

2022 Annual Shareholders' Meeting Meeting Handbook

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Time: May 31, 2022

Venue: 1st Floor, No. 31, Gongye 2nd Rd., Annan Dist., Tainan City
(Southern Taiwan Innovation & Research Park, Ministry of
Economic Affairs)

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Procedure for 2022 Annual Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Announcements
- IV. Proposals
- V. Elections
- VI. Discussions
- VII. Extempore Motions
- VIII. Adjournment

Agenda for 2022 Annual Shareholders' Meeting

Time: May 31, 2022 (Tuesday), 2 P.M.

Venue: 1st Floor No. 31, Gongye 2nd Rd., Annan Dist., Tainan City (Southern Taiwan Innovation & Research Park, Ministry of Economic Affairs)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Announcements

- (I) Business Report for 2021.
- (II) Independent Director Chang-Po Wu issued review report on 2021 financial statements, and was unanimously approved by the Board of Directors.
- (III) Amendments to the Company's Sustainable Development Best Practice Principles.
- (IV) Distribution of Employee and Directors' Remuneration for 2021.
- (V) The Company's report on its issuance of secured corporate bond (green bond).

IV. Proposals

- (I) Adoption of Business Report and Financial Statements for 2021.
- (II) Adoption of Earnings Distribution Proposal for 2021.

V. Elections

General re-elections of Directors.

VI. Discussions

- (I) Amendments to the Company's Articles of Incorporation
- (II) Amendments to the Company's Regulations Governing the Acquisition and Disposal of Assets.
- (III) Amendments to the Company's Rules of Procedure for Shareholders' Meetings
- (IV) Lifting of Non-compete Clause Against Members of the 9th Board of Directors
- (V) It is recommended that the Company increase the ratio of cash dividend in 2021 earnings distribution to NT\$2 per share. (Shareholder's proposal)

VII. Extempore Motions

VIII. Adjournment

Announcements

(I) Business Report for 2021.

Description: Kindly refer to Attachment 1 (Page 13-18) for the Business Report for 2021.

(II) Independent Director Chang-Po Wu issued review report on 2021 financial statements, and was unanimously approved by the Board of Directors. Please review accordingly.

Description: Kindly refer to Attachment 2 (Pages 19-20) for the Independent Director's Review Report.

(III) Distribution of Employee and Directors' Remuneration for 2021.

Description:

1. According to Article 20 of the Company's Articles of Incorporation, the Company shall set aside no less than two percent of its profit as employee remuneration and no greater than five percent of its profit as directors' remuneration if the Company records a profit in a particular year. However, the Company shall reserve a portion of its profit to make up for losses if the Company still records accumulated loss.
2. The ratio of employee remuneration to be appropriated in 2021 is three percent of its profit before tax, and the amount to be appropriated is NT\$49,105,638. In addition, the ratio of directors' remuneration is 2.1% of its profit before tax, and the amount to be appropriated is NT\$34,373,947.
3. The aforesaid employee and directors' remuneration shall be distributed in the form of cash.

(IV) Amendments to the Company's Sustainable Development Best Practice Principles.

Description:

1. The Company proposes to amend the relevant articles of the Sustainable Development Best Practice Principles (existing name: Corporate Social Responsibility Best Practice Principles) in accordance with amendments to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies stipulated in Letter Cheng-Kuei-Chien-Tzu No. 11000715832 dated December 13, 2021 issued by Taipei Exchange.
2. Kindly refer to Attachment 4 (Pages 46-53) for the comparison table of the Sustainable Development Best Practice Principles before and after the amendment.

(V) The Company's report on its issuance of secured corporate bond (green bond), please resolve.

Description:

1. Use of the funds raised by the offering and utilization plan: Purchase renewable energy and environmental related equipment and replenish working capital required for sustainable development.
2. Ordinary corporate bonds - The total denomination of the issue shall not exceed NT\$1 billion. The main conditions of the issue are as follows.

