appraisers, the appraisers or appraisers from different professions shall not be related parties or have substantial relations with each other.</p> <p>When issuing a valuation report or opinion, the personnel referred to in the preceding paragraph shall handle the following matters:</p> <p>I. Before accepting a case, one shall carefully assess one’s professional ability, practical experience and independence.</p> <p>II. When checking a case, proper operation procedures shall be properly planned and implemented to form a conclusion and issue a report or opinion accordingly; And the execution procedures, collected data and conclusions will be published in the working papers of the case in detail.</p> <p>III. For the data sources, parameters and information used, the <u>completeness</u>,</p>	<p>be related parties or have substantial relations.</p> <p>III. If the Company shall obtain the appraisal reports of two or more professional appraisers, the appraisers or appraisers from different professions shall not be related parties or have substantial relations with each other.</p> <p>When issuing a valuation report or opinion, the personnel referred to in the preceding paragraph shall handle the following matters in accordance with the <u>self-discipline standards of its affiliated industry associations</u> and the following matters:</p> <p>I. Before accepting a case, one shall carefully assess one’s professional ability, practical experience and independence.</p> <p>II. When <u>acting</u> a case, proper operation procedures shall be properly planned and implemented to form a conclusion and issue a report or opinion accordingly; And the execution procedures, collected data and conclusions will be published in the working papers of</p>	<p>standardize the issuance of valuation reports or opinions by professional appraisers, their appraisers, CPAs, lawyers, or securities underwriters. In addition to complying with the matters listed in the current Paragraph 2, it shall also comply with the self-discipline standards of its affiliated industry associations.</p> <p>II. Considering that the case where external experts undertake and execute the issuance of valuation reports or reasonableness opinions in accordance with the provisions of these Standards does not refer to the audit of financial reports, the text of the “Audit” case in Subparagraph 2, Paragraph 2 is amended to “Execution” case.</p> <p>III. Considering the actual assessment of external experts on the sources, parameters and information used, and Item 3-5, Subparagraph 4, Paragraph 4, Article 9 of the Standards for the Preparation</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p><u>correctness</u> and rationality shall be evaluated item by item as the basis for issuing the appraisal report or opinion.</p> <p>IV. Declarations shall include the professionalism and independence of the relevant personnel, the reasonableness and <u>correctness</u> of the information used, and compliance with relevant laws and regulations.</p>	<p>the case in detail.</p> <p>III. For the data sources, parameters and information used, the <u>appropriateness</u> and reasonableness shall be evaluated item by item as the basis for issuing the appraisal report or opinion.</p> <p>IV. Declarations shall include the professionalism and independence of the relevant personnel, the <u>appropriateness</u> and reasonableness of the information used, and compliance with relevant laws and regulations.</p>	<p>of Financial Reports of Securities Issuers, the official letter Ji Mi Zi No. 0000000298 of the Accounting Research and Development Foundation on December 25, 2014 (2014) of interpretation and evaluation standards bulletin, regarding the appropriateness and reasonableness of information sources and parameters of Article 27 of No. 8 with the resource. Therefore, the text of Subparagraphs 3 and 4, Paragraph 2 is revised additionally to be in line with reality.</p>
Article 9	<p>When the Company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, self-built or leased premises, or acquisition and disposal of equipment or its right-to-use assets for business use, if the transaction amount reaches 20% of the paid-in capital of the Company or more than NT\$ 300 million, it shall obtain an appraisal report issued by a professional appraiser before the fact occurs and meet the following requirements:</p>	<p>When the Company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, self-built or leased premises, or acquisition and disposal of equipment or its right-to-use assets for business use, if the transaction amount reaches 20% of the paid-in capital of the Company or more than NT\$ 300 million, it shall obtain an appraisal report issued by a professional appraiser before the fact occurs and meet the following requirements:</p>	<p>I. Considering that Article 5 has been amended to require external experts to issue opinions in accordance with the self-discipline regulations of the trade association to which they belong, which has covered the procedures that shall be implemented for the issuance of opinions by Certified Public Accountants, the text of Subparagraph 3, Paragraph 1 that Certified Public Accountants shall</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>I. If it is necessary to take the limited price, specific price or special price as the reference for the transaction price due to special reasons, the transaction shall first be approved by the resolution of the Board of Directors; The same applies to any subsequent change in trading conditions.</p> <p>II. Where the transaction amount reaches NT\$ 1 billion or more, two or more professional valuers shall be invited to appraise the value.</p> <p>III. A professional valuer whose valuation results are in any of the following circumstances, except for obtaining that the valuation results of the assets are both higher than the transaction amount or the valuation results of the assets disposed of are both lower than the transaction amount, shall request an account to comply with the provisions of <u>bulletin No. 20 of auditing standards issued by the Accounting Research and Development Foundation (hereinafter referred</u></p>	<p>I. If it is necessary to take the limited price, specific price or special price as the reference for the transaction price due to special reasons, the transaction shall first be approved by the resolution of the Board of Directors; The same applies to any subsequent change in trading conditions.</p> <p>II. Where the transaction amount reaches NT\$ 1 billion or more, two or more professional valuers shall be invited to appraise the value.</p> <p>III. If a professional appraiser's valuation result falls under one of the following circumstances, except that the valuation result of obtaining assets is higher than the transaction amount, or the valuation result of disposing of assets is lower than the transaction amount, the CPA shall be consulted to provide specific opinions on the reasons for the difference and the appropriateness of the transaction price: (I) The difference between the valuation</p>	<p>handle in accordance with the provisions of No. 20 of the Statement of Auditing Standards issued by the Accounting Research and Development Foundation, a consortium legal person, is deleted.</p> <p>II. If the current construction industry has legitimate reasons for not obtaining a valuation report in a timely manner, and after obtaining the valuation report within two weeks from the actual date of the incident, if there is a situation where the valuation result in the Subparagraph 3, Paragraph 1 differs by a certain percentage or more from the transaction price, the CPA must issue an opinion letter to consider the practical operation time requirements, and therefore amend Paragraph 2, The deadline for obtaining the opinion of the Certified Public Accountant before the construction industry is relaxed to be within two weeks from the date of obtaining the valuation report.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>to as the accounting <u>research and development foundation</u>) and to express specific opinions on the cause of the difference and the appropriateness of the transaction price:</p> <p>(I) The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.</p> <p>(II) The difference in valuation results between two or more professional appraisers is more than 10% of the transaction amount.</p> <p>IV. The date of issuance of the report by a professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the present value of the same period is applicable and it has not exceeded six months, the original professional appraiser may issue a written opinion.</p>	<p>result and the transaction amount is more than 20% of the transaction amount.</p> <p>(II) The difference in valuation results between two or more professional appraisers is more than 10% of the transaction amount.</p> <p>IV. The date of issuance of the report by a professional appraiser and the date of establishment of the contract shall not exceed three months. However, if the present value of the same period is applicable and it has not exceeded six months, the original professional appraiser may issue a written opinion.</p> <p>In addition to using the fixed price, specific price or special price as the reference for the transaction price, if the construction enterprise fails to obtain the appraisal report immediately for justified reasons, it shall obtain the appraisal report <u>and the CPA's opinion in Subparagraph 3 of the preceding paragraph</u></p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>In addition to using the fixed price, specific price or special price as the reference for the transaction price, if the construction enterprise fails to obtain the appraisal report immediately for justified reasons, it shall obtain the appraisal report <u>and</u> the CPA's opinion in Subparagraph 3 of the preceding paragraph within two weeks from the date of the fact.</p>	<p><u>within two weeks from the date of the fact.</u></p>	
Article 10	<p>When acquiring or disposing of securities, this Company shall, prior to the date of occurrence of the facts, take the most recent financial statements of the underlying company audited, certified or reviewed by a Certified Public Accountant as a reference for the evaluation of transaction prices. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or more than NT\$ 300 million, this Company shall, prior to the date of occurrence of the facts, request the Certified Public Accountant to express an opinion on the reasonableness of the transaction prices. <u>If the Certified Public Accountant needs to adopt an expert report, this shall be conducted in accordance with the provisions of Bulletin No. 20 of the Accounting</u></p>	<p>When acquiring or disposing of securities, this Company shall, prior to the date of occurrence of the facts, take the most recent financial statements of the underlying company audited, certified or reviewed by a Certified Public Accountant as a reference for the evaluation of transaction prices. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or more than NT\$ 300 million, this Company shall, prior to the date of occurrence of the facts, request the Certified Public Accountant to express an opinion on the reasonableness of the transaction prices. However, this restriction shall not apply if the securities have a publicly quoted price in an active market or are otherwise stipulated by the Financial Supervisory</p>	Reason for amendment refers to the explanation Article 9.

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p><u>Standards issued by the Accounting Research and Development Foundation.</u> However, this restriction shall not apply if the securities have a publicly quoted price in an active market or are otherwise stipulated by the Financial Supervisory Committee (hereinafter referred to as the SFC).</p>	<p>Committee (hereinafter referred to as the SFC).</p>	
Article 11	<p>Where the Company acquires or disposes of intangible assets or the transaction amount of its right-of-use assets or membership cards reaches 20% of the Company's paid-in capital or NT\$ 300 million or more, in addition to conducting transactions with domestic government authorities, the Company shall request a CPA to express an opinion on the reasonableness of the transaction price prior to the date of the occurrence of the facts, <u>and the CPA shall conduct such transactions in accordance with the provisions of Bulletin No. 20 of the Accounting Research and Development Foundation.</u></p>	<p>Where the Company acquires or disposes of intangible assets or the transaction amount of its right-of-use assets or membership cards reaches 20% of the Company's paid-in capital or NT\$ 300 million or more, in addition to conducting transactions with domestic government authorities, the Company shall request a CPA to express an opinion on the reasonableness of the transaction price prior to the date of the occurrence of the facts.</p>	Reason for amendment refers to the explanation Article 9.
Article 15	<p>If the Company acquires or disposes of real estate or its right to use assets from related parties, or acquires or disposes of assets other than real estate or its right to use assets with related parties, and the</p>	<p>If the Company acquires or disposes of real estate or its right to use assets from related parties, or acquires or disposes of assets other than real estate or its right to use assets with related parties, and the</p>	<p>I. The Paragraphs 3 to 5 of the current provisions have been moved to the Paragraphs 2 to 4 of the revised provisions. II. Paragraph 5 is added: (I) In order to</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>transaction amount reaches 20% of the paid-in capital of the Company, 10% of the total assets or more than NT\$ 300 million, in addition to buying and selling domestic government bonds, bonds with repurchase or repurchase conditions, and purchasing or repurchasing money market funds issued by domestic securities investment trust enterprises, it shall submit the following information to the Board of Directors for approval and the supervisor's approval before signing a transaction contract and making payment:</p> <p>I. The purpose, necessity, and expected benefits of acquiring or disposing of assets.</p> <p>II. The reason for selecting the related party as the transaction object.</p> <p>III. Obtaining real estate or its use rights assets from related parties and evaluating the reasonableness of the predetermined transaction conditions in accordance with the provisions of Articles 16 and 17.</p> <p>IV. The original acquisition date and price of the related party, the transaction object,</p>	<p>transaction amount reaches 20% of the paid-in capital of the Company, 10% of the total assets or more than NT\$ 300 million, in addition to buying and selling domestic government bonds, bonds with repurchase or repurchase conditions, and purchasing or repurchasing money market funds issued by domestic securities investment trust enterprises, it shall submit the following information to the Board of Directors for approval and the supervisor's approval before signing a transaction contract and making payment:</p> <p>I. The purpose, necessity, and expected benefits of acquiring or disposing of assets.</p> <p>II. The reason for selecting the related party as the transaction object.</p> <p>III. Obtaining real estate or its use rights assets from related parties and evaluating the reasonableness of the predetermined transaction conditions in accordance with the provisions of Articles 16 and 17.</p> <p>IV. The original acquisition date and price of the related party, the transaction object,</p>	<p>strengthen the management of related party transactions and protect the right of minority shareholders of public companies to express opinions on transactions between the Company and related parties, reference has been made to the regulations of major related party transactions in major international capital markets such as Singapore and Hong Kong, which require prior approval from the Shareholders' Meeting. In addition, to avoid major related party transactions conducted by public companies through subsidiaries that are not domestic public companies, relevant information must be submitted to the Shareholders' Meeting for approval. Therefore, in the case of a transaction involving the</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>and their relationship with the Company and related parties.</p> <p>V. A forecast statement of cash receipts and payments for each month of the year that is expected to commence in the month of the contract, and an assessment of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>VI. An appraisal report issued by a professional appraiser or a CPA's opinion obtained in accordance with the provisions of the preceding article.</p> <p>VII. Restrictions and other important agreements of this transaction.</p> <p>The calculation of the transaction amount mentioned in the preceding paragraph shall be carried out in accordance with the provisions of Paragraph 2, Article 31, and the term "one year" shall be calculated retroactively based on the date of the transaction fact, and the part that has been submitted to the Board of Directors for approval and recognized by the supervisor in accordance with these Standards shall not be counted again.</p>	<p>and their relationship with the Company and related parties.</p> <p>V. A forecast statement of cash receipts and payments for each month of the year that is expected to commence in the month of the contract, and an assessment of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>VI. An appraisal report issued by a professional appraiser or a CPA's opinion obtained in accordance with the provisions of the preceding article.</p> <p>VII. Restrictions and other important agreements of this transaction.</p> <p>If the Company engages in the following transactions with its parent company, subsidiaries or subsidiaries with 100% issued shares or total capital directly or indirectly, the Board of Directors may authorize the Chairman to make a decision within a certain amount in accordance with Subparagraph 3, Paragraph 1, Article 7, and then report it to the latest Board of Directors for ratification:</p> <p>I. Acquisition or disposal of equipment for</p>	<p>acquisition or disposal of assets by a public company or its subsidiary that is not a domestic public company, as referred to Paragraph 1, with a related party, with a transaction amount of 10% or more of the total assets of the public company, the public company shall submit relevant information to the Shareholders' Meeting for approval before proceeding. If it is a subsidiary of a non-public development bank, the matters that shall be approved by the Shareholders' Meeting shall be handled by the parent company of the upper level public offering.</p> <p>(II) Considering the overall business planning needs of the public company and its parent company, subsidiaries, or each other's subsidiaries, and taking into account the exemption regulations of the previous major international</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>If the Company engages in the following transactions with its parent company, subsidiaries or subsidiaries with 100% issued shares or total capital directly or indirectly, the Board of Directors may authorize the Chairman to make a decision within a certain amount in accordance with Subparagraph 3, Paragraph 1, Article 7, and then report it to the latest Board of Directors for ratification:</p> <p>I. Acquisition or disposal of equipment for business use or its right-of-use assets.</p> <p>II. Acquisition or disposal of real estate right-of-use assets for business use.</p> <p>Where independent directors have been established in accordance with the provisions of this Act, the opinions of each independent director shall be fully taken into account when they are presented to the Board of Directors for discussion in accordance with the provisions of Paragraph 1 of this Act. Any objection or reservation made by the independent directors shall be stated in the minutes of the Board of Directors.</p> <p>Where an Audit Committee has been established in accordance with the provisions of</p>	<p>business use or its right-of-use assets.</p> <p>II. Acquisition or disposal of real estate right-of-use assets for business use.</p> <p>Where independent directors have been established in accordance with the provisions of this Act, the opinions of each independent director shall be fully taken into account when they are presented to the Board of Directors for discussion in accordance with the provisions of Paragraph 1 of this Act. Any objection or reservation made by the independent directors shall be stated in the minutes of the Board of Directors.</p> <p>Where an Audit Committee has been established in accordance with the provisions of this Act, the matters that shall be acknowledged by the supervisor in accordance with the provisions of Paragraph 1 shall be approved by more than one-half of all the members of the Audit Committee and submitted to the Board of Directors for resolution, with the provisions of Paragraph 4 and Paragraph 5 of Article 6 applying mutatis mutandis.</p> <p><u>If the Company or its non domestic subsidiaries engage in the Paragraph 1 of the</u></p>	<p>capital markets, the proviso is to relax the transaction between these companies from the Shareholders' Meeting resolution.</p> <p>(III) If a major related party transaction falls within the scope of Subparagraphs 1 to 3, Paragraph 1, Article 185 of the Company Act, the resolution of the Shareholders' Meeting shall be handled in accordance with Article 185 of the Company Act, and shall be handled in accordance with the preceding paragraph and relevant provisions of the Company Act.</p> <p>III. Paragraph 2 of the current provision has been moved to the Paragraph 6 of the revised provision, and in conjunction with the addition of Paragraph 5, the calculation of the revised transaction amount has been included in the transaction submitted for approval by the Shareholders' Meeting.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>this Act, the matters that shall be acknowledged by the supervisor in accordance with the provisions of Paragraph 1 shall be approved by more than one-half of all the members of the Audit Committee and submitted to the Board of Directors for resolution, with the provisions of Paragraph 4 and Paragraph 5 of Article 6 applying mutatis mutandis.</p>	<p><u>transaction, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in Paragraph 1 to the Shareholders' Meeting for approval before signing the transaction contract and making the payment. However, this restriction does not apply to transactions between the Company and its parent company, subsidiaries, or its sub-subsidiaries.</u></p> <p>The calculation of the transaction amount mentioned in <u>Paragraph 1 and preceding paragraph</u> shall be carried out in accordance with the provisions of Paragraph 2, Article 31, and the term "one year" shall be calculated retroactively based on the date of the transaction fact, and the part that has been submitted to the <u>Board of Shareholders</u> and Board of Directors for approval and recognized by the supervisor in accordance with these Standards shall not be counted again.</p>	
Article 31	<p>If the Company obtains or disposes of assets under the following circumstances, it shall, according to its nature and in accordance with the prescribed format, publicly announce and report the relevant information on the designated website of</p>	<p>If the Company obtains or disposes of assets under the following circumstances, it shall, according to its nature and in accordance with the prescribed format, publicly announce and report the relevant information on the designated website of</p>	<p>I. Considering that the current public offering company's trading of domestic government bonds has been exempted from public announcement and declaration, Item 1, Subparagraph 7, Paragraph 1, is</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>this association within two days from the date of occurrence:</p> <p>I. Acquiring or disposing of real estate or its use rights assets from related parties, or acquiring or disposing of assets other than real estate or its use rights assets with related parties, with a transaction amount of 20% of the Company's paid-in capital, 10% of total assets, or NT\$ 300 million or more. However, this restriction shall not apply to the trading of domestic government bonds, bonds subject to repurchase or sell back conditions, or money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Conduct mergers, splits, acquisitions, or share transfers.</p> <p>III. The maximum amount of losses incurred from engaging in derivative product trading that exceeds the maximum limit for all or individual contract losses specified in the prescribed handling procedures.</p> <p>IV. Acquire or dispose of equipment or assets with the right to use</p>	<p>this association within two days from the date of occurrence:</p> <p>I. Acquiring or disposing of real estate or its use rights assets from related parties, or acquiring or disposing of assets other than real estate or its use rights assets with related parties, with a transaction amount of 20% of the Company's paid-in capital, 10% of total assets, or NT\$ 300 million or more. However, this restriction shall not apply to the trading of domestic government bonds, bonds subject to repurchase or sell back conditions, or money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Conduct mergers, splits, acquisitions, or share transfers.</p> <p>III. The maximum amount of losses incurred from engaging in derivative product trading that exceeds the maximum limit for all or individual contract losses specified in the prescribed handling procedures.</p> <p>IV. Acquire or dispose of equipment or assets with the right to use</p>	<p>amended to relax the requirement for foreign government bonds with a bond issuance rating not lower than China's sovereign rating to be exempted from public announcement and declaration.</p> <p>II. Considering the simple nature of foreign government bond products and the fact that bond communication is often better than foreign ordinary corporate bonds, as well as the similar nature of index investment securities and index equity funds, the Item 2, Subparagraph 7, Paragraph 1 is amended. The relaxation of this policy allows investment professionals to subscribe to foreign government bonds, subscribe to or sell back index investment securities in the primary market, and may also exempt them from public announcement and declaration.</p>

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>them for business purposes, and the transaction object is not a related party, and the transaction amount reaches one of the following provisions:</p> <p>(I) The Company with a paid-in capital of less than NT\$ 10 billion has a transaction amount of NT\$ 500 million or more.</p> <p>(II) The Company with a paid in capital of NT\$ 10 billion or more, and a transaction amount of NT\$1 billion or more.</p> <p>V. The Company engaged in construction business obtains or disposes of real estate or its use rights assets for construction use, and its transaction object is not a related party, with a trading amount of NT\$ 500 million or more; If the paid-in capital reaches NT\$ 10 billion or more, and the real estate that has been constructed and completed by oneself is disposed</p>	<p>them for business purposes, and the transaction object is not a related party, and the transaction amount reaches one of the following provisions:</p> <p>(I) The Company with a paid-in capital of less than NT\$ 10 billion has a transaction amount of NT\$ 500 million or more.</p> <p>(II) The Company with a paid in capital of NT\$ 10 billion or more, and a transaction amount of NT\$1 billion or more.</p> <p>V. The Company engaged in construction business obtains or disposes of real estate or its use rights assets for construction use, and its transaction object is not a related party, with a trading amount of NT\$ 500 million or more; If the paid-in capital reaches NT\$ 10 billion or more, and the real estate that has been constructed and completed by oneself is disposed</p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>of, and the transaction partner is not a related party, the transaction amount is NT\$ 1 billion or more.</p> <p>VI. Acquiring real estate through self owned construction, land leasing construction, joint construction and distribution of housing, joint construction and distribution, and joint construction and distribution of sales, and the transaction object is not a related party, the Company expects to invest a trading amount of NT\$ 500 million or more.</p> <p>VII. For asset transactions other than those referred to in the preceding six subparagraphs, disposal of creditor's rights by financial institutions, or investment in mainland, the transaction amount reaches 20% of the Company's paid-in capital or NT\$ 300 million or more. However, the following situations do not apply: (I) Buying and selling domestic</p>	<p>of, and the transaction partner is not a related party, the transaction amount is NT\$ 1 billion or more.</p> <p>VI. Acquiring real estate through self owned construction, land leasing construction, joint construction and distribution of housing, joint construction and distribution, and joint construction and distribution of sales, and the transaction object is not a related party, the Company expects to invest a trading amount of NT\$ 500 million or more.</p> <p>VII. For asset transactions other than those referred to in the preceding six subparagraphs, disposal of creditor's rights by financial institutions, or investment in mainland, the transaction amount reaches 20% of the Company's paid-in capital or NT\$ 300 million or more. However, the following situations do not apply: (I) Buying and selling domestic government</p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>government bonds.</p> <p>(II) An investment professional who purchases and sells securities on a Stock Exchange or at the Business Division of a Securities Dealer, or subscribes for ordinary corporate bonds and ordinary financial bonds not involving equity (excluding subordinated bonds) offered and issued on the primary market, or subscribes for or repurchases securities investment trust funds or futures trust funds, or a Securities Dealer needs underwriting business serving as a mentor for emerging market companies to</p>	<p>bonds <u>or</u> <u>foreign</u> <u>government</u> <u>bonds with a</u> <u>credit rating</u> <u>not lower</u> <u>than</u> <u>domestic</u> <u>sovereign</u> <u>rating.</u></p> <p>(II) An investment professional who purchases and sells securities on a Stock Exchange or at the Business Division of a Securities Dealer, or subscribes to <u>foreign</u> <u>government</u> <u>bonds,</u> ordinary corporate bonds and ordinary financial bonds not involving equity (excluding subordinated bonds) offered and issued on the primary market, or <u>subscribes</u> <u>for</u> <u>or</u> <u>repurchases</u> <u>securities</u> <u>investment</u> <u>trust funds</u> <u>or</u> <u>futures</u> <u>trust funds</u></p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>recommend Securities Dealer to subscribe for securities in accordance with the regulations of Taipei Exchange (TPEX).</p> <p>(III) Trading of bonds subject to repurchase or sell back conditions, subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>The transaction amount referred to in the preceding paragraph shall be calculated as follows:</p> <p>I. The amount of each transaction.</p> <p>II. The cumulative amount of transactions acquired or disposed of by the same counterparty within one year.</p> <p>III. The cumulative amount of acquisition or disposal (accumulated separately) of the same development plan's real estate or</p>	<p>or <u>index investment securities</u>, or a Securities Dealer needs underwriting business serving as a mentor for emerging market companies to recommend Securities Dealer to subscribe for securities in accordance with the regulations of Taipei Exchange (TPEX).</p> <p>(III) Trading of bonds subject to repurchase or sell back conditions, subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>The transaction amount referred to in the preceding paragraph shall be calculated as follows:</p> <p>I. The amount of each transaction.</p> <p>II. The cumulative amount of</p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>its use rights assets within one year.</p> <p>IV. The cumulative amount of acquisition or disposal (accumulated separately) of the same securities within one year.</p> <p>The term ‘within one year’ referred to in the preceding paragraph is based on the date of transaction, and is retroactively calculated for one year. The portion that has been announced in accordance with the provisions of this standard exempt from re counting.</p> <p>The Company shall provide monthly information on the trading of derivative products by the Company and its non domestic subsidiaries as of the end of the previous month, in accordance with the prescribed format, and input it into the information reporting website designated by the Commission before the first ten days of each month.</p> <p>If there are errors or omissions in the items that the Company is required to announce according to regulations and shall make corrections during the announcement, all items shall be re-announced and declared within two days from the date of becoming aware.</p>	<p>transactions acquired or disposed of by the same counterparty within one year.</p> <p>III. The cumulative amount of acquisition or disposal (accumulated separately) of the same development plan’s real estate or its use rights assets within one year.</p> <p>IV. The cumulative amount of acquisition or disposal (accumulated separately) of the same securities within one year.</p> <p>The term ‘within one year’ referred to in the preceding paragraph is based on the date of transaction, and is retroactively calculated for one year. The portion that has been announced in accordance with the provisions of this standard exempt from re counting.</p> <p>The Company shall provide monthly information on the trading of derivative products by the Company and its non domestic subsidiaries as of the end of the previous month, in accordance with the prescribed format, and input it into the information reporting website designated by the Commission before the</p>	

Article No.	Article before amendment	Article after amendment	Reason for amendment
	<p>When obtaining or disposing of assets, the Company shall keep relevant contracts, minutes of proceedings, reference books, valuation reports, opinions of CPAs, lawyers, or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.</p>	<p>first ten days of each month.</p> <p>If there are errors or omissions in the items that the Company is required to announce according to regulations and shall make corrections during the announcement, all items shall be re-announced and declared within two days from the date of becoming aware.</p> <p>When obtaining or disposing of assets, the Company shall keep relevant contracts, minutes of proceedings, reference books, valuation reports, opinions of CPAs, lawyers, or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.</p>	

Attachment 10. The List of Candidates was Examined and Approved by the Board of Directors

Category of nominated candidates	Name of nominated candidate	Academic qualifications	Experience	Current position	Title of the representative of the juridical person
Director	Tsai, Chin-Tu	University of Southern Queensland (USQ), Australia (USQ) MBA	Managing director, GRAINEW Corporation Founder, HERAN Co., Ltd.	Ranso Co., Ltd. - Chairman of the Board HERTEC. Co., Ltd. - Chairman of the Board Her Hsiung Co., Ltd. - Chairman of the Board SHAHER AIR TECH CORPORATION - Chairman of the Board Heran Tech Co., Ltd. - Chairman of the Board Zhiheshun Development Co., Ltd. - Chairman of the Board Xiezhi Investment Co., Ltd. - Chairman of the Board Changgu Investment Co. Ltd. - Supervisor Hefa Enterprise Co., Ltd. - Chairman of the Board	Heran Tech Co., Ltd.
Director	Tsai, Po-I	Master of Science, University of Technology Sydney (UTS)	HERTEC. Co., Ltd. - Vice Chairman of the Board	Yahong Investment Co. Ltd. - Chairman of the Board JOWIN CO., LTD. - Chairman of the Board Bolikim Co., Ltd. - Chairman of the Board Yongri Enterprise Co., Ltd. - Chairman of the Board	Heran Tech Co., Ltd.
Director	Lin, Chin-Hung	Department of Business Administration , National Chung Hsing University MBA, University of Southern Queensland (USQ), Australia	Heran Co., Ltd. - President	Ranso Co., Ltd. - President; Supervisor HERTEC. Co., Ltd. - President; Supervisor Her Hsiung Co., Ltd. - President; Supervisor SHAHER AIR TECH CORPORATION - President; Supervisor	Hefa Enterprise Co., Ltd.
Director	Tiao, Chien-Sheng	Master's degree in Political Department, National Taiwan University	Central Police University - Chairman	Taishin Construction Manager Co., Ltd. - Chairman of the Board Taishin Asset Management Co., Ltd. - Director	Hefa Enterprise Co., Ltd.
Director	Wu, Ching-Hu	Department of Crime Prevention and Corrections,	Tainan City Police Department - Deputy	Hehua Construction Co., Ltd. - President	Xiezhi Investment Co. Ltd.

Category of nominated candidates	Name of nominated candidate	Academic qualifications	Experience	Current position	Title of the representative of the juridical person
		Central Police University	Commissioner Taoyuan Police Department - Deputy Commissioner		
Director	Chan, Chien-Lung	PhD in Accounting, Nova University, USA	Director of Accounting Research Institute, Soochow University	Dean for Academic Affairs, Soochow University TSMC - Independent Director, member of the Remuneration Committee Asia Optical Co., Ltd. - Independent Director; member and convener of the Remuneration Committee	Xiezhi Investment Co. Ltd.
Independent Director	Huang, Tien-Chang	Institute of Public Finance, National Chengchi University	Taiwan Business Bank Co., Ltd. - President Taiwan Business Bank Co., Ltd. - Chairman of the Board	Yi Jinn Industrial Co., Ltd. - Independent Director; member of the Remuneration Committee Concord Securities Co.,Ltd. - Independent Director; member of the Remuneration Committee THE FIRST LEASING CORPORATION - Director	None
Independent Director	Chen, Jung-Lung	Doctor of Philosophy, Fu Jen Catholic University	Fu Jen Catholic University - Executive Vice President; Dean of College of Law	None	None
Independent Director	Lin, Chien-Cheng	MBA, University of Southern Queensland (USQ), Australia	Taiwan Business Bank Insurance Agent Co., Ltd. - President	I-Te Chang-Chao Center, incorporated foundation - Director Intelligent Medical Technology Co., Ltd. - Director	None

Four. Appendixes

Appendixes

Appendix 1: Rules of Procedure for Shareholders' Meetings (Before revision)

Heran Co., Ltd.