- (1) Bond name: Issue of secured corporate bond and/or green bond of Solar Applied Materials Technology Corp.
 - (2) Total amount issued: Aggregate amount not exceeding NTD 1,000,000,000.
 - (3) Par value: NT\$1,000,000, issued at full face value.
 - (4) Issuance period: Three years.
 - (5) Coupon rate: Authorized to be determined by the Chairman.
 - (6) Interest payment method: Interest shall be payable annually at the par value of the outstanding balance at the rate of simple interest.
 - (7) Principal repayment: The Bonds shall be repaid in one lump sum upon maturity of three years from the date of issue.
 - (8) Guarantee Bank: Authorized to be determined by the Chairman.
 - (9) Trustee Organization: Authorized to be determined by the Chairman.
 - (10) Underwriting: Securities dealers are appointed to underwrite securities on a public basis by way of negotiated sales.
 - (11) Underwriter or agent: Taiwan Cooperative Securities Co., Ltd.
3. If there is any change in the above conditions of issuance, the chairman is authorized to decide on the issuance and the selection of related institutions in accordance with market conditions. In accordance with Article 8 of the Securities and Exchange Act, the bonds may not be printed in physical form. The bonds may be traded over-the-counter on the Taipei Exchange (TPEX) after the effective date of reporting to the competent authorities.
 4. In order to comply with the Company's issuance of guaranteed ordinary corporate bonds, the Chairman of the Board is authorized to sign all contracts and documents required for the issuance of the aforesaid corporate bonds on behalf of the Company and to handle all matters related to the issuance on behalf of the Company.
 5. In relation to the issue of securities, it is intended that the Chairman be authorized to deal with any outstanding matters at his discretion.

Proposals

Item 1: Adoption of Business Report and Financial Statements for 2021. (Proposed by the Board of Directors)

Description:

1. The Company's business report, parent company only financial statements and consolidated financial statements for the year ended December 31, 2021 have been reviewed by the Independent Directors and approved by the Board of Directors. The aforementioned financial statements have also been audited and attested by CPAs Tzu-Yu Lin and Yung-Chih Lin from PwC Taiwan.
2. Kindly refer to Attachments 1 and 3 (Pages 13-18 and Pages 21-45) for the aforesaid business report and financial statements.

Resolution:

Item 2: Adoption of Earnings Distribution Proposal for 2021. (Proposed by the Board of Directors)

Description:

1. According to the Company Act and Articles of Incorporation of the Company, the Company's Earnings Distribution for Year 2021 is specified below:

Solar Applied Materials Technology Corporation
Earnings Distribution Table of Year 2021

Unit: NT dollars

Item	Amount
Unappropriated retained earnings at beginning of year	\$ 748,003,718
Add: Other comprehensive income – Re-measurements of the defined benefit liabilities	1,750,100
Unappropriated retained earnings after adjustment	749,753,818
Profit after tax	1,256,037,202
10% Legal reserve	(125,778,730)
Appropriation of special capital reserve	(9,034,091)
Distributable earnings	1,870,978,199
Items for distribution:	
Shareholders' dividends-Cash (593,631,243 shares*NT\$ 1.5 per share)	890,446,865
Unappropriated retained earnings at end of year	\$ 980,531,334

2. Early in the year of 2021, after the unappropriated retained earnings plus adjustments, plus profit after tax for the current period, minus 10% legal reserve and appropriation of special capital reserve, there is still distributable earnings for year 2021. This year, it is planned that cash dividends equal to NT\$ 1.5 per share be issued. Based on the number of 591,931,243 common shares issued plus the paid-in 1,700,000 new shares of employee stock options with restricted employee rights which are not yet released, the total cash dividends paid amounted to NT\$890,446,865.

3. Subsequently, due to issuance of new restricted shares for employees, changes occurred to the number of the Company's outstanding shares and affected the rate of dividend issuance to shareholders. The Company plans to delegate the Chairman to adjust the dividend payment ratio accordingly.
4. The Chairman is authorized to set the ex-dividend date and payable date for cash dividends and other related matters after the proposal is approved at the annual shareholders' meeting.

Resolution:

Elections:

Item: Please discuss the general re-elections of Directors. (Proposed by the Board of Directors)

Description:

1. The term of the current Board of Directors will end on June 27, 2022, and the Company plans to hold general re-elections of the directors in line with the 2022 Annual Shareholders' Meeting.
2. The candidate nomination system shall be adopted in the election of directors at the Company in line with Article 13 and Article 13-1 of its Articles of Incorporation. Shareholders shall elect the directors from a roster of director candidates.
3. Nine directors (including 3 independent directors) shall be elected with a term of 3 years each, which will begin on May 31, 2022 and terminate on May 30, 2025. The term of the existing Board of Directors will terminate at the 2022 Annual Shareholders' Meeting.
4. The qualifications of the candidates for the directors (including independent directors) in the election have been reviewed by the 8th Board of Directors in the 20th Board meeting convened on April 20, 2022. The list of candidates is as follows:

Candidate Type	Name	Education	Experience	Number of Shares Held	Name of government or institution represented
Director	Chien-Yung Ma	Ph.D. In Metallurgy, University of Stuttgart	Head, Materials and Electro-Optics Research Division, CSIST.; President of TMT (WALSIN); President, Solar Applied Materials Technology Corp.	820,477	None
Director	Chii-Feng Huang	Master, Department of Industrial Engineering, University of Pittsburgh	Vice President, Continental Teves Taiwan; Senior Director, Precious Metal & Green Management BU, Solar Applied Materials Technology Corp.	6,125,462	None
Director	Pen-Chan Hung, Representative of Sheng Yuan Investment Co., Ltd.	Ph.D. In Electrical Engineering, Pennsylvania State University	Research (Bellcore) Principal Engineer; Director, Advanced Screen Telephony; President of the Inventec Multimedia & Telecom Corporation Business Group from Inventec	10,405,064	Sheng Yuan Investment Co., Ltd.

			Corporation; Vice President of Quanta Computer Inc.		
Director	Yung-Chang Chao	The Affiliated Senior High School of National Taiwan Normal University	Founder, Jentech Precision Industrial Co., Ltd.	0	None
Director	Yu-Cheng Cheng, Representative of Xxentria Chi Co., Ltd.	Bachelor, Chemical Engineering, National Cheng Kung University	R&D Engineer, Xxentria Technology Materials Co., Ltd.; Engineer, Great Dan Trailer; Analyst, Quantum International Corp.	23,692,000	Xxentria Chi Co., Ltd.
Director	Yun-Fang Li, Representative of Xxentria Chi Co., Ltd.	MBA, National Cheng Kung University	Director, KPMG Taiwan; Chief Finance Officer, Xxentria Technology Materials Co., Ltd.	23,692,000	Xxentria Chi Co., Ltd.
Independent Director	Tse-Hsiang Ting	Department of Finance and Taxation, National Chung Hsing University	Certified Public Accountant of NAN TAI UNION & CO. CERTIFIED PUBLIC ACCOUNTANTS, Supervisor of YA HORNG ELECTRONIC CO., LTD.	0	None
Independent Director	Feng-Chi Kao	Department of Law, National Taiwan University	Prosecutor at the Tainan District Prosecutors Office, Chief Prosecutor at Kaohsiung District Prosecutors Office	0	None
Independent Director	Chun-Hung Tung	Advanced Management Master's Program, National Cheng Kung University	Has Passed the Advanced Examination for Financial Officers by Examination Yuan, Manager of Chang Hwa Commercial Bank, Ltd.	0	None

4. The current re-election will be held in line with the Company's "Procedures for Election of Directors", please refer to Appendix 5 (Page 137-140) for details.

Election results:

Discussions

Item 1: Amendments to the Company's Articles of Incorporation. (Proposed by the Board of Directors)

Description:

1. The Company proposes to amend certain Articles in its Articles of Incorporation in line with regulations from Article 172-2 of the Company Act, in accordance with amendments to certain Articles of the Regulations Governing the Administration o Shareholder Services of Public Companies stipulated in Letter Jin-Kuan-Cheng-Jiao No. 1110380914 dated March 4, 2022 issued by the Financial Supervisory Commission (FSC), and in line with the Company's developmental needs.
2. Kindly refer to Attachment 5 (Page 54-57) for the comparison table for the Articles of Incorporation before and after amendment.

Resolution:

Item 2: Amendments to the Company's Regulations Governing the Acquisition and Disposal of Assets. (Proposed by the Board of Directors)

Description:

1. The Company proposes to amend certain Articles in its Regulations Governing the Acquisition and Disposal of Assets in accordance with amendments to Regulations Governing the Acquisition and Disposal of Assets by Public Companies stipulated in Letter Jin-Kuan-Cheng-Fa No. 1110380465 dated January 28, 2022 issued by the Financial Supervisory Commission (FSC).
2. Kindly refer to Attachment 6 (Page 58-66) for the comparison table for the Regulations Governing the Acquisition and Disposal of Assets before and after amendment.

Resolution:

Item 3: Amendments to the Company's Rules of Procedure for Shareholders' Meetings. (Proposed by the Board of Directors)

Description:

1. The Company proposes to amend the relevant articles of the Rules of Procedure for Shareholders' Meetings in accordance with amendments to the Sample Template for XXX Co., Ltd. Procedures for Election of Directors for TWSE/TPEX Listed Companies stipulated in Letter Cheng-Kuei-Chien-Tzu No. 11100543772 dated March 11, 2022, issued by Taipei Exchange.
2. Kindly refer to Attachment 7 (Page 67-88) for the comparison table for the Rules of Procedure for Shareholders' Meetings before and after amendment.