Rules of Procedure for Shareholders' Meetings

- Article 1: To establish a good governance system involving the Shareholders' Meeting, better the supervision function, and enhance the management function, the Company has established these rules in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for employees to abide by.
- Article 2: Unless otherwise specified by laws, regulations, or the Company's Articles of Incorporation, these rules shall apply to the convention of a Shareholders' Meeting.
- Article 3: Unless otherwise provided by laws or regulations, the Company's Shareholders' Meeting shall be convened by the Board of Directors.
- The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a Regular Shareholders' Meeting or 15 days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the Meeting Handbook and supplementary information of the Shareholders' Meeting and upload them to the MOPS 21 days before the date of the Regular Shareholders' Meeting or 15 days before the date of an extraordinary shareholders meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the Meeting Handbook and supplementary information of the Shareholders' Meeting and made them available for review by shareholders at any time. The Meeting Handbook and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated by the Company, and shall be distributed at the place of the Shareholders' Meeting. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Election or dismissal of directors, amendments to the Articles of Incorporation, reduction in capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, recapitalization of earnings, recapitalization of capital surplus, the dissolution, merger, or demerger of the Company, or any matter under Paragraph 1, Article 185 of the Company Act, shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extempore motion.
- Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.
- A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a Regular Shareholders' Meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to

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

Prior to the book closure date before a Regular Shareholders' Meeting is held, the Company shall publicly announce its acceptance of submission of shareholder proposals, the manner in which a submission in writing or electronic form will be accepted, and the location and time period for their submission; the period for acceptance of submission of shareholder proposals may not be less than 10 days.

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

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals from the agenda.

Article 4: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by Company and stating the scope of authorization granted to the proxy.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: The Company shall furnish the attending shareholders or their proxies ("Shareholders" hereinafter) with an attendance book to sign, or attending Shareholders may hand in a sign-in card in lieu of signing in.

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

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

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person is

appointed to attend a Shareholders' Meeting as proxy, it may designate only one person to represent it in the meeting.

Article 7: If a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be Chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers as Chairman, the Vice Chairman shall act in place of the Chairman; if there is no vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers as vice Chairman, the Chairman shall appoint one of the managing directors to act as Chair, or, if there are no managing directors, one of the directors shall be appointed to act as Chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as Chair.

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

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

The Company may appoint its attorneys, Certified Public Accountants, or related persons designated by it to attend a shareholders' meeting in a non-voting capacity.

Article 8: The Company shall audiotape or videotape the whole process of the Shareholders' Meeting, and shall keep such audio or videos for at least one year. However, if a shareholder files a litigation in accordance with Article 189 of the Company Act, such materials shall be kept until such litigation is settled.

Article 9: Attendance at shareholders' meetings shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares of which the voting rights are exercised by correspondence or electronically. The Chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

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

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

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

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals

set out in the agenda). The meeting shall proceed in the order set out in the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

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

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

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the Chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.

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

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

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

Article 12: Voting at shareholders' meetings shall be calculated based on number of shares.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued

shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; however, this restriction does not apply if a declaration is made to cancel the previous proxy appointment.

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

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

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of directors and

supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a litigation in accordance with Article 189 of the Company Act, such materials shall be kept until such litigation is settled.

Article 15: Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the Market Observation Post System.

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

Article 16: On the day of a Shareholders' Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the Shareholders' Meeting.

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

Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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

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

Article 18: When a meeting is in progress, the Chair may announce a break based on time considerations. If a force majeure event occurs, the Chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: These Rules shall take effect after having been submitted to and approved by the Board of Directors, and then by the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20: Supplementary Provisions

Matters not provided in there Rules shall be handled in the manner prescribed by applicable law.

These Rules were established on June 18, 2010.

The 1st time amendment was made on April 23, 2012.

The 2nd time amendment was made on June 28, 2013.

The 3rd time amendment was made on June 19, 2015.

The 4th time amendment was made on June 13, 2017.

The 5th time amendment was made on June 2, 2020.

The 6th time amendment was made on August 24, 2021.

Appendix 2: Articles of Incorporation (Before revision)

Heran Co., Ltd. Articles of Incorporation

Chapter 1: General Provisions

Article 1: The Company is a corporation duly established under the Company Act, and shall have the name as Heran Co., Ltd. The Company's name in English shall be "Heran Co., Ltd."

Article 2: The Company's operations cover the following industries:

- 1.C805030 Plastic Daily Necessities Manufacturing
- 2.C805050 Industrial Plastic Products Manufacturing
3. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- 4.CC01080 Electronics Components Manufacturing
- 5.CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- 6.CC01110 Computer and Peripheral Equipment Manufacturing
- 7.CC01120 Data Storage Media Manufacturing and Duplicating
- 8.D101060 Self-usage Power Generation Equipment Utilizing Renewable Energy Industry*
- 9.E602011 Refrigeration and Air Conditioning Engineering
- 10.E606010 Power Consuming Equipment Inspecting and Maintenance
- 11.E607010 Solar Thermal Energy Equipment Installation Engineering
- 12.F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
13. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
14. F106020 Wholesale of Daily Commodities
15. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- 16.F113020 Wholesale of Electrical Appliances
- 17.F118010 Wholesale of Computer Software
18. F119010 Wholesale of Electronic Materials
- 19.F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- 20.F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
- 21.F206020 Retail Sale of daily commodities
- 22.F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- 23.F213010 Retail Sale of Electrical Appliances
- 24.F401010 International Trade
25. G903010 Telecommunications Enterprises
- 26.H701010 Housing and Building Development and Rental
- 27.H701020 Industrial Factory Development and Rental
- 28.H703090 Real Estate Business
- 29.H703100 Real Estate Leasing
- 30.I199990 Other Consulting Service
- 31.I301010 Information Software Services
- 32.I301020 Data Processing Services
- 33.I301030 Electronic Information Supply Services
- 34.IG03010 Energy Technical Services
- 35.JA02010 Electric Appliance and Electronic Products Repair
- 36.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may made a guarantee for others for business purpose.

- Article 4: The Company may invest in other industries for business purpose; the total amount of investment may exceed 40% of the Company's paid-in capital.
- Article 5: The Company is headquartered in Taoyuan City. Where necessary the Company may establish branches at appropriate domestic or overseas locations, subject to resolution by its Board of Directors.
- Article 6: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2: Shares

- Article 7: The Company's registered capital is NT\$1 billion, divided into 100 million shares with a face value of NT\$10 per share. The Board of Directors is authorized to issue the shares as yet unissued in multiple installments.
- Of the registered capital stated in Paragraph 1, NT\$100 million, which is divided into 10 million shares with a face value of NT\$10 per share, is reserved for issue of employee stock options, which may be issued in installments through a resolution of the Board of Directors.
- Article 8: Pursuant to Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company may issue employee stock options at an exercise price other than that specified in Article 53 of the same regulations by a supermajority vote at a shareholders' meeting attended by shareholders representing at least one half of total outstanding shares.
- Article 9: Matters in relation to the Company's shares shall be conducted in the manner specified in the Company Act, as well as the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.
- Article 9-1: The Company's shareholders may also exercise voting rights by means of electronic transmission at a shareholders' meeting. A shareholder who exercises his/her/its voting power at a shareholders' meeting by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person; However, such a shareholder is deemed to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting. Matters regarding his/her exercise of voting rights shall be conducted by the current laws and regulations.
- Article 10: Registered share certificates issued by the Company are not required to be printed. The Company, however, shall contact the securities depository and custodian institution for registration of the share certificates.
- Article 11: Title transfer of stocks to another shareholder shall be not be allowed within sixty days before the Regular Shareholders' Meeting is held, within thirty days before an extraordinary shareholders meeting is held, or within five days before the base date for distribution of stock dividends and bonuses or other benefits determined by the Company.

Chapter 3: Shareholders' Meeting

- Article 12: A shareholders' meeting make take the form of either a general shareholders' meeting or an extraordinary shareholders' meeting. The annual general shareholders' meeting is convened once a year within six months after the end of each fiscal year by the Board of Directors; an extraordinary shareholders' meeting may be held whenever necessary.
- Article 13: A shareholder who cannot attend shareholders' meeting may appoint a proxy to attend on his/her behalf by executing a proxy form indicating his signature or seal and stating the scope of authorization. Delegation of a proxy to attend a shareholders' meeting may be made only if it is conducted in the manner specified in Article 177 of the Company Act, as well as in the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 14: Except provided otherwise by law, a shareholder of the Company is entitled to one vote

for each share held.

Article 15: Unless provided otherwise by law, any resolutions in a shareholders' meeting shall be approved by a majority vote at a meeting attended by shareholders representing at least one half of total outstanding shares.

Article 16: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The manner in which the meeting minutes are produced or distributed shall be in accordance of Article 183 of the Company Act.

Article 17: If the Company wishes to cease to be publicly listed, it may do so through a resolution adopted at a shareholders' meeting in accordance with Article 156 of the Company Act; in addition, this article shall not be changed during the period in which the Company's shares are traded in the emerging stock market and the period in which the Company's shares are traded on TWSE or TPEX.

Chapter 4: Directors and the Audit Committee

Article 18: The Company shall have 7 to 9 directors, who shall be elected through a candidate nomination system by the shareholders' meeting from among eligible candidates for a term of three years without term limitations. The combined shareholding percentage allowed for all directors as a whole shall be as required by the securities competent authority.

The Company's directors shall be elected through a cumulative voting system with registered votes. Each share is entitled to a number of votes equal to the number of directors to be elected. The votes may be given to a single candidate, or separately to several candidates. Those winning more votes shall be directors.

Article 19: Of the number of directors stated above, the number of independent directors shall not be less than 2, or constitutes less than one fifth of total director seats. The professional qualifications, restrictions on both shareholding and concurrent positions held, methods of nomination and election, and other requirements with respect to independent directors shall be set forth in accordance with the regulations of the securities competent authority.

Article 19-1: Pursuant to Article 14-4 of the Securities and Exchange Act, the Company has set up the Audit Committee, which shall be comprised by all independent directors; the number of independent directors shall be no less than three, of which one shall be the convener, and at least one shall be an expert in accounting or finance. The Audit Committee shall assume the duties of supervisors which are stipulated in the Company Act, Securities and Exchange Act, other laws and regulations, and the Company's internal regulations.

The duties, organizational charter, exercise of powers, and other mandatory requirements with respect to the Audit Committee stated in the previous paragraph shall be as required by the securities competent authority and the Company's internal regulations.

Article 20: The Board of Directors shall be composed of directors. The Chairman of the Board shall be elected from among the directors by a majority vote at a Board of Directors meeting attended by two thirds of all directors; the post of vice chairman may be set up. The Chairman of the Board represents the Company externally.

If a director is unable to attend a shareholders' meeting for any reason, the director may designate another director to attend the meeting on his/her behalf by executing a proxy form, which shall indicate the subject matters of the meeting and the scope of authorization and shall be presented at each instance of meeting; the said proxy may

act as a proxy for only one person.

A Board of Directors meeting notice annotated with the meeting subject matters shall be delivered to each director within the time frame specified by the securities competent authority; however, a meeting may be convened at any time in case of emergency.

The meeting notice mentioned in the previous paragraph may be given in writing, or by fax or email.

Article 21: If the vacancy in the Board of Directors reaches one third, or all independent directors are discharged, the Board of Directors shall convene an extraordinary shareholders meeting within 60 days to fill the vacancy; the directors so elected shall serve a term equal to the remaining term of the original directors.

Article 22: If the Chairman of the Board is on leave, or is unable to exercise his/her powers for any reason, an acting chairman shall be elected in the manner specified in Article 208 of the Company Act.

Article 23: A transportation allowance may be given to the Company's directors; additionally, salary shall be given to the directors carrying out their duties. The Board of Directors is authorized to determine the salary standard by referencing a director's extent of participation in the Company's operations, the value of a director's contribution to the Company, and the prevailing industry standard.

Article 24: Deleted.

Article 25: The Company may purchase liability insurance policies that cover the mandatory liabilities which might be incurred by the director's performing of duties during his/her term in office.

Chapter 5: Manager

Article 26: The Company may appoint managers. Their appointment, dismissal, and remuneration shall comply with Article 29 of the Company Act.

Chapter 6: Accounting

Article 27: At the end of each fiscal year, the Company's Board of Directors shall prepare the following documents: (I) Business Report; (II) Financial Statements. (III) Accounting books and statements such as the earnings distribution proposal or deficit compensation proposal, which shall be submitted to the Regular Shareholders' Meeting for its acceptance.

Article 28: In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there is remainder earnings, the Board of Directors shall draft an earnings distribution proposal regarding the remainder of the earnings as well as accumulated undistributed earnings for approval at the shareholders' meeting, at which the allocation of shareholders' dividends shall be decided.

If the dividends, bonus, legal reserves, and capital surplus said in the preceding paragraph are to be distributed in cash, such a distribution shall be resolved by a majority vote at a Board of Directors meeting attended by more than two thirds of the Directors, and shall be reported at the shareholders' meeting.

The Company is in a mature industry. To achieve stable business growth in the future, maintain the requirements for long-term operational planning, and uphold shareholders' interests, the Company adopts a balanced dividend policy in which earnings are distributed in both cash and dividends. Of the total dividends distributed in the given year, cash dividends shall constitute no less than 15%.

Article 28-1: The Company shall distribute earnings or compensate for losses every half fiscal year. To do so, the Board of Directors shall prepare the documents and proposal stated in Article 27, which shall be submitted to and audited the Audit Committee, and then be submitted to the Board of Directors for resolution.

Before distributing earnings, taxes and duties and employee remuneration and director remuneration shall be estimated and reserved in the first place, and then losses shall be compensated for, a legal reserve provided, and a special reserve provided or reversed according to law. The provision of a legal reserve may be exempted if the current legal reserve has reached the paid-in capital. As for earnings mentioned in this paragraph, they are subject to a resolution, either from the Board of Directors if they are to be distributed in cash, or from the Shareholders' Meeting if they are to be distributed in shares.

Article 29: If the Company has earnings in a given year, no less than 1% of such earnings shall be appropriated as employee remuneration, either in cash or shares, and no more than 5% of such earnings shall be appropriated as director remuneration, subject to a resolution from the Board of Directors. The proposals to distribute remuneration to employees and directors shall be reported at the Shareholders' Meeting.

However, if the Company is still in losses, an amount equal to such losses shall be reserved before such earnings can be distributed as employee remuneration and director remuneration in the proportion mentioned above.

Employees entitled to the Company's employee treasury stocks, employee stock options, employee's subscription right to new stocks, and employee restricted stocks may include employees of a controlled or affiliated company who meet certain criteria.

Chapter 7 Supplementary Provisions

Article 30: Matters not specified in this Articles of Incorporation shall be handled in the manner specified in the Company Act and applicable laws.

Article 31: Deleted.

Article 32: This Articles of Incorporation was established on April 27, 2002.

The 1st-time amendment was made on December 25, 2002.

The 2nd-time amendment was made on June 21, 2007.

The 3rd-time amendment was made on October 26, 2007.

The 4th-time amendment was made on July 23, 2009.

The 5th-time amendment was made on June 18, 2010.

The 6th-time amendment was made on April 23, 2012.

The 7th-time amendment was made on June 28, 2013.

The 8th-time amendment was made on June 20, 2016.

The 9th-time amendment was made on June 13, 2017.

The 10th-time amendment was made on June 13, 2018.

The 11th-time amendment was made on June 6, 2019.

The 12th-time amendment was made on August 24, 2021.

Heran Co., Ltd.

Chairman: Tsai, Chin-Tu

Appendix 3. Regulations Governing Procedure for Board of Directors Meetings (Before revision)

Heran Co., Ltd.

Regulations Governing Procedure for Board of Directors Meetings

- Article 1: To establish the governance system of the Board of Directors of the Company, to improve the supervisory function and to strengthen the management function, these Rules are established in accordance with Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” for employees to abide by.
- Article 2: Regulations Governing Procedure for Board of Directors Meetings of Company, which shall follow the provisions of these Rules with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.
- Article 3: The Board of Directors of the Company shall meet at least once every quarter. The convening of the Board of Directors shall specify the reasons and notify the directors before seven days, but in case of emergency, it shall be convened at any time. The notification of the convening referred to in the preceding paragraph may be made electronically with the consent of the addressee. Except for emergencies or justified reasons, the matters in Paragraph 1 of Article 7 of the Regulation shall be listed in the reasons for convening, and shall not be proposed by extempore motions.
- Article 4: Meetings of the Board of Directors shall be held at the place and time of the Company’s location and office hours or at such place and time as is convenient for the directors to attend and appropriate for the holding of such meetings.
- Article 5: The procedure unit designated by the Board of Directors of the Company is the finance department. The procedure unit shall formulate the content of the Board of Directors and provide sufficient meeting information, which shall be sent together at the time of the notification of the convening. If the meeting materials are deemed inadequate, the director may request the procedure unit to provide more information. If the proposal materials are deemed inadequate, the director may request a postponement of the meeting with the consent of the Board of Directors.
- Article 6: The proposal content of the regular Board of Directors meeting shall include at least the following items:
- Report items:
1. Minutes of the last meeting and the status of implementation.
 2. Important financial business reports.
 3. Internal audit business report.
 4. Other important report items.
- Discussions items:
1. Discussion items retained at the last meeting.
 2. This meeting discusses items.
- Extempore Motions

Article 7: The Company shall submit the following matters to its Board of Directors for discussion:

1. Corporate business plans.
2. The annual financial report and the second quarterly financial report attested and audited by CPAs.
3. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act (hereinafter referred to the SEA).
4. Adoption or amendment, pursuant to Article 36-1 of the SEA, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal auditing officer.
7. A donation to a related party or a major donation to a non-related party; Nonetheless, a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
8. Any matter required by Article 14-3 of the SEA or any other law, regulations, or bylaw to be approved by resolution at a shareholders' meeting or to be approved by resolution at a meeting of the Board of Directors, or any such significant matter as may be prescribed by the competent authority.

The term 'related parties' referred to in Paragraph 7 of the preceding paragraph refers to the related parties regulated by the financial report preparation standards of securities issuers; The term 'significant donations to non related parties' refers to donations of NT\$100 million or more for each donation amount or cumulative amounts to the same recipient within a year, or amounts to 1% of the net operating income or 5% or more of the paid in capital certified by a CPA for the most recent fiscal year.

The term 'within one year' referred to in the preceding paragraph is based on the date of the current Board of Directors, and is retroactively calculated for one year. The portion that has been approved by the Board of Directors resolution is exempt from re counting.

Where there is no par value of the shares of a foreign company or the par value of each share is not NT\$10, the amount of 5% of the paid in capital referred to in Paragraph 2 shall be calculated as 2.5% of shareholders' equity.

If the Company has independent directors, at least one independent director shall personally attend the Board of Directors; For the matters to be resolved by the Board of Directors in Paragraph 1, all independent directors shall attend the Board of Directors. If independent directors are unable to attend, they shall appoint other independent directors to attend on their behalf. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board of Directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she shall provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the Board of Directors meeting.

Article 8: Except for matters that must be submitted to the Board of Directors for discussion under Paragraph 1 of the preceding paragraph, when the Board of Directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or the Company's Articles of Incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization

is not permitted.

- Article 9: When a meeting of the Board of Directors is held, an attendance book shall be set up for the directors present to sign in and for inspection.
The directors shall attend the Board of Directors meeting in person. If the directors are unable to attend in person, they shall appoint other directors to attend on their behalf in accordance with the provisions of Articles of Incorporation; if who participate in the meeting through video shall be deemed to have personally attended the meeting.
When the director designates another director to attend the meeting on his/her behalf by executing a proxy form, which shall indicate the subject matters of the meeting and the scope of authorization and shall be presented at each instance of meeting.
The first two items proxy may act as a proxy for only one person.
- Article 10: The Board of Directors of the Company shall be convened by the Chairman of the Board of Directors, who shall serve as the Chair. However, for each first meeting of the Board of Directors, the Chair of the meeting shall be the one who has the most votes representing the right to vote, when there are more than two persons who have the right to convene the meeting, one shall be appointed by the other.
According to the provisions of Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the Board of Directors shall be convened by more than half of the directors themselves, and one of the directors shall act as Chair.
When the Chairman of the Board is on leave or for any reason unable to exercise the powers as chairman, the Vice Chairman shall act in place of the Chairman; if there is no vice chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers as vice chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- Article 11: When a meeting of the Board of Directors of the Company is convened, the Procedures unit designated by the Board of Directors shall prepare relevant information for the directors to inspect at any time.
The Board of Directors shall be convened, and the relevant departments or subsidiaries personnel may attend according to the content of the proposal. If necessary, CPAs, lawyers or other professionals may also be invited to attend the meetings and explanations. But the discussion and voting shall leave.
- Article 12: The Chair shall call the meeting when the appointed meeting time is arrived and more than half of the directors are present. If half of the directors are not present, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If two postponements are still insufficient, the Chair shall reconvene according to the procedure stipulated in Paragraph 2, Article 3. All directors mentioned in the preceding paragraph and Subparagraph 2, Paragraph 2, Article 17, shall be counted by the actual incumbents.
- Article 13: The Board of Directors meeting shall conduct in accordance with the procedures scheduled in the notice of the meeting. However, it may be changed if more than half of the directors present agree.
The Chair shall not declare the meeting adjourned without the agreement of more than half of the directors present.
During a board meeting, if the Board of Directors does not reach more than half of the

directors present, upon the proposal of the directors present, the Chair shall announce the suspension of the meeting and applicable the previous provision.

Article 14: When the Chair considers that the discussion of a proposal has reached the level of payable vote, he/she may announce to stop the discussion and the proposal is put to vote.

When the Board of Directors votes on a proposal, which approved as proposed after the Chair inquired about the opinion from all director present. Except for those approved as proposed after the Chair inquired about the opinion from all director present, the voting method shall be determined by the Chair on the following provisions, but if any participant disagrees, the majority opinion shall be solicited to decide:

1. Voting by a show of hands or voting machines.
2. Voting by roll call.
3. Voting by ballot.
4. Voting at the company's own discretion.

The directors present in the first two items do not include directors who are not allowed to exercise their voting rights under Paragraph 1, Article 16.

Article 15: Unless provided otherwise by SEA and Company Act, any resolutions of the Board of Directors proposal, shall be attended more than half of the directors and more than half of the directors present agree.

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. If it is necessary to set up scrutineer and counting personnel in the voting of proposals, it shall be appointed by the Chair, but the scrutineer shall be a director. The results of the voting shall be reported on the scene and recorded.

Article 16: If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

The spouse, second parents and other relatives of the director, or the Company with a subordinate relationship with the director, who has an interest in the matter of the previous meeting, are deemed to have their own interest in the matter.

The resolution of the Board of Directors of the Company shall be in accordance with the provisions of Paragraph 4, Article 206 and applicable Paragraph 2, Article 180 of the Company Act for directors who are not allowed to exercise their voting rights according to the provisions.

Article 17: The procedures of the Board of Directors of Company shall be made into a minute, which shall record the following matters in detail:

1. The meeting session (or year) and time and place.
2. Name of the Chair.
3. The attendance status of directors, including the names and numbers of those present, absent and on leave.
4. The name and title of the attendee.

5. Name of the recorder.
6. Report items.
7. Discussions: The resolution method and results of each proposal, the summary of the speeches of directors, experts and other personnel, the names of directors who are interested in accordance with the provisions of Paragraph 1 of the preceding Article, the description of the important contents of interest, the reasons for their recusal or non-recusal and the circumstances of recusal, dissenting or qualified opinion with records or written statements, and the written opinions of independent directors in accordance with the provisions of Paragraph 5, Article 7.
8. Extempore Motions: The name of proposer, the resolution method and results of each proposal, the summary of the speeches of directors, experts and other personnel, the names of directors who are interested in accordance with the provisions of Paragraph 1 of the preceding Article, the description of the important contents of interest, the reasons for their recusal or non-recusal and the circumstances of recusal, and dissenting or qualified opinion with records or written statements.
9. Other information required to be disclosed.

In any of the following circumstances, decisions made by the Board of Directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS which designated by the competent authority within two days from the date of the Board of Directors:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the Audit Committee (if the Company has set up an Audit Committee), but had the consent of more than two-thirds of all directors.

The director attendance records shall be made part of the meeting minutes, and kept safe permanently during the life of the Company.

The minutes shall be signed by the Chair and minutes taker of the meeting and sent to each director within 20 days after the meeting. And shall be included in the Company's important records and kept safe permanently during the life of the Company.

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

Article 18: The Company shall record on audio or video tape the entire proceedings of a board meeting and preserve the recordings for at least 5 years, in electronic form or otherwise. If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a Board of Directors meeting, the relevant audio or video recordings shall be preserved until such litigation is settled.

Where a Board of Directors meeting is held via teleconference or video conference, the video and audio recordings of the meeting form a part of the meeting minutes and shall be properly preserved during the life of the Company.

Article 19: The formulation of these rules of procedure shall be discussed by the Audit Committee of the Company, and then submitted to the Board of Directors for approval and submitted to the Shareholders' Meeting for reporting. If there are any amendments in the future, the Board of Directors may be authorized to make a resolution. Matters not provided herein shall be handled in accordance with the Company Act, Securities and Exchange Act, the Company's Articles of Incorporation, and other applicable laws and regulations.

The Regulation was established on June 18, 2010.

The 1st amendment was made on March 20, 2012.

The 2nd amendment was made on September 18, 2012.

The 3rd amendment was made on March 28, 2013.

The 4th amendment was made on March 21, 2017; and enforced after being reported at the Regular Shareholders' Meeting for 2017.

The 5th amendment was approved by the Board of Directors on November 8, 2017, and the Shareholders' Meeting report on June 13, 2018.

The 6th amendment was approved by the Board of Directors on March 13, 2020, and the Shareholders' Meeting report on June 2, 2020.

Appendix 4. Corporate Governance Best Practice Principles (Before revision)

Heran Co., Ltd. Corporate Governance Best Practice Principles

Chapter 1 General Provisions

Article 1: (Legislation purpose)

To establish a sound corporate governance system, Heran Co., Ltd. (the “Company” hereinafter) has established the “Heran Co., Ltd. Corporate Governance Best Practice Principles” (“Principles”) by referencing the guidelines provided by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX), so as to set a compliance standard.

Article 2: (Corporate governance principles)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, its Articles of Incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, the Company shall follow the following principles:

- I. Establish an effective corporate governance structure.
- II. Protect the rights and interests of shareholders.
- III. Strengthen the powers of the Board of Directors.
Perform the function of supervisor.
- IV. Respect the rights and interests of stakeholders.
- V. Enhance information transparency.

Article 3: (Establish an internal control system)

The Company shall follow the Regulations Governing Establishment of Internal Control Systems by Public Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company’s internal and external environment.

If the Company has elected independent directors, the adoption or amendment of its internal control system shall be submitted to the Board of Directors for approval by resolution unless an approval has been obtained from the competent authority; when an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting; however if the Company has established an Audit Committee in accordance with the Securities and Exchange Act, the adoption or amendment to its internal control system shall be subject to the consent of one-half or more of all Audit Committee members and be submitted to the Board of Directors for a resolution.

The Company shall perform full self-assessments of its internal control system. Its Board of Directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters. Directors shall periodically hold discussions with internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the Board of Directors. The Company shall establish channels and mechanisms of communication between its independent directors or Audit Committee and chief internal auditors, and the convener of the Audit Committee shall report the

communications between members of the Audit Committees and chief internal auditors at the Shareholders' Meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an ongoing basis, and to assist the Board of Directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

To implement the internal control system and enhance the professionalism of a substitute internal auditor to enhance and maintain the audit quality and implementation result, the Company shall designate a substitute internal auditor.

The substitute mentioned in the previous paragraph shall also be subject to certain provisions of the Regulations Governing Establishment of Internal Control Systems by Public Companies, namely, Article 11, Paragraph 3 which stipulates the criteria required of an internal auditor, Article 16, Article 17, and Article 18.

Article 3-1 (Personnel responsible for corporate governance affairs)

The Company shall have an adequate number of corporate governance personnel with appropriate qualifications based on its size, business situations, and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE, or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. The chief corporate governance officer shall be a qualified, practice-eligible lawyer or CPA or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

The corporate governance affairs mentioned in the preceding paragraph shall include at least the following:

- I. Handling matters relating to board meetings and shareholders' meetings according to laws.
- II. Producing minutes of board meetings and shareholders' meetings.
- III. Assisting in onboarding and continuous education of directors.
- IV. Furnishing information required for business execution by directors.
- V. Assisting directors in legal compliance.
- VI. Other matters set out in the Articles of Incorporation or contracts.

Chapter 2: Protection of Shareholders' Rights and Interests

Section 1: Encouraging Shareholders to Participate in Corporate Governance

Article 4: (serves mainly to protect the rights and interests of shareholders)

When executing the corporate governance system, the Company shall prioritize the protection of shareholders' rights and interests, and shall treat them fairly.

The Company shall establish a corporate governance system which ensures shareholders' rights to be fully informed of, participating in and making decisions over material matters of the Company

Article 5: (Convention of a Shareholders' Meeting and formulation of sound meeting procedures)

The Company shall convene a Shareholders' Meeting by the Company Act and relevant laws and formulate a set of sound meeting procedures. Matters subject to a resolution from the Shareholders' Meeting shall be dealt with in accordance with the meeting procedures.

The content of resolutions adopted by the Company's Shareholders' Meeting shall comply with laws and the Articles of Incorporation.

Article 6: (The Board of Directors shall compile a Shareholders' Meeting agenda and meeting procedures)

The Company's Board of Directors shall properly arrange the agenda items and procedures for shareholders' meetings, and formulate the principles and procedures for shareholders to nominate directors and submit proposals. The Board of Directors shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders' meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

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

Article 7: (Obligation to Encourage Shareholders to Participate in Corporate Governance)

The Company shall encourage its shareholders to actively participate in corporate governance, and shall engage a professional shareholder services agent to handle shareholders' meeting matters, so that shareholders' meetings can proceed on a legal, effective, and secure basis. The Company shall seek all ways and means, including fully leveraging technologies for information disclosure and voting, in order to enhance shareholders' attendance rates at shareholders' meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company shall avoid raising extempore motions and amendments to original proposals at a shareholders' meeting.

The Company shall arrange for its shareholders to vote on each separate proposal in the shareholders' meeting agenda; after the conclusion of the meeting, the Company shall enter the voting results on the same day, namely the numbers of votes cast for and against and the number of abstentions, in the online information declaration platform designated by TWSE or TPEX.

Distribution of souvenir to shareholders, if any, shall not discriminate, or be differentiated.

Article 8: (Shareholders' Meeting Minutes)

The Company shall take the Shareholders' Meeting minutes as required by the Company Act and applicable regulations. For proposals to which no shareholder objects, the meeting minutes shall mark "Approved as proposed after the Chair inquired about the opinion from all shareholder present"; for proposals which a shareholder objects to but has been put to a vote, the meeting minutes shall indicate the voting method and voting result. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefor and the total number of votes for the elected directors.

The shareholders' meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and shall be sufficiently disclosed on its website.

Article 9: (The Chair of the shareholders' meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders' meetings established by the

Company.)

The Chair of the shareholders' meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders' meetings established by the Company. The Chair shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the Chair declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders' meetings, it is advisable for the members of the Board of Directors other than the Chair of the shareholders' meeting to promptly assist the attending shareholders at the shareholders' meeting in electing a new Chair of the shareholders' meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10: (shall place high importance on the shareholders' right to know and shall prevent insider trading)

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

To treat all shareholders equally, the information mentioned in the preceding paragraph shall also be disclosed in English at the same time.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting insiders from trading securities using information not disclosed to the market.