Resolution:

Item 4: Lifting of Non-compete Clause Against Members of the 9th Board of Directors (Proposed by the Board of Directors)

Description:

1. According to Article 209, Paragraph 1 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. The Company proposes that the Shareholders' Meeting approve lifting the non-compete clause against directors elected in the 2022 Annual Shareholders' Meeting and their representatives, provided that Company's interests are not undermined by any conduct pursuant to Article 209 of the Company Act due to the directors' concurrent positions elsewhere. Kindly refer to Attachment 8 (Page 89) for the list of directors involved and the content of this proposal.

Resolution:

Item 5: share is submitted for consideration. (Shareholder Proposal)

Description:

The Company has seen steady growth in revenue and profitability over the past two years, with a positive outlook for the industry and an abundance of cash in its books. In order to reward shareholders for their support and to safeguard their interests, the Company is requested to increase the cash dividend to \$2 per share.

Extempore Motions

Adjournment



Business Report for 2021

Dear shareholders,

We would like to express our most sincere gratitude to our shareholders for your support and trust in Solar Applied Materials Technology Corporation (SOLAR)!

2021 has been a year of wealth and fruitful performance for SOLAR. Normal operations have resumed since we completed the signing of a five-year NT\$10.8 billion syndicated loan in June 2020, and we have visibly increased the number of orders from important clients at home and abroad after removing the the bad credit after ending debt negotiations. Moreover, we also started to evaluate investments in new niche businesses and strengthened our green and circular economy business strategies. SOLAR also published our “Our Faith and Responsibilities” book in 2021 to document our collective efforts in the 1,500 days while weathering through the storm and returning to our former glory. This book illustrates SOLAR's new corporate culture of “integrity, honesty, and co-prosperity”, which is also the cornerstone toward our future excellence and sustainable developments. We also wish to present this book to all shareholders who believed in us throughout this journey.

Starting in 2020, the COVID-19 pandemic has continued to affect the world economy to this day. Our proper responses exempted SOLAR from the effects of the pandemic; moreover, our engagement in a wide variety of industries meant that we were not affected by any single industry. In addition, our core industries, including data storage, semiconductors, and displays, benefited from the stay-at-home economy, thus demonstrating a steady performance on the whole. Looking back on 2021, SOLAR completed the construction of hardware and facilities for a large-scale plastic forming center designed for semiconductors, and going forward, we will be more focused on developing high-end sputtering targets as well as industries related to green economy in order to develop and enhance our global competitiveness. At the same time, we also voluntarily published our second Corporate Social Responsibility (CSR) Report as we look not only to build growth momentum in our core businesses, but also continuously develop green manufacturing and practice circular economy, thereby fulfilling our responsibilities as a corporate citizen, and pursuing the common good through sustainability.

Upon revisiting the past and looking forward to the future, SOLAR will be mindful of its historical experience and internalize it to drive operational momentum and effectiveness, so as to maximize customers' and shareholders' value, thereby leading SOLAR toward excellence and sustainable development. Moving into 2022, we remain confident of continuously strengthening our growth momentum despite numerous market uncertainties arising from the COVID-19 pandemic, so as to give back to our shareholders and thank them for their long-term support!

I. Business Performance in the First Half of 2021

(I) Achievements in the Implementation of Business Plan

The Company recorded a net operating revenue of NT\$31.354 billion in 2021, an 17.59% increase from 2020, as well as a consolidated net profit after tax of NT\$1.309 billion and an earnings per share after tax of NT\$2.15 in 2021.

(II) Status of Budget Implementation

The Company did not publicly disclose any financial forecast for 2021.

(III) Income and Expenses and Profitability Analysis

1. Income and Expenditure

Unit: NT\$ thousands; %

Item	2021	2020	Change	%
Interest income	9,502	6,855	2,647	38.61
Interest expense	240,880	255,403	(14,523)	(5.69)

2. Profitability Analysis

Unit: NT\$ thousands; %

Item	2021	2020
Return on assets (%)	6.43	5.12
Return on shareholders' equity (%)	12.50	10.71
Ratio of income before tax to paid-in capital (%)	26.64	22.97
Net profit margin (%)	4.17	3.31
Earnings per share after tax (NT\$)	2.15	1.69

(IV) Research and Development

1. Expenditures and Achievements in Research and Development (R&D) at the Company for the Past Two Years

Unit: NT\$ thousands; %

Item \ Year	2021	2020
R&D expenditure	401,314	383,500
Net operating revenue	31,354,837	26,665,367
Ratio (%)	1.28	1.44