The rules mentioned in the preceding paragraph shall include stock trading control measures from the date insiders of the Company become aware of the contents of the Company's financial reports or relevant results; in addition, such rules shall include, but shall not be limited to, that no director may trade stocks during the prohibited periods, namely, within 30 days before the date of release of the annual financial report and within 15 days before the date of release of each quarterly financial report.

Article 10-1: (Report directors' remuneration to the Regular Shareholders' Meeting)

The Company shall report to the Regular Shareholders' Meeting on directors' remuneration, including the remuneration policy, individual remuneration content, and the relation between remuneration amount and performance evaluation results.

Article 11: (The shareholders shall be entitled to profit distributions by the Company.)

The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the Board of Directors and the reports submitted by the Audit Committee, and may decide profit distributions and deficit off-setting plans by resolution. The Shareholders' Meeting may appoint an auditor to perform the said audit on its behalf.

Shareholders may, pursuant to Article 245 of the Company Act, apply to the court for designation of an auditor who shall take the charge of auditing the Company's financial accounts and assets.

The Company's Board of Directors, Audit Committee, and managers shall fully cooperate in the audit conducted by the auditors in the aforesaid two paragraphs without any circumvention, obstruction, or rejection.

- Article 12: (Material business or financial conduct shall be approved by the Shareholders' Meeting in advance)
In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders' meeting so as to protect the interests of the shareholders.
When the event of a merger or public acquisition of the Company occur, in addition to the provisions of the relevant laws and regulations, the Company shall pay attention to the fairness and reasonableness of the merger or public acquisition plan and transaction, and pay attention to the disclosure of information and the subsequent soundness of the Company 's financial structure.
The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.
- Article 13: (The Company shall designate a person dedicated to handling shareholder proposals)
In order to protect the interests of the shareholders, the Company shall designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.
The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders' meeting or a Board of Directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations, or the Company's Articles of Incorporation by any directors or managers in performing their duties.
The Company shall adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, keep relevant written records for future reference, and incorporate the procedures in its internal control system for management purposes.
- Section 2: Corporate Governance Relationships Between the Company and Its Affiliated Enterprises
- Article 14: (Establish appropriate firewalls)
The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.
- Article 15: (A manager of the Company may not serve as a manager of its affiliated enterprises)
Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.
A director who engages in any transaction for himself/herself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders' meeting and obtain its consent.
- Article 16: (Establish sound systems for management of finance, operations, and accounting affairs)
The Company shall establish sound objectives and systems for management of finance,

operations, and accounting affairs in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17: (Fairness and reasonableness shall apply to any transaction between the Company and its affiliated enterprises)

When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

Article 18: (Matters binding upon corporate shareholders having control over the Company)

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

- I. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to conduct any business which is contrary to normal business practice or not profitable.
- II. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation in a resolution; at a shareholders' meeting, the representative shall exercise his/her voting right in good faith and for the best interests of all shareholders and shall exercise the fiduciary duty and duty of due care of a director.
- III. It shall comply with relevant laws, regulations, and the Articles of Incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders' meeting or board meeting.
- IV. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
- V. It shall not restrict or impede the management or production of the Company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
- VI. The representative that is designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications, and shall not be re-appointed at will.

Article 19: (A register of major shareholders and their ultimate controllers)

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of its outstanding shares relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares, so as to facilitate supervision by other shareholders.

The major shareholder indicated in Paragraph 1 refers to those who own 5 percent or more of the outstanding shares of the Company or those among the 10 largest shareholders, provided however that the Company may define a lower shareholding threshold as control according to the actual shareholding stake.

Chapter 3: Enhancing the Functions of the Board of Directors

Section 1: Structure of the Board of Directors

Article 20: (Competency which the Board of Directors as a whole shall possess)

The Company's Board of Directors shall be responsible to the Shareholders' Meeting. The various procedures and arrangements of the Company's corporate governance system shall ensure that the Board of Directors' performing of duties complies with laws, regulations, the Company's Articles of Incorporation, and the resolutions of the Company's shareholders' meetings.

The structure of the Company's Board of Directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture; in addition, female directors shall account for at least one third of all director seats.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to conduct management administration.
- IV. Ability to conduct crisis management.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

Article 21: (The Company shall establish a fair, just, and open procedure for the election of directors)

The Company shall establish a fair, just, and open procedure for the election of directors and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for director at the following shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed by the Articles of Incorporation, the Company shall convene an extraordinary shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by

each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22: (Stipulate the candidate nomination system for elections of directors in the Articles of Incorporation)

The Company shall specify in its Articles of Incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23: (The Company's Board of Directors shall draw clear distinctions of the authorities and responsibilities of the functional committees, Chairman of the Board, and President.)

Clear distinctions shall be drawn between the responsibilities and duties of the Chairman of the Board and those of the President.

It is inappropriate for the Chairman of the Board to also act as the President or an equivalent post.

The Company shall clearly define the responsibilities and duties of its functional committees.

Section 2: Independent Director System

Article 24: (The Company shall set up the post of independent directors in accordance with its Articles of Incorporation)

The Company shall appoint at least two independent directors, which shall constitute at least one fifth of all board seats, and shall not be in office for more than three terms, as required by its Articles of Incorporation.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interests in the Company.

The election of the Company's independent directors is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Company, and that shareholders shall elect independent directors from among the those listed in the slate of independent director candidates. The directors and independent directors of the Company shall be elected at the same time in accordance with Article 198 of the Company Act, with the number of director-elect and the number of independent director-elect counted separately.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

If the number of independent directors falls short of that stipulated in Paragraph 1 herein or the Articles of Incorporation due to dismissal of independent directors, a by-election shall be held at the nearest Shareholders' Meeting. If all independent directors are dismissed, the Company shall convene an extraordinary shareholders meeting within 60 days of the occurrence of that fact for a by-election for independent director(s).

If the Company has set up the positions of managing directors, at least one of them, and at least one fifth of them, shall be (an) independent director(s).

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25: (Matters that must be submitted to and approved by the Board of Directors)

The Company shall submit the following matters to the Board of Directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

- I. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- II. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- III. A matter bearing on the personal interest of a director.
- IV. A material asset or derivatives transaction.
- V. A material monetary loan, endorsement, or provision of guarantee.
- VI. The offering, issuance, or private placement of any equity-type securities.
- VII. The appointment or discharge of a financial, accounting, or internal auditing officer.
- VIII. Any other material matter so required by the competent authority.

Article 26: (The Company shall stipulate the scope of duties of the independent directors.)

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members shall not obstruct, reject, or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors in its Articles of Incorporation, or according to resolutions adopted by the Shareholders' Meeting. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the Company, and shall also take the overall operational risks of the Company into consideration. Reasonable remuneration different from that of other directors may be set forth for the independent directors.

When the Company, under its articles of incorporation, or by resolution of its shareholders' meeting, or by order of the competent authority, sets aside a certain proportion of earnings as special reserve, such allocation shall be made after the allocation of legal reserve and before the distribution of director compensation and employee bonuses, and the Company shall provide in the Articles of Incorporation the method to be adopted for distributing earnings when reversal of the special reserve is

added into the undistributed earnings.

Section 3: Audit Committee and Other Functional Committees

Article 27: (Set up functional committees)

For the purpose of developing supervisory functions and strengthening management mechanisms, the Company's Board of Directors, in consideration of the Company's scale and type of operations and the number of its independent directors, may set up functional committees for auditing, remuneration, nomination, risk management, or any other functions, and based on concepts of corporate social responsibility and sustainable operations, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the Articles of Incorporation.

Functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for approval. However, this restriction does not apply to the performance of supervisor's duties by the Audit Committee pursuant to Paragraph 4, Article 14-4 of the Securities and Exchange Act.

Functional committees shall adopt an organizational charter to be approved by the Board of Directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules, and resources to be provided by the Company for exercise of power by the committee.

Article 28: (The Company shall establish either an Audit Committee or a supervisor.)

The Company shall establish either an Audit Committee or a supervisor.

The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

If the Company has established an Audit Committee, the provisions regarding supervisors in the Securities and Exchange Act, the Company Act, other laws and regulations, and these Principles shall apply mutatis mutandis to the Audit Committee.

If the Company has established an Audit Committee, Article 25 herein does not apply to the following matters, which shall be subject to the consent of at least one half of all Audit Committee members and be submitted to the Board of Directors for a resolution:

- I. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- II. Assessment of the effectiveness of the internal control system.
- III. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- IV. A matter bearing on the personal interest of a director.
- V. A material asset or derivatives transaction.
- VI. A material monetary loan, endorsement, or provision of guarantee.
- VII. The offering, issuance, or private placement of any equity-type securities.
- VIII. The hiring, discharge, or compensation of an attesting CPA.
- IX. The appointment or discharge of a financial, accounting, or internal auditing officer.
- X. Annual and semi-annual financial reports.

XI. Any other material matter so required by the Company or the competent authority.

The exercise of power by the Audit Committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

Article 28-1: (The Company shall establish a remuneration committee.)

The Company shall set up a remuneration committee. The Company shall establish a remuneration committee. The remuneration committee shall be composed of at least three directors, in which there shall be at least an independent director, who shall act as the convener and the Chair of the committee.

The remuneration committee shall provide advice in relation to the remuneration policy for directors and managerial personnel of the Company to the Board of Directors.

The remuneration policy shall not produce an incentive for the directors and managerial personnel to pursue the remuneration exceeding the risks that the Company may tolerate.

Article 28-2: (The Company shall set up a nomination committee)

The Company shall establish a nomination committee and its organizational charter. It is advisable that a majority of the members of said committee be independent directors and an independent director be its Chair.

Article 28-3: (A whistleblowing system)

The Company shall establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the Company's internal control system for management purposes.

Article 29: (Enhance and improve the quality of financial reports)

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. The Company shall establish channels and mechanisms of communication between the independent directors, the supervisors, or the Audit Committee, and the attesting CPA, and shall incorporate procedures for that purpose into the its internal control system

for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.

Article 30: (Offer the Company adequate legal services)

The Company shall engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the Board of Directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the Company shall engage a legal counsel to provide assistance as circumstances require.

The Audit Committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the Company.

Section 4: Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31: (Convene a Board of Directors meeting)

The Company's Board of Directors shall meet at least once every quarter, or convene at any time in case of emergency. To convene a Board of Directors meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the Board of Directors.

The Company shall adopt rules of procedure for Board of Directors meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32: (Directors shall exercise a high degree of self-discipline)

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the Rules of Procedure for Board of Directors Meetings.

Article 33: (Independent directors and the Board of Directors)

When a board meeting is convened to consider any matter submitted to it pursuant to

Article 14-3 of the Securities and Exchange Act, The Company's independent directors shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board of Directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she shall provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the Board of Directors meeting.

In any of the following circumstances, decisions made by the Board of Directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

- I. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
- II. The matter was not approved by the Audit Committee (if the Company has set up an Audit Committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the Company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the Company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34: (Board of Directors meeting minutes)

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board meetings shall be signed by the Chair and minutes taker of the meeting and sent to each director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the Company.

The meeting minutes may be produced, distributed, and preserved in electronic form. The Company shall record on audio or video tape the entire proceedings of a board meeting and preserve the recordings for at least 5 years, in electronic form or otherwise. If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a Board of Directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a Board of Directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the Board of Directors violates laws, regulations, the Articles of Incorporation, or resolutions adopted in the shareholders' meeting, and thus causes an injury to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35: (Matters must be submitted to the Board of Directors meetings)

The Company shall submit the following matters to its Board of Directors for discussion:

- I. Corporate business plans.
- II. Annual and semi-annual financial reports. however, this does not apply to the semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a CPA.
- III. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- V. The offering, issuance, or private placement of any equity-type securities.
- VI. The performance assessment and the standard of remuneration of the managerial officers.
- VII. The structure and system of director's remuneration.
- VIII. The appointment or discharge of a financial, accounting, or internal auditing officer.
- IX. A donation to a related party or a major donation to a non-related party; Nonetheless, a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
- X. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulations, or bylaw to be approved by resolution at a shareholders' meeting or to be approved by resolution at a meeting of the Board of Directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the Board of Directors for discussion under the preceding paragraph, when the Board of Directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or the Company's Articles of Incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36: (The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to Board of Directors' resolutions.)

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to Board of Directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The Board of Directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5: Fiduciary Duty, Duty of Care, and Responsibility of Directors

Article 37: (Members of the Board of Directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)

Members of the Board of Directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders' meetings or in the Articles of Incorporation, they shall ensure that all matters are handled according to the resolutions of Board of Directors.

The Company shall formulate rules and procedures for Board of Directors performance assessments. Each year, in respect of the Board of Directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the Board of Directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the Company's needs:

- I. The degree of participation in the Company's operations.
- II. Improvement in the quality of decision making by the Board of Directors.
- III. The composition and structure of the Board of Directors.
- IV. The election of the directors and their continuing professional education.
- V. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

- I. Their grasp of the Company's goals and missions.
- II. Their recognition of director's duties.
- III. Their degree of participation in the Company's operations.
- IV. Their management of internal relationships and communication.
- V. Their professionalism and continuing professional education.
- VI. Internal controls.

The Company shall conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the Company's needs:

- I. The degree of participation in the Company's operations.
- II. Their recognition of the duties of the functional committee.
- III. Improvement in the quality of decision making by the functional committee.
- IV. The composition of the functional committee, and election and appointment of committee members.
- V. Internal controls.

The Company shall submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, their nomination, and additional office term.

Article 37-1: (Establishment of a succession plan for the management)

The Company shall establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the Board of Directors to ensure sustainable operations.

Article 37-2: (Establishment of an intellectual property regulatory system)

The Board of Directors shall evaluate and monitor the following aspects of the Company's direction of operations and performance in connection with intellectual properties, to ensure the Company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

- I. Formulate intellectual property regulatory policies, objectives, and systems that are associated with the operational strategies.
- II. Develop, implement, and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance, and utilization of intellectual properties.
- III. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.

- IV. Observe internally and externally the risks and opportunities that intellectual property regulation may present, and adopt corresponding measures.
- V. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory system meet the Company's expectations.

Article 38: (Shareholders or independent directors submit a request or give a notice to the Board of Directors that the Board of Directors shall suspend execution of its resolution.)
If a resolution of the Board of Directors violates law, regulations, or the Company's Articles of Incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.
Upon discovering a likelihood that the Company would suffer material injury, members of the Board of Directors shall immediately report to the Audit Committee or an independent director member of the Audit Committee in accordance with the foregoing paragraph.

Article 39: (Directors' liability insurance)
The Company may, pursuant to the Articles of Incorporation or a Shareholders' Meeting resolution, take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a director.

Article 40: (Board members' participation in training courses)
Members of the Board of Directors shall participate in training courses on finance, risk management, business, commerce, accounting, law, or corporate social responsibility which are offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that Company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4: Empowering Supervisors Section 1: Functions of Supervisors

Article 40-1: If the Company has set up an Audit Committee, Chapter 4 of these Principles applying to supervisors shall apply mutatis mutandis to the Audit Committee.

Article 41: (The Company shall establish a fair, just, and open procedure for the election of supervisors)
The Company shall establish a fair, just, and open procedure for the election of supervisors and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.
The Company shall take into consideration the needs of overall business operations and comply with the rules of the TWSE or TPEx in setting the minimum number of supervisors.
The aggregate shareholding percentage of all of the supervisors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each supervisor and the creation, release, or changes of any pledges over the shares held by each supervisor shall be subject to the relevant laws and regulations, and the relevant

information shall be fully disclosed.

Article 42: (Stipulate the candidate nomination system for elections of supervisors in the Articles of Incorporation)

The Company shall specify in its Articles of Incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of supervisors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 43: Unless otherwise approved by the competent authority, at least one supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director.

The Company shall refer to the provisions on independence provided in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and appoint a suitable supervisor to enhance the risk management and financial and operational control of the Company.

A supervisor will preferably be domiciled within the territory of the ROC to allow timely performance of supervisory functions.

Section 2: Powers and Obligations of Supervisors

Article 44: (A supervisor shall be familiar with the relevant laws and regulations, and shall understand the rights, obligations, and duties of directors of the Company.)

A supervisor shall be familiar with the relevant laws and regulations, and shall understand the rights, obligations, and duties of directors of the Company and the functions, duties, and operation of each department. A supervisor shall attend meetings of the Board of Directors to supervise their operation and to state his/her opinions when appropriate so as to grasp or discover any abnormal situation early on.

The Company shall stipulate the supervisor's remuneration in its Articles of Incorporation or by an approval in a shareholders' meeting.

Article 45: (A supervisor shall supervise the implementation of the operations of the Company, and the performance of duties by directors and managers)

A supervisor shall supervise the implementation of the operations of the Company, and the performance of duties by directors and managers, and attend to the enforcement of the internal control system so as to reduce the financial and operational risks of the Company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the Company, a supervisor shall act as the representative of the Company. In the event that the Company has set up an Audit Committee, an independent director member of the Audit Committee shall act as the representative of the Company in the above situation.

Article 46: (A supervisor may investigate the operational and financial conditions of the Company from time to time.)

A supervisor may investigate the operational and financial conditions of the Company from time to time, and the relevant departments in the Company shall provide the books or documents that will be needed for the supervisor's investigation.

When reviewing the finance or operations of the Company, a supervisor may retain attorneys or CPAs on behalf of the Company to perform the review; however, the Company shall inform the relevant persons of their confidentiality obligations.

The Board of Directors or managers shall submit reports in accordance with the request of the supervisors and shall not for any reason circumvent, obstruct, or refuse the inspection by the supervisor.

When a supervisor performs his/her duties, the Company shall provide necessary assistance as needed by the supervisor, and shall bear the reasonable expenses for such needs.

Article 47: (The Company shall establish a channel for supervisors to communicate with the employees, shareholders, and stakeholders.)

For supervisors to timely discover any possible irregular conduct in the Company, the Company shall establish a channel for supervisors to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, a supervisor shall take appropriate measures in a timely manner to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or the President, an officer of the finance, accounting, research and development, or internal audit department, or a CPA resigns or is removed from his/her position, the supervisors shall investigate the reasons.

In the event that a supervisor neglects his/her duties and therefore causes harm to the Company, the supervisor shall be liable to the Company.

Article 48: (Separate exercise of supervisory powers among supervisors)

When exercising his/her supervisory powers, each supervisor of the Company may, after taking into consideration the overall interests of the Company and shareholders, convene a meeting to exchange opinions among all the supervisors when he or she feels necessary, but in so doing may not obstruct supervisors in exercising their duties.

Article 49: (Supervisors' liability insurance)

The Company may, pursuant to the Articles of Incorporation or a Shareholders' Meeting resolution, take out supervisors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a supervisor.

Article 50: (Supervisors' participation in continuing education courses)

Supervisors shall participate in training courses on finance, risk management, business, commerce, accounting, law, or corporate social responsibility which are offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors and cover subjects relating to corporate governance upon becoming supervisors and throughout their terms of occupancy.

Chapter 5: Respecting Stakeholders' Rights and Interests

Article 51: (The Company shall maintain communication with stakeholders and safeguard their rights and interests)

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the Company, and respect and safeguard their legal rights and interests, and shall designate a stakeholders section on its website.

When the Company is involved in a management buyout, it shall monitor the subsequent soundness of the Company's financial structure.

When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.

Article 52: (The Company shall offer banks and other creditors sufficient information.)
The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the Company and its decision-making process. When any of their legal rights or interests is harmed, the Company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 53: (The Company shall establish channels of communication with employees.)
The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors, so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 54: (The Company's social responsibility)
In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the Company's social responsibility.

Chapter 6: Improving Information Transparency

Section 1: Enhancing Information Disclosure

Article 55: (Information disclosure and internet-based declaration system)
Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEX rules.
The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system, so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 56: (The Company shall appoint a spokesperson.)
In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the Company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.
The Company shall appoint one or more acting spokespersons who shall represent the Company in making statements independently when the spokesperson cannot perform his/her duties, provided that the order of authority is established to avoid any confusion. In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.
The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 57: (Set up a website for disclosure of corporate governance information)
In order to keep shareholders and stakeholders fully informed, the Company shall

utilize the convenience of the Internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance. The Company shall also furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed, and updated on a timely basis.

Article 58: (Means of convening an investor conference)

The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and shall keep an audio or video recording of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the online declaration system specified by TWSE or TPEX, and shall be provided for inquiry through the website established by the Company, or through other channels.

Section 2 Disclosure of Information on Corporate Governance

Article 59: (Disclosure of Information on Corporate Governance)

The Company shall set up a dedicated zone on its official website, through which zone the following corporate governance information shall be disclosed and continuously updated:

- I. Board of Directors: The roles and responsibilities of Board of Directors members and a summary of their resume; Board of Directors membership diversification policy and policy implementation.
- II. Function committees: The roles and responsibilities of members of the functional committees and a summary of their resume.
- III. Regulations relating to corporate governance: Articles of Incorporation; Regulations Governing Procedure for Board of Directors Meetings; organizational charter for functional committees.
- IV. Material information relating to corporate governance: Information on whether a chief corporate governance officer is in place.

Chapter 7 Supplementary Provisions

Article 60: (Monitor domestic and international developments)

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the Company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 61: The establishment and any amendment to these Rules shall be subject to an approval by the Company's Board of Directors, and shall then be reported to the Shareholders' Meeting. Matters not provided herein shall be handled in accordance with the Company Act, Securities and Exchange Act, the Company's Articles of Incorporation, and other applicable laws and regulations.

These Rules were established on June 20, 2013.

The 1st-time amendment was made on March 21, 2017, and enforced after being reported at the Shareholders' Meeting for 2017.

The 2nd-time amendment was made on March 13, 2020, and reported at the Shareholders' Meeting for 2020.

The 3rd-time amendment was made on March 10, 2022, and reported at the Shareholders' Meeting for 2022.

Appendix 5. Regulations for Election of Directors (Before revision)

Heran Co., Ltd.

Regulations for Election of Directors

- Article 1: In order to select directors fairly, justly and openly, these procedures are formulated in accordance with Articles 21 and 41 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2: Unless otherwise specified by laws, regulations, or the Company's Articles of Incorporation, these rules shall apply to the election of directors.
- Article 3: The election of directors of the Company shall take into account the overall arrangement of the Board of Directors. The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:
- I. Basic requirements and values: Gender, age, nationality, and culture.
 - II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties and the overall competencies shall be as follows:
- I. Ability to make operational judgments.
 - II. Ability to perform accounting and financial analysis.
 - III. Ability to conduct management administration.
 - IV. Ability to conduct crisis management.
 - V. Knowledge of the industry.
 - VI. An international market perspective.
 - VII. Ability to lead.
 - VIII. Ability to make policy decisions.
- A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.
- The Board of Directors of the Company shall consider adjusting the composition of the Board of Directors based on the results of performance evaluation.
- Article 4: The qualifications of independent directors of the Company shall conform to the provisions of Articles 2, 3 and 4 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- The selection and appointment of independent directors of the Company shall comply with the provisions of Articles 5, 6, 7, 8 and 9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be handled in accordance with Article 24 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 5: The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system as stipulated in Article 192-1 of the Company Act. For the purpose of examining the qualifications and educational background of candidates for directorship and the existence of any of the events listed in Article 30 of the Company Act, supporting documents of other qualifications shall not be arbitrarily added and the examination results shall be provided to the shareholders for reference in order to elect directors who are competent.

When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for director at the following shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed by the Articles of Incorporation, the Company shall convene an extraordinary shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

Where the number of independent directors is less than the provisions of the proviso to Paragraph 1 of Article 14-2 of the Securities and Exchange Act, the relevant provisions of the Taiwan Stock Exchange Listing Review Code, or the provisions of Subparagraph 8 of the "Specific Criteria for Determining Not Suitable for OTC Listing as per Paragraph 1 of Article 10 of the Rules Governing the Review of Securities Transactions by Over-the-Counter Markets" of the Taipei Exchange by-election, such independent directors shall be elected at the most recent shareholders' meeting; When each of the independent directors has resigned, an extraordinary shareholders meeting shall be convened within 60 days from the date of the occurrence of the fact to elect the independent director.

- Article 6: The Company's directors shall be elected through a cumulative voting system. Each share is entitled to a number of votes equal to the number of directors to be elected. The votes may be given to a single candidate, or separately to several candidates.
- Article 7: The Board of Directors shall prepare electoral votes equal to the number of directors to be elected, and fill in their weights, and distribute them to the shareholders attending the shareholders' meeting. The names of the electors may be replaced by the attendance card numbers printed on the electoral votes.
- Article 8: The voting rights of independent directors and non-independent directors of the Company shall be calculated separately according to the quota stipulated in the Articles of Incorporation, and those with more voting rights shall be elected in turn. If two or more directors have the same weight but exceed the specified quota, they shall be decided by drawing lots by those with the same weight, and the Chair shall draw lots for those who are not present.
- Article 9: Before the election, the Chair shall designate a number of scrutineers and tellers each holding the status of a shareholder to perform various duties. The ballot box shall be prepared by the Board of Directors and inspected in public by the scrutineers before voting.
- Article 10: If the electee is a shareholder, the elector shall fill in the electee's account name and shareholder's account number in the column of the electoral ticket; If it is not a shareholder, the name of the elected person and the number of the identity document shall be filled in. However, if the government or corporate shareholders is the electee, the name of the government or legal person, and the name of the government or legal person and the name of its representative shall be filled in the account name column of the electoral ticket; When there are several representatives, the names of the representatives shall be added respectively.
- Article 11: An election ticket is invalid in any of the following circumstances:
- I. Without the votes prepared by the Board of Directors.
 - II. Those who put blank ballot papers into the ballot box.
 - III. The handwriting is illegible or altered.
 - IV. If the person to be elected is a shareholder, the account name and shareholder

account number do not match the shareholders' register; If the person to be elected is not a shareholder, the name and identity document number filled in do not match upon verification.

V. In addition to the name of the person to be elected or the shareholder's account number (identification document number) and the number of votes allocated, other words are required.

VI. If the name of the electee is the same as that of the other shareholders and the shareholder's account number or identification document number is not entered for identification.

Article 12: After the voting is completed, the invoice shall be made on the spot, and the result of the invoice shall be announced by the Chairman on the spot, including the elected list of directors and their elected weight.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a litigation in accordance with Article 189 of the Company Act, such materials shall be kept until such litigation is settled.

Article 13: The elected directors shall be given a notice of election by the Board of Directors of the Company.

Article 14: These rules shall come into force after being passed by the shareholders' meeting, and the same shall apply to amendments.

Matters not provided in these rules shall be handled in the manner prescribed by applicable law.

These rules were established on June 18, 2010.

The 1st amendment was made on April 23, 2012.

The 2nd amendment was made on June 28, 2013.

The 3rd amendment was made on June 19, 2015.

The 4th amendment was made on June 13, 2017.

Appendix 6.Regulations Governing the Acquisition and Disposal of Assets (Before revision)

Heran Co., Ltd.

Regulations Governing the Acquisition and Disposal of Assets

Chapter 1 General Provisions

- Article 1: This Regulations is formulated in accordance with the relevant provisions of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
- Article 2: The acquisition or disposal of assets by the Company shall be handled in accordance with the provisions of this Regulations. However, if other laws and regulations provide otherwise, such provisions shall prevail.
- Article 3: (Scope of application of assets referred to in this procedure)
- I. Investments in stocks, public bonds, corporate bonds, financing bonds, securities based on recognition, depositary receipts, call (put) warrants, securities under acceptance and asset-backed securities.
 - II. Real estate (including land, houses and buildings, investment real estate, inventory of construction industry) and equipment.
 - III. The membership.
 - IV. Intangible assets such as exclusive right, copyright, trademark right and franchise.
 - V. Use right assets.
 - VI. Creditor’s rights of financial institutions (including accounts receivable, discount on foreign exchange purchase, loan and overdue receivables).
 - VII. Derivative goods.
 - VIII. Assets acquired or disposed of by merger, division, acquisition or share transfer according to law.
 - IX. Other important assets
- Article 4: (Definition of words used in this procedure)
- I. Derivative goods: forward contracts, option contracts, futures contracts, leveraged margin contracts, exchange contracts, combinations of the above contracts, or combined contracts or structured goods embedded in derivative goods whose values are derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term “forward contract” does not include insurance contract, performance contract, after-sales service contract, long-term lease contract and long-term import (export) contract.
 - II. Assets acquired or disposed of by merger, division, acquisition or share transfer in accordance with the law: refers to assets acquired or disposed of by merger, division or acquisition in accordance with BUSINESS MERGERS AND ACQUISITIONS ACT, Financial Holding Company Act, Financial Institutions Merger Act or other laws, or the issuance of new shares to transfer shares of other companies in accordance with Article 156-3 of the Company Act (hereinafter referred to as share transfer).
 - III. Related parties and subsidiaries: they shall be identified in accordance with the standards for the preparation of financial reports of securities issuers.
 - IV. Professional appraiser: a real estate appraiser or any other person who may engage in the appraisal of real estate and other fixed assets according to law.
 - V. Fact occurrence date: the date when the transaction is signed, the date of payment,

the date of entrusted transaction, the date of transfer, the date of resolution of the Board of Directors or other dates when the transaction object and the transaction amount are fully determined, whichever is the former. However, if an investor needs to be approved by the competent authority, the date of opening or the date of receiving the approval from the competent authority shall prevail.

- VI. Investment in mainland China: mainland investment in accordance with the regulations of the Investment Review Committee of the Ministry of Economic Affairs on the licensing of investment or technical cooperation in mainland China.
- VII. Investment professionals refer to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms engaged in proprietary or underwriting business, futures firms engaged in proprietary business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies established in accordance with the provisions of the law and regulated by the local competent financial authority.
- VIII. Stock exchange: domestic stock exchange refers to Taiwan Stock Exchange Corporation; A foreign stock exchange refers to any organized stock exchange market that is managed by the competent securities authority of that country.
- IX. Securities firm's place of business: the domestic securities firm's place of business, which is designated by a securities firm to conduct over-the-counter transactions in accordance with the Regulations Governing Securities Trading on Over-the-Counter Markets; The term "business premises of a foreign securities firm" refers to the business premises of financial institutions which are under the administration of the foreign securities competent authority and may engage in securities business.