2. Achievements in Technology R&D:

SOLAR focuses our development efforts on three major industries, namely data storage, display, and semiconductor. While developing sputtering and evaporation materials for thin films, wiring materials, and chemical substances and other products required in these three industries, we not only serve as a stable supplier for customers, but also actively develop new materials in collaboration with market leaders, so as to expand into new application markets. Our key achievements are featured as follows:

(1) Data Storage Industry:

- Mature perpendicular magnetic recording (PMR) materials: By deploying advanced processing equipment and technologies, we have enhanced the anti-ultrafine particle contamination effect of sputtering targets for hard disk drives and facilitated customers to enhance their mass production efficiency and to continued to increase market share.
- Next generation materials for heat assisted magnetic recording (HAMR): Successfully developed ultra-fine structural technology and the new key sputtering target product has obtained certification, allowing us to develop our technical and product development blueprints along with our customers.
- Applied existing core technology in magnetic material toward magnetoresistive random-access memory (MRAM), a type of non-volatile RAM, and memory sensing components, thereby achieving significant benefits toward new market expansions.

(2) Display Industry:

- For specialty ITO sputtering target products: Developed target optimization and automated process technologies to reduce industrial hazard and increase product yield and quality, thereby enhancing customers' coating quality.
- For IGZO targets used by next-generation high-resolution panels: New product has passed verifications by major equipment manufacturers and we are actively promoting it among major panel producers.
- By using our experiences in the display industry, we have expanded into optical film developments to apply relevant technologies toward bendable and foldable OLED and automotive displays.

(3) Semiconductor Industry:

- Developed ultra-high-purity sputtering target and super-fine large-size (18") semiconductor targets.
- Developed niche semiconductor equipment components, silver alloy packaging wires, and test probe wires using precious/rare metals to provide customers in the semiconductor sector with a complete set of services, thus forming a full circular economy structure for the semiconductor industry.

(4) Precious/Rare Metal Recovery and Refining Technologies:

While focusing on circular economy involving eight major types of precious/rare metals, including gold, silver, platinum, palladium, ruthenium, indium, gallium, and tantalum, we have also continued to develop copper recovery and refining technologies and applications, thereby expanding our position as a leader in the precious/rare metal recovery and refining; we also

continued our development efforts in the following areas:

- High-melting point metal recovery and refining technologies.
- Efficiency enhancement in low-grade scrap metal and sludge recovery and refining technologies involving eight major types of precious/rare metals.
- Full circular economy business model from electronic waste.

3. Future Research and Development Plans:

To implement our core values including "environmental protection," "value creation," and "sustainable development," SOLAR continues to develop green precious/rare metal recovery and refining technologies, expand the types of elements and waste recovered, and enhance purity in the refining process under a full circular economy model involving precious/rare metals. In addition, we practiced green, full circular economy business model to make our product lineup more comprehensive and more competitive.

In the future, SOLAR will not only continue to focus our R&D efforts on applications in three major industries, namely data storage, display, and semiconductor, through the development of new data storage materials, new optical materials, and high-end semiconductor materials, but also initiate new business development plans by expanding into advanced semiconductor, unmanned electric vehicle materials, carbon neutrality catalysts, and new energy fields.

II. Overview of Business Plan for 2022

(I) Business Directions

1. 2022 Business objectives include the following:

- (1) Green full circular economy: Engage in a scrap-to-advanced material full circular economy business model by developing green processes, green technologies, green materials, and being committed to green full circular economy.
- (2) Continue to reach new heights in operational scale: Plan to develop niche products, expand existing operational scale, invest in green business opportunities with high growth potential, and accelerate the rapid growth of the Group.

(II) Expected Sales Volume and Its Basis

As the main manufacturer in the global precious/rare metal industry which engages in materials processing in the circular economy, SOLAR continues to be cautiously optimistic about our expected sales volume due to numerous uncertainties in global economic recovery as the impact of the COVID-19 pandemic and the US-China trade war continues to linger on in 2022.

(III) Important Production and Sales Policies

1. Focus on our core businesses: Create a functional material platform for precious/rare metals.

2. Lean operations: Go lean on material turnover and use of resources.
3. Value creation: Expand into new applications of existing technologies and develop new markets.
4. Corporate governance: Carry out internal audit, internal control and talent cultivation.

III. Future Development Strategies

SOLAR's vision is to build a technology-, service-, and solution-oriented company in combination with materials technology and circular economy based on the foundation of "justice, common good, and sustainability." On the other hand, SOLAR's mission is to build a fully circular material application platform and become a leading manufacturer in the world, thereby creating value for customers, achieving employee realization, generating profits for shareholders, and engaging in sustainable development. Looking forward, SOLAR will successively complete new technologies and new product developments in the high-capacity hard disk drive, high-resolution panel, and advanced semiconductor industries, as well as realize a green full circular economy and inside chamber total solution business model in combination with pyrometallurgical and hydrometallurgical recovery and refining technologies and scale involving precious/rare metals. Over the next five years, SOLAR will actively invest in niche products and technologies, recruit talents, engage in external investments, and accelerate the Group's organic growth, and our operational goal is to become a leading precious/rare metal brand in the Greater China region through the implementation of the following strategies:

1. Gather talents - Implement succession planning to develop high-quality human resources.
2. Deepen technologies - Enhance core competitiveness and key technology development.
3. Build a sound system - Build a sound corporate group-based business management system and corporate governance structure.
4. Build our brand - Maintain position in material applications and the green full circular economy.
5. Strengthen product lines - Focus on high-value products and make significant breakthroughs.
6. High growth - external investments, M&As, and accelerate the Group's growth.

IV. Effects of Competitive, Legal, and Macroeconomic Environments

(I) SOLAR's Overall Competitive Advantage:

1. SOLAR is the only company in Taiwan that has successfully obtained international certifications from the London Bullion Market Association (LBMA) and the London Platinum and Palladium Market (LPPM) in the UK, with a record of continuous physical delivery.
2. SOLAR is equipped with a Taiwan Accreditation Foundation (TAF)-accredited testing laboratory, which is also accredited by the London Stock Exchange and the American Society for Testing and Materials (ASTM).
3. SOLAR owns the largest gold, silver, and platinum refining capacities in Taiwan and is also capable of refining precious metal waste and ingots.

4. SOLAR has successfully achieved the UL2809 Recycled Content Validation through manufacturing from 100% recycled materials, thus the implementation of circular economy with green products.
 5. SOLAR is the main global manufacturer of precious/rare metals in the circular economy which offers products and services to a wide range of industries, including data storage, optical disks, semiconductors, flat panel displays, LEDs, solar power, quartz oscillators, printed circuit boards, and conductor brackets.
- (II) Changes in important policies and laws at home and abroad in the most recent year have no material impact on our financial operations. In the future, we will obtain the relevant information at any time and develop the necessary response measures in real time to meet our operational needs.
- (III) In dealing with the overall operating environment, after continuing to grow the demand for our existing products and successfully launching and promoting new technologies and products that we developed, we will continue to promote high value-added products, implement strategic expansion, and refine improvement actions in 2022.
- Last but not least, the management team at SOLAR would like to reassure all our shareholders that we will work together as one and focus on our core businesses and value innovation based on the principles of integrity, honesty, and corporate governance, in order to maximize shareholders' interests.

We wish all our shareholders
good health and good fortune.

Solar Applied Materials Technology Corporation
Chairman Chien-Yung Ma

Independent Director's Review Report

The Board of Directors has prepared the Company's business report and financial statements for 2021, of which the financial statements have been audited by CPAs Tzu-Yu Lin and Yung-Chih Lin from PwC Taiwan. A review report has also been issued by the CPAs. The aforementioned business report and financial statements have been reviewed by the Independent Director, and no irregularities have been found therein. Therefore, this report is hereby submitted in accordance with Article 8 of the Securities and Exchange Act and Article 219 of the Company Act.

To

Solar Applied Materials Technology Corp. 2022 Annual Shareholders' Meeting

Solar Applied Materials Technology Corporation

Independent Director

Chang-Po Wu

March 16, 2022

Independent Director's Review Report

The Board of Directors has prepared the Company's earnings distribution proposal for 2021. The proposal has been reviewed by the Independent Director, and no irregularities have been found therein. Therefore, this report is hereby submitted in accordance with Article 8 of the Securities and Exchange Act and Article 219 of the Company Act.

To

Solar Applied Materials Technology Corp. 2022 Annual Shareholders' Meeting

Solar Applied Materials Technology Corporation

Independent Director Chang-Po Wu

March 16, 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Solar Applied Material Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Solar Applied Material Technology Corp. and subsidiaries (the "Group") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(10) for accounting policy on inventory valuation, Note 5 for accounting judgements, estimates and key sources of assumption uncertainty in relation to inventory valuation, and Note 6(6) for details of inventory. As of December 31, 2021, inventory and allowance for valuation losses are \$9,784,336 thousand and \$309,990 thousand, respectively.