Article 5: The professional appraisers and their appraisers, CPAs, lawyers or securities underwriters shall meet the following requirements for the appraisal reports or opinions obtained by the Company:

- I. Having not been convicted of a violation of this Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, and the Business Entity Accounting Act, or having committed fraud, breach of trust, embezzlement, forgery of documents, or any business-related criminal act, and having been sentenced to fixed-term imprisonment of not less than one year. However, this restriction shall not apply to those who have completed execution, expired probation or been pardoned for three years.
- II. The parties to the transaction shall not be related parties or have substantial relations.
- III. If the Company shall obtain the appraisal reports of two or more professional appraisers, the appraisers or appraisers from different professions shall not be related parties or have substantial relations with each other.
- IV. When issuing a valuation report or opinion, the personnel referred to in the preceding paragraph shall handle the following matters:
 - 1. Before accepting a case, one shall carefully assess one's professional ability, practical experience and independence.
 - 2. When checking a case, proper operation procedures shall be properly planned and implemented to form a conclusion and issue a report or opinion accordingly; And the execution procedures, collected data and conclusions will be published in the working papers of the case in detail.
 - 3. For the data sources, parameters and information used, the completeness, correctness and rationality shall be evaluated item by item as the basis for issuing the appraisal report or opinion.
 - 4. Declarations shall include the professionalism and independence of the

relevant personnel, the reasonableness and correctness of the information used, and compliance with relevant laws and regulations.

Chapter 2 Regulations Governing the Disposal

Section 1 Formulation of Regulations Governing the Disposal

Article 6: The Company has formulated the Regulations for acquiring or disposing of assets, which, after being approved by the Board of Directors, will be sent to supervisors and submitted to the shareholders' meeting for approval, and the same applies to amendments. If any director disagrees and has a record or written statement, the Company shall also send the information of the director's dissent to the supervisors. The Company has established independent directors. When presenting the Regulations for the acquisition or disposal of assets to the Board of Directors for discussion in accordance with the provisions of the preceding Paragraph, the opinions of each independent director shall be fully taken into account. Any objection or reservation made by the independent directors shall be stated in the minutes of the Board of Directors.

Where an Audit Committee has been established in accordance with the provisions of this Act, the formulation or amendment of Regulations for acquiring or disposing of assets shall be agreed by more than half of all members of the Audit Committee and submitted to the Board of Directors for resolution.

If the preceding paragraph is not approved by more than half of all members of the Audit Committee, it may be approved by more than two thirds of all directors, and the resolution of the Audit Committee shall be stated in the minutes of the Board of Directors.

All the members of the Audit Committee mentioned in the Paragraph 3 and all the directors mentioned in the preceding paragraph shall be counted by the actual incumbents.

Article 7: When a public company formulates the Regulations Governing the Acquisition and Disposal of Assets, it shall record the following items and handle them according to the prescribed procedures:

- I. Scope of assets.
- II. Evaluation procedure: it shall include the price determination method and reference basis, etc.
- III. Operating procedures: it shall include the authorized amount, level, execution unit and transaction flow, etc.
- IV. Announcement reporting procedure.
- V. The total amount of real estate and its right to use assets or securities acquired by the Company and its subsidiaries, and the limit of individual securities.
- VI. Control procedures for acquisition or disposal of assets by subsidiaries.
- VII. Penalties imposed by relevant personnel in violation of this Code or the Company's Regulations for acquiring or disposing of assets.
- VIII. Other important matters.

In addition to the provisions of the preceding paragraph, related party transactions, derivative commodity transactions, enterprise merger, division, acquisition or share transfer of this Company shall be handled in accordance with the provisions of sections 3 to 5 of this chapter.

If this Company does not intend to engage in derivative commodity trading, it may be exempted from formulating the Regulations for dealing in derivative commodity trading after it has been submitted to the Board of Directors for approval. Subsequent attempts to engage in derivative transactions shall be handled in accordance with the

provisions of the preceding article and the preceding paragraph.

The Company shall urge its subsidiaries to establish and implement procedures for the Regulations Governing the Acquisition and Disposal of Assets in accordance with these Standards.

Article 8: Where the acquisition or disposal of assets by the Company is subject to the approval of the Board of Directors according to the prescribed Regulations or other legal provisions, if any director objects and records or makes a written statement, the Company shall also send the information of the director's objection to the supervisors. Where independent directors have been established in accordance with the provisions of this Act, the opinions of independent directors shall be fully considered when the transaction of acquiring or disposing of assets is submitted to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph. If independent directors have objections or reservations, they shall be stated in the minutes of the Board of Directors.

Where an Audit Committee has been set up in accordance with the provisions of this Act, major transactions in assets or derivative goods shall be approved by more than half of all members of the Audit Committee and submitted to the Board of Directors for resolution, and the provisions in Paragraphs 4 and 5 of Article 6 shall apply *mutatis mutandis*.

Section 2 Acquisition and Disposal of Assets

Article 9: When the Company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, self-built or leased premises, or acquisition and disposal of equipment or its right-to-use assets for business use, if the transaction amount reaches 20% of the paid-in capital of the Company or more than NT\$ 300 million, it shall obtain an appraisal report issued by a professional appraiser before the fact occurs and meet the following requirements:

- I. If it is necessary to take the limited price, specific price or special price as the reference for the transaction price due to special reasons, the transaction shall first be approved by the resolution of the Board of Directors; The same applies to any subsequent change in trading conditions.
- II. Where the transaction amount reaches NT\$ 1 billion or more, two or more professional valuers shall be invited to appraise the value.
- III. A professional valuer whose valuation results are in any of the following circumstances, except for obtaining that the valuation results of the assets are both higher than the transaction amount or the valuation results of the assets disposed of are both lower than the transaction amount, shall request an account to comply with the provisions of bulletin No. 20 of auditing standards issued by the Accounting Research and Development Foundation (hereinafter referred to as the accounting research and development foundation) and to express specific opinions on the cause of the difference and the appropriateness of the transaction price:
 - (I) The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.
 - (II) The difference between the valuation results of two or more professional appraisers is more than 10% of the transaction amount.
- IV. The date when the professional appraiser issues the report and the date when the contract is established shall not exceed three months. However, if the present value of the same period is applicable and it has not exceeded six months, the original professional appraiser may issue a written opinion.

In addition to using the fixed price, specific price or special price as the reference for the transaction price, if the construction enterprise fails to obtain the appraisal report immediately for justified reasons, it shall obtain the appraisal report and the CPA's opinion in Subparagraph 3 of the preceding paragraph within two weeks from the date of the fact.

Article 10: When acquiring or disposing of securities, this Company shall, prior to the date of occurrence of the facts, take the most recent financial statements of the underlying company audited, certified or reviewed by a Certified Public Accountant as a reference for the evaluation of transaction prices. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or more than NT\$ 300 million, this Company shall, prior to the date of occurrence of the facts, request the Certified Public Accountant to express an opinion on the reasonableness of the transaction prices. If the Certified Public Accountant needs to adopt an expert report, this shall be conducted in accordance with the provisions of Bulletin No. 20 of the Accounting Standards issued by the Accounting Research and Development Foundation. However, this restriction shall not apply if the securities have a publicly quoted price in an active market or are otherwise stipulated by the Financial Supervisory Committee (hereinafter referred to as the SFC).

Article 11: Where the Company acquires or disposes of intangible assets or the transaction amount of its right-of-use assets or membership cards reaches 20% of the Company's paid-in capital or NT\$ 300 million or more, in addition to conducting transactions with domestic government authorities, the Company shall request a CPA to express an opinion on the reasonableness of the transaction price prior to the date of the occurrence of the facts, and the CPA shall conduct such transactions in accordance with the provisions of Bulletin No. 20 of the Accounting Research and Development Foundation.

Article 12: The calculation of the transaction amount shall be conducted in accordance with Paragraph 2 of Article 30, and the term "one year" shall be calculated retroactively based on the date of the transaction fact, and the part of the appraisal report or CPA's opinion issued by those who have obtained professional appraisal in accordance with these Standards shall not be included.

Article 13: If the Company acquires or disposes of assets through court auction procedures, it may substitute the appraisal report or CPA's opinion with the supporting documents issued by the court.

Section 3 Transaction between Related Parties

Article 14: When the Company and related parties acquire or dispose of assets, in addition to handling relevant resolution procedures and evaluating the reasonableness of trading conditions in accordance with the provisions of the preceding section and this section, if the transaction amount is more than 10% of the Company's total assets, they shall also obtain an appraisal report issued by a professional appraiser or a CPA's opinion in accordance with the provisions of the preceding section.

The calculation of the transaction amount mentioned in the preceding paragraph shall be handled in accordance with Article 12. When judging whether a transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship shall be considered.

Article 15: If the Company acquires or disposes of real estate or its right to use assets from related

parties, or acquires or disposes of assets other than real estate or its right to use assets with related parties, and the transaction amount reaches 20% of the paid-in capital of the Company, 10% of the total assets or more than NT\$ 300 million, in addition to buying and selling domestic government bonds, bonds with repurchase or repurchase conditions, and purchasing or repurchasing domestic money market funds issued by domestic securities investment trust enterprises, it shall submit the following information to the Board of Directors for approval and the supervisor's approval before signing a transaction contract and making payment:

- I. The purpose, necessity and expected benefits of acquiring or disposing of assets.
- II. Reasons for selecting the related party as the transaction object.
- III. Relevant information on acquiring real estate or assets with the right to use it from related parties and evaluating the rationality of the predetermined trading conditions in accordance with the provisions of Article 16 and Article 17.
- IV. The original acquisition date and price of the related party, the transaction object and its relationship with the Company and related parties.
- V. A forecast statement of cash receipts and payments for each month of the year that is expected to commence in the month of the contract, and an assessment of the necessity of the transaction and the reasonableness of the use of funds.
- VI. An appraisal report issued by a professional appraiser or a CPA's opinion obtained in accordance with the provisions of the preceding article.
- VII. Restrictions and other important agreements of this transaction.

The calculation of the transaction amount mentioned in the preceding paragraph shall be carried out in accordance with the provisions of Paragraph 2, Article 30, and the term "one year" shall be calculated retroactively based on the date of the transaction fact, and the part that has been submitted to the Board of Directors for approval and recognized by the supervisor in accordance with these Standards shall not be counted again.

If the Company engages in the following transactions with its parent company, subsidiaries or subsidiaries with 100% issued shares or total capital directly or indirectly, the Board of Directors may authorize the Chairman to make a decision within a certain amount in accordance with Subparagraph 3, Paragraph 1, Article 7, and then report it to the latest Board of Directors for ratification:

- I. Acquisition or disposal of equipment for business use or its right-of-use assets.
- II. Acquisition or disposal of real estate right-of-use assets for business use.

Where independent directors have been established in accordance with the provisions of this Act, the opinions of each independent director shall be fully taken into account when they are presented to the Board of Directors for discussion in accordance with the provisions of Paragraph 1 of this Act. Any objection or reservation made by the independent directors shall be stated in the minutes of the Board of Directors.

Where an Audit Committee has been established in accordance with the provisions of this Act, the matters that shall be acknowledged by the supervisor in accordance with the provisions of Paragraph 1 shall be approved by more than one-half of all the members of the Audit Committee and submitted to the Board of Directors for resolution, with the provisions of Paragraph 4 and Paragraph 5 of Article 6 applying *mutatis mutandis*.

Article 16: When the Company acquires real estate or assets with the right to use it from related parties, it shall evaluate the rationality of transaction costs in the following ways:

- I. Interest on necessary funds and costs legally attributable to the buyer are added to the transaction price of the related parties. The interest cost of necessary funds shall be calculated based on the weighted average interest rate of loans in the

year when the Company purchases assets, but it shall not be higher than the highest lending rate of non-financial industry announced by the Ministry of Finance.

- II. If the related party has mortgaged the subject matter to a financial institution, the financial institution shall assess the total value of the loan of the subject matter, provided that the accumulated value of the actual loan of the subject matter by the financial institution shall reach more than 70% of the total value of the loan assessment and the loan period has exceeded one year. However, if a financial institution and one party to a transaction are related parties, this shall not apply.

Where land and housing of the same subject matter are purchased or leased together, the transaction costs may be assessed for the land and housing separately in accordance with any of the methods listed in the preceding paragraph.

When the Company acquires the real estate or its right to use assets from related parties, it shall evaluate the cost of the real estate or its right to use assets in accordance with the provisions of the preceding two paragraphs, and shall consult a CPA for review and express specific opinions.

The Company's acquisition of real estate or its right to use assets from related parties shall be handled in accordance with the provisions of the preceding article in any of the following circumstances, and the provisions of the preceding three paragraphs shall not apply:

- I. Related parties obtain the real estate or its right-of-use assets through inheritance or gift.
- II. It has been more than five years since the related party contracted to acquire real estate or assets with its right to use this transaction.
- III. Sign a joint construction contract with the related party, or entrust the related party to build real estate from the local construction, leasing local construction, etc. to obtain real estate.
- IV. The Company and its parent company, subsidiaries, or its subsidiaries which directly or indirectly hold 100% of the issued shares or total capital, have obtained the assets of real estate use right for business use.

Article 17: If the evaluation results of this Company are lower than the transaction price in accordance with the provisions of Paragraphs 1 and 2 of the preceding article, it shall be handled in accordance with the provisions of Article 17. However, this restriction shall not apply if objective evidence and specific rationality opinions of real estate appraisers and CPAs are presented due to the following circumstances:

- I. Where a related party has acquired a plot of land or leased land for further construction, it may prove that it meets one of the following conditions:
 - (I) If the land is appraised according to the method specified in the preceding article, the house shall be added with reasonable construction profit according to the construction cost of the related party, and the total amount exceeds the actual transaction price. The so-called reasonable construction profit shall be based on the average operating gross profit margin of the related party's construction department in the last three years or the latest gross profit margin of the construction industry announced by the Ministry of Finance, whichever is lower.
 - (II) Other non-related party transactions on other floors or adjacent areas of the same subject property within one year, with similar areas, and the trading conditions are equivalent after the reasonable floor or regional price difference assessment according to the practice of real estate sale or lease.

(III) Other non-related party leasing cases on other floors of the same subject property within one year, and the transaction conditions are estimated to be equivalent according to the reasonable floor price difference due to the real estate leasing practice.

II. The Company provides evidence that the transaction conditions of the real estate purchased from related parties or the assets with the right to use the real estate obtained by leasing are similar to those of other non-related party transactions in neighboring areas within one year and the area is similar.

The case of near-ground transactions referred to in the preceding paragraph shall be based on the principle that the parties in the same or opposite street are not more than 500m away from the trading house or that the announced value is similar; if the area of the transaction is similar, then it shall be based on the fact that the value of the transaction of other unrelated parties is not less than 50% of the value of the transaction, and the period of one year shall be based on the date of the acquisition of unused property or the actual occurrence of its right of use.

Article 18: If the Company obtains real estate or assets with the right to use it from related parties, and the evaluation results are lower than the transaction price according to the provisions of the preceding two articles, it shall handle the following matters:

I. A special surplus reserve shall be set aside for the difference between the transaction price of real estate or the assets with the right to use it and the assessed cost in accordance with Paragraph 1 of Article 41 of this Act, and it shall not be distributed or converted into capital for allotment. If the investor who evaluates the Company's investment by the equity method is a public company, it shall also set aside a special surplus reserve in proportion to its shareholding in accordance with Paragraph 1 of Article 41 of this Act.

II. The supervisor shall act in accordance with Article 218 of the Company Act. Where an Audit Committee has been established in accordance with the provisions of this Act, the preceding paragraph of this paragraph shall apply mutatis mutandis to the independent directors of the Audit Committee.

III. The handling of the preceding two subparagraphs shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.

Where the Company has provided special surplus reserve in accordance with the provisions of the preceding paragraph, such special surplus reserve shall not be used until the assets purchased or leased at a high price have been recognized as having lost value, or the lease has been disposed of or terminated, or the lease has been properly compensated or restored to its original condition, or there is other evidence that it is not unreasonable, and the FSC has approved the use of such special surplus reserve.

If the Company obtains real estate or its right-of-use assets from related parties, and there is other evidence that the transaction is not in accordance with the business practices, the provisions of the preceding two paragraphs shall also apply.