The Group is primarily engaged in manufacturing, processing, recycling, refining and trading of sputtering targets for thin film, precious metal materials and specialty chemicals for automobiles. Since most of the Group's inventories are precious metal materials whose value is easily affected by the variations in market prices, and the calculation of net realisable value usually involves subjective judgment and a high degree of estimation uncertainty, we identified the evaluation of inventories as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Inspected whether the Group's inventories have been assessed based on the Group's accounting policies, and evaluated the reasonableness of the provision policies and procedures on allowance for inventory valuation losses.
2. Understood the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the consistency of the classification of obsolete inventory and internal controls over obsolete inventory.
3. Checked the adequacy of allowance for inventory valuation losses based on our testing on the reports in relation to the net realisable value.

Valuation of derivative financial instruments and hedge accounting applied

Description

Refer to Notes 4(7) (22) (25) and (26) for accounting policy on valuation of derivative financial instruments and hedge accounting, and Notes 6(2) and (4) for details of financial assets and liabilities at fair value through profit or loss and hedging financial assets and liabilities. As of December 31, 2021, assets and liabilities arising from derivative instruments measured at fair value and financial liabilities for hedging amounted to \$44 thousand, \$5,286 thousand and \$51,505 thousand, respectively. For the year ended December 31, 2021, the Group recognised net gain on derivative instruments amounting to \$309,853 thousand.

The Group uses derivative instruments to hedge significant variations in the prices of precious metal materials (gold, silver, platinum and palladium gold). Derivative instruments that meet the conditions of hedge accounting are accounted for using hedge accounting. As the derivative instrument transactions are subject to high market price risk and variation in derivative pricing, and the determination as to whether the derivative instruments qualify for hedge accounting involves significant judgement, we identified the valuation of derivative financial instruments and application of hedge accounting as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained derivative instruments transaction summary and written documents, including the minutes of Board of Directors' meeting and announcements issued based on regulations, and interviewed executives who were authorised to transact derivative instruments in order to understand the Group's transactions on derivative instruments.
2. Performed confirmation with financial institutions, futures commission merchant and major counterparties which had business with the Group and obtained statements in order to confirm the completeness of derivative instrument transactions.
3. Obtained formal designation and documentation of the hedging relationship between hedging instruments and hedged items as basis for applying hedge accounting.
4. Sampled and inspected the documents related to the derivative instrument transactions created or settled in the current period, and checked whether the transactions and calculation of profit and loss are accurate.

5. Obtained the derivative instrument fair value information and assessed the reasonableness of the valuation of the derivative instruments.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Solar Applied Material Technology Corp. as at and for the years ended December 31, 2021 and 2020.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether

due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 16, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SOLAR APPLIED MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)(17)	\$ 3,148,526	12	\$ 2,161,229	10
1110	Financial assets at fair value through profit or loss - current	6(2)	44	-	-	-
1136	Financial assets at amortised cost - current	6(2)(3)(17) and 8	1,475,472	6	921,449	5
1150	Notes receivable, net	6(5) and 12	112,823	1	65,902	1
1170	Accounts receivable, net	6(5), 7 and 12	1,986,616	8	1,753,831	8
1200	Other receivables		46,981	-	52,519	-
1220	Current income tax assets	6(32)	38,517	-	38,517	-
130X	Inventories	5, 6(4)(6)	9,474,346	37	7,892,830	37
1410	Prepayments		572,992	2	258,038	1
11XX	Total current assets		16,856,317	66	13,144,315	62
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(7)	105,101	1	97,605	1
1535	Financial assets at amortised cost - non-current	6(3) and 8	33,220	-	31,623	-
1550	Investments accounted for using equity method	6(8)	183,750	1	174,986	1
1600	Property, plant and equipment	6(9)(10)(14) and 8	7,155,176	28	6,626,038	31
1755	Right-of-use assets	6(9)(10)	165,444	1	251,232	1
1760	Investment property, net	6(12) and 8	430,442	2	432,723	2
1780	Intangible assets	6(13)	38,626	-	27,808	-
1840	Deferred income tax assets	6(32)	267,316	1	307,911	2
1915	Prepayments for business facilities	6(9)	93,822	-	38,844	-
1920	Guarantee deposits paid		67,907	-	69,522	-
1930	Long-term notes and accounts receivable		-	-	9,258	-
1990	Other non-current assets	6(9)(13)	24,861	-	46,792	-
15XX	Total non-current assets		8,565,665	34	8,114,342	38
1XXX	Total assets		\$ 25,421,982	100	\$ 21,258,657	100

(Continued)