Section 4 Engaging in Derivative Transactions

Article 19: When the Company engages in derivatives trading, it shall pay attention to the control of the following important risk management and audit matters, and incorporate them into the Regulations:

I. Trading principles and guidelines: it shall include the types of derivative goods trading, management or hedging strategies, division of powers and responsibilities, essentials of performance evaluation, the total amount of

contracts that can be engaged in derivative goods trading, and the maximum amount of total and individual contract losses, etc.

- II. Risk management measures.
- III. Internal audit system.
- IV. Regular evaluation method and abnormal situation handling.

Article 20: The Company shall adopt the following risk management measures when engaging in derivatives trading:

- I. The scope of risk management shall include credit, market price, liquidity, cash flow, operation and legal risk management.
- II. Traders engaged in derivative goods and operators such as confirmation and delivery shall not concurrently hold positions with each other.
- III. Risk measurement, supervision and control personnel shall belong to different departments from those mentioned in the preceding paragraph, and shall report to the Board of Directors or to the senior executives who are not responsible for trading or position decision-making.
- IV. The positions held by derivative commodity exchanges shall be evaluated at least once a week, but for hedging transactions required by business, they shall be evaluated at least twice a month, and the evaluation report shall be submitted to the senior executives authorized by the Board of Directors.
- V. Other risk management measures.

Article 21: The Company is engaged in derivative commodity trading, and the Board of Directors shall really supervise and manage it according to the following principles:

- I. Designated senior executives shall always pay attention to the supervision and control of derivative commodity trading risks.
- II. Regularly evaluate whether the performance of derivatives trading conforms to the established business strategy and whether the risks assumed are within the allowable range of the Company.

The senior executives authorized by the Board of Directors shall manage the trading of derivative products according to the following principles:

- I. Regularly evaluate whether the risk management measures currently used are appropriate and are handled in accordance with these standards and the Regulations for dealing in derivative commodities set by the Company.
- II. Supervise the trading, profit and loss, and take necessary measures when finding any abnormality, and immediately report to the Board of Directors. If independent directors have been appointed, the Board of Directors shall have independent directors to attend and express their opinions.

If the Company engages in derivative commodity trading and authorizes relevant personnel to handle it according to the Regulations for derivative commodity trading, it shall report to the nearest Board of Directors afterwards.

Article 22: When engaging in derivative transactions, this Company shall maintain a memorandum book in which the types and amounts of derivative transactions, the date of approval by the Board of Directors, and matters that shall be carefully assessed in accordance with Subparagraph 4 of Article 20, Subparagraph 2 of Paragraph 1 of the preceding Article, and Subparagraph 1 of Paragraph 2 are recorded for future reference. The Company's internal auditors shall regularly know the adequacy of internal control over derivative commodity trading, and audit the compliance of the trading department with the Regulations for derivative commodity trading on a monthly basis, and make an audit report. If major violations are found, they shall notify supervisors or independent directors in writing.

Where an independent director has been established in accordance with the provisions of this Act, the independent director shall be notified in writing together with the matters notified to the supervisors in accordance with the preceding paragraph.

Where an Audit Committee has been established in accordance with the provisions of this Act, the provisions of Paragraph 2 for supervisors shall apply mutatis mutandis to the Audit Committee.

Section 5 Merger, division, acquisition and share transfer of enterprises

Article 23: When the Company conducts merger, division, acquisition or share transfer, it shall, before convening a resolution of the Board of Directors, entrust a CPA, lawyer or securities underwriter to express their opinions on the ratio of share exchange, the purchase price or the rationality of distributing cash or other property to shareholders, and submit them to the Board of Directors for discussion and approval. However, the merger of the Company's subsidiaries which directly or indirectly hold 100% of the issued shares or total capital, or the merger between subsidiaries which directly or indirectly hold 100% of the issued shares or total capital, may be exempted from obtaining the reasonable opinions issued by the previous experts.

Article 24: To participate in a merger, division or acquisition, a public document shall be made to shareholders before the shareholders' meeting on the important agreed contents and related matters of the merger, division or acquisition, and it shall be delivered to shareholders together with the expert opinions in Paragraph 1 of the preceding article and the notice of the shareholders' meeting as a reference for approving the merger, division or acquisition. However, this restriction does not apply to those who are exempted from convening a shareholders' meeting to decide on merger, division or acquisition according to other laws.

If the shareholders' meeting of any company involved in merger, division or acquisition cannot be convened, the resolution or proposal is rejected by the shareholders' meeting due to insufficient attendance, voting rights or other legal restrictions, the Company involved in merger, division or acquisition shall immediately publicly explain the reasons, subsequent processing operations and the expected date of convening the shareholders' meeting.

Article 25: Unless otherwise stipulated by other laws or there are special factors that have been reported to the FSC for approval in advance, the Company participating in merger, division or acquisition shall convene a board meeting and a shareholders' meeting on the same day to decide on matters related to merger, division or acquisition.

Unless otherwise stipulated by other laws or subject to special factors, the Company participating in the share transfer shall convene a board meeting on the same day.

A company that participates in a merger, division, acquisition or share transfer, or whose shares are traded in the business premises of a securities firm, shall make a complete written record of the following information and keep it for five years for inspection:

- I. Basic information of personnel: including the professional titles, names and ID card numbers (passport numbers if foreigners) of all those who participated in the merger, division, acquisition or share transfer plan or its implementation before the news was made public.
- II. Date of important events: including the date of signing the letter of intent or memorandum, entrusting financial or legal adviser, signing the contract and the Board of Directors.

- III. Important documents and minutes: including plans for merger, division, acquisition or share transfer, letters of intent or memoranda, important contracts and minutes of board meetings.

A company that participates in merger, division, acquisition or transfer of shares, or whose shares are traded in the over-the-counter of a securities firm, shall, within two days from the date when the resolution of the Board of Directors is passed, report the information in Subparagraphs 1 and 2 of the preceding paragraph to the FSC through the Internet information system in the prescribed format for future reference.

Where there are companies involved in merger, division, acquisition or share transfer that are not listed or whose shares are traded in the over-the-counter of securities firms, the listed companies or companies whose shares are traded in the over-the-counter of securities firms shall sign agreements with them and handle them in accordance with the provisions of the preceding two paragraphs.

Article 26: All those who participate in or know about the Company's merger, division, acquisition or share transfer plan shall issue a written confidentiality commitment, and shall not disclose the contents of the plan before the information is made public, nor shall they buy or sell the shares and other securities with equity nature of all companies related to the merger, division, acquisition or share transfer case by themselves or in the name of others.

Article 27: The Company participates in merger, division, acquisition or share transfer, and the share exchange ratio or purchase price shall not be changed at will, except for the following circumstances, which shall be stipulated in the merger, division, acquisition or share transfer contract:

- I. Handle cash capital increase, issue convertible corporate bonds, free share allotment, issue corporate bonds with warrants, special shares with warrants, warrants and other securities with equity nature.
- II. Dispose of the Company's major assets and other acts that affect the Company's financial business.
- III. Major disasters, major technological changes and other events that affect the shareholders' rights and interests of the Company or the price of securities occur.
- IV. Adjustment of any company participating in merger, division, acquisition or share transfer to buy back treasury shares according to law.
- V. The number of entities or companies involved in merger, division, acquisition or share transfer changes.
- VI. Other conditions for the change have been stipulated in the contract and have been publicly disclosed.

Article 28: When the Company participates in merger, division, acquisition or share transfer, the contract shall specify the rights and obligations of the Company participating in the merger, division, acquisition or share transfer, and shall specify the following items:

- I. Handling of breach of contract.
- II. Principles for handling previously issued securities with equity nature or repurchased treasury shares of companies destroyed or split due to merger.
- III. After calculating the benchmark date of the share exchange ratio, the participating companies may buy back the number of treasury shares and the handling principles according to law.
- IV. Treatment for increase, decrease or change of participating entities or households.
- V. Estimated progress of project implementation and estimated completion schedule.

- VI. If the plan is not completed within the time limit, relevant Regulations such as the scheduled date of convening the shareholders' meeting shall be ordered according to law.

Article 29: If any company involved in merger, division, acquisition or share transfer intends to merge, divide, acquire or transfer shares with other companies after the information is made public, the participating companies may not need to convene a shareholders' meeting to make a new resolution, except that the number of participating companies is reduced and the Board of Directors has been authorized to change the authority. In the original merger, division, acquisition or share transfer case, the completed procedures or legal actions shall be re-acted by all participating companies.

Article 30: If any company participating in merger, division, acquisition or share transfer is not a public company, this Company shall sign an agreement with it and handle it in accordance with Articles 25, 26 and the preceding Article.

Chapter 3 Information disclosure

Article 31: If a public company obtains or disposes of assets under the following circumstances, it shall, according to its nature and in accordance with the prescribed format, publicly announce and report the relevant information on the designated website of this association within two days from the date of occurrence:

- I. Acquisition or disposal of real estate or its right-of-use assets from related parties, or acquisition or disposal of real estate or other assets other than its right-of-use assets with related parties in an amount of 20% of the Company's paid-in capital, 10% of its total assets or more than NT\$ 300 million. However, this restriction shall not apply to the trading of domestic government bonds, bonds subject to repurchase or sell back conditions, or money market funds issued by domestic securities investment trust enterprises.
- II. Conduct mergers, splits, acquisitions, or share transfers.
- III. The maximum amount of losses incurred from engaging in derivative product trading that exceeds the maximum limit for all or individual contract losses specified in the prescribed Regulations.
- IV. The type of asset acquired or disposed of is equipment for business use or its right-of-use assets, and the transaction object is not a related person, and the transaction amount reaches one of the following provisions:
 - (I) The paid-in capital is less than NT\$ 10 billion, and the transaction amount is more than NT\$ 500 million.
 - (II) The paid-in capital amounted to more than NT\$ 10 billion, and the transaction amount reached NT\$ 1 billion.
- V. A public company engaged in construction business obtains or disposes of real estate or assets of its right to use for construction, and its transaction partner is not a related party, and the transaction amount is more than NT\$ 500 million; Among them, the paid-in capital is more than NT\$ 10 billion, and the real estate that has been built and completed by itself is disposed of, and the transaction object is not a related party, and the transaction amount is not more than NT\$ 1 billion.
- VI. Acquiring real estate through self-owned construction, land leasing construction, joint construction and distribution of housing, joint construction and distribution, and joint construction and distribution of sales, and the transaction object is not a related party, the Company expects to invest a trading amount of NT\$ 500 million or more.

- VII. For asset transactions other than those referred to in the preceding six subparagraphs, disposal of creditor's rights by financial institutions, or investment in mainland, the transaction amount reaches 20% of the Company's paid-in capital or NT\$ 300 million or more. However, the following situations do not apply:
- (I) Buying and selling domestic government bonds.
 - (II) An investment professional who purchases and sells securities on a Stock Exchange or at the Business Division of a Securities Dealer at home and abroad, or subscribes to ordinary corporate bonds and ordinary financial bonds not involving equity (excluding subordinated bonds) offered and issued on the primary market in China, or subscribes for or repurchases securities investment trust funds or futures trust funds, or a Securities Dealer needs underwriting business serving as a mentor for emerging market companies to recommend Securities Dealer to subscribe for securities in accordance with the regulations of Taipei Exchange (TPEX).
 - (III) Trading of bonds subject to repurchase or sell back conditions, subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.

The transaction amount referred to in the preceding paragraph shall be calculated as follows:

- (I) The amount of each transaction.
- (II) The cumulative amount of transactions acquired or disposed of by the same counterparty within one year.
- (III) The cumulative amount of acquisition or disposal (accumulated separately) of the same development plan's real estate or its use rights assets within one year.
- (IV) The cumulative amount of acquisition or disposal (accumulated separately) of the same securities within one year.

The term 'within one year' referred to in the preceding paragraph is based on the date of transaction, and is retroactively calculated for one year. The portion that has been announced in accordance with the provisions of this standard exempt from re counting. The public company shall provide monthly information on the trading of derivative products by the Company and its non domestic public subsidiaries as of the end of the previous month, in accordance with the prescribed format, and input it into the information reporting website designated by the Commission before the first ten days of each month.

If there are errors or omissions in the items that the public company is required to announce according to regulations and shall make corrections during the announcement, all items shall be re-announced and declared within two days from the date of becoming aware.

When obtaining or disposing of assets, the public company shall keep relevant contracts, minutes of proceedings, reference books, valuation reports, opinions of CPAs, lawyers, or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.

Article 32: After a public company announces and reports a transaction in accordance with the provisions of the preceding article, it shall, within two days from the date of the fact, make a public announcement and report the relevant information on the website designated by the FSC:

- I. The relevant contracts signed in the original transaction are changed, terminated or dissolved.
- II. The merger, division, acquisition or share transfer is not completed according to

the scheduled schedule of the contract.

III. There are changes to the contents of the original announcement.

Chapter 4 Supplementary provisions

Article 33: If a subsidiary of the Company is not a domestic public company, and the acquisition or disposal of assets is required to be publicly reported in Chapter 3, it shall be done by the Company.

The subsidiary referred to in the preceding paragraph shall be subject to the provisions of Paragraph 1, Article 31, which requires the Company to achieve 20% of its paid-in capital or 10% of its total assets, subject to the paid-in capital or total assets of the Company.

Article 34: The requirement of 10% of the total assets in this Regulations is calculated based on the total assets in the latest individual or individual financial report as stipulated in the standards for the preparation of financial reports of securities issuers.

If the Company's shares have no par value or the par value of each share is not NT\$ 10, the transaction amount of 20% of the paid-in capital in these Regulations shall be calculated as 10% of the equity attributable to the owners of the parent company; The provisions of these Standards regarding the transaction amount with paid-in capital of NT\$ 10 billion shall be calculated based on the equity of NT\$ 20 billion attributable to the owners of the parent company. .

Article 35: These Regulations shall take effect after having been submitted to and approved by the Board of Directors, and then by the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Matters not covered in this Regulations shall be handled in accordance with relevant laws and regulations.

This revision shall be implemented as of January 1, 2019.

The Regulation was established on May 17, 2010.

The 1st amendment was made on June 18, 2011.

The 2nd amendment was made on April 23, 2012.

The 3rd amendment was made on June 28, 2013.

The 4th amendment was made on June 20, 2014.

The 5th amendment was made on June 13, 2017.

The 6th amendment was made on June 6, 2019.

Appendix 7: Shareholdings of the Company’s directors as a whole

Heran Co., Ltd.

Shareholdings by all Directors as a Whole

I. Issued shares in type and in number: 73,000,425 shares of common shares.

II. The mandatory minimum shareholdings by all directors as a whole: 5,840,034 shares of common shares.

III. The shareholdings by all directors as of the book closure date on April 4, 2023 for the 2023 Regular Shareholders’ Meeting:

Title	Name	Number of shares currently held	
		Shares	Shareholding (%)
Chairman of the Board	Tsai, Chin-Tu	9,828,194	13.46
Director	Tsai, Po-I	768,574	1.05
Director	HERAN TECH CO., LTD. Representative: Wang Kuo-Ching	6,529,446	8.95
Director	Xiezhi Investment Co., Ltd. Representative: Wu, Ching-Hu	661,815	0.91
Director	Lin, Chin-Hung	61,200	0.08
Director	Chan, Chien-Lung	0	0
Independent Director	Huang, Tien-Chang	0	0
Independent Director	Chen, Jung-Lung	0	0
Independent Director	Chi Te-chang	0	0
Shareholdings by all directors as a whole		17,849,229	24.45

Note1: The requirement that shareholdings by supervisors shall not be less than a certain percentage does not apply to the Company because the Company has set up an Audit Committee.