SOLAR APPLIED MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(15) and 8	\$ 1,116,498	4	\$ 656,555	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	5,286	-	102,169	1
2126	Hedging financial liabilities - current	6(4)	51,505	-	-	-
2130	Current contract liabilities	6(25)	212,916	1	139,037	
2150	Notes payable		-	-	54,000	-
2170	Accounts payable	7	623,295	3	175,940	1
2200	Other payables	6(16)	1,343,051	5	838,843	4
2230	Current income tax liabilities	6(32)	151,681	1	53,089	-
2280	Current lease liabilities	6(10)	19,146	-	41,297	-
2310	Advance receipts		18,735	-	13,672	-
2320	Long-term liabilities, current portion	6(17) and 8	617,846	2	403,542	2
21XX	Total current liabilities		4,159,959	16	2,478,144	12
Non-current liabilities						
2540	Long-term borrowings	6(17) and 8	8,436,716	33	9,882,018	47
2570	Deferred income tax liabilities	6(32)	268,232	1	211,990	1
2580	Non-current lease liabilities	6(10)	29,727	-	85,056	-
2630	Long-term deferred revenue	6(18)	33,041	-	34,658	-
2640	Accrued pension liabilities	6(19)	54,697	1	58,917	-
2645	Guarantee deposits received		1,621	-	1,591	-
25XX	Total non-current liabilities		8,824,034	35	10,274,230	48
2XXX	Total liabilities		12,983,993	51	12,752,374	60
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(20)	5,919,312	23	4,984,312	23
3200	Capital surplus	6(8)(20)(21)(22)	3,963,821	16	1,539,724	7
	Retained earnings	4(3) and 6(23)				
3310	Legal reserve		237,910	1	154,076	1
3320	Special reserve		189,674	1	212,275	1
3350	Unappropriated retained earnings		2,005,791	8	1,519,554	7
3400	Other equity interest	6(7)(24)	(198,707)	(1)	(189,674)	-
31XX	Equity attributable to owners of the parent		12,117,801	48	8,220,267	39
36XX	Non-controlling interests	4(3) and 6(22)	320,188	1	286,016	1
3XXX	Total equity		12,437,989	49	8,506,283	40
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	Total liabilities and equity		\$ 25,421,982	100	\$ 21,258,657	100

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

SOLAR APPLIED MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items		Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(25) and 7	\$ 31,354,837	100	\$ 26,665,367	100
5000	Operating costs	6(6)(13)(19)(30)(31) and 7	(27,749,357)	(89)	(23,619,501)	(89)
5900	Net operating margin		3,605,480	11	3,045,866	11
	Operating expenses	6(13)(19)(30)(31), 7 and 12				
6100	Selling expenses		(269,378)	(1)	(243,290)	(1)
6200	General and administrative expenses		(1,298,248)	(4)	(838,643)	(3)
6300	Research and development expenses		(401,314)	(1)	(383,500)	(1)
6450	Expected credit (losses) gains		(19,146)	-	16,209	-
6000	Total operating expenses		(1,988,086)	(6)	(1,449,224)	(5)
6900	Operating profit		1,617,394	5	1,596,642	6
	Non-operating income and expenses					
7100	Interest income	6(3)(26)	9,502	-	6,855	-
7010	Other income	6(11)(12)(27) and 7	82,616	-	72,886	-
7020	Other gains and losses	4(3), 6(2)(4)(8)(10)(14)(28) and 12	105,183	1	(221,130)	(1)
7050	Finance costs	6(9)(10)(29)	(240,880)	(1)	(255,403)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(8)	3,295	-	(54,889)	-
7000	Total non-operating income and expenses		(40,284)	-	(451,681)	(2)
7900	Profit before income tax		1,577,110	5	1,144,961	4
7950	Income tax expense	6(32)	(268,368)	(1)	(261,286)	(1)
8200	Profit for the year		\$ 1,308,742	4	\$ 883,675	3

(Continued)

SOLAR APPLIED MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Other comprehensive (loss) income					
Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311 Actuarial gains (losses) on defined benefit plans	6(19)	\$ 2,187	- (\$	3,914)	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(24)	7,496	- (	14,321)	-
8349 Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(32)	(437)	-	783	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(19,952)	-	44,868	-
8370 Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(8)	(1,995)	-	4,259	-
8399 Aggregated income tax relating to components of other comprehensive income (loss)	6(32)	4,517	- (	10,084)	-
8300 Other comprehensive (loss) income for the year		(\$ 8,184)	-	\$ 21,591	-
8500 Total comprehensive income for the year		<u>\$ 1,300,558</u>	<u>4</u>	<u>\$ 905,266</u>	<u>3</u>
Profit attributable to:					
8610 Owners of the parent		\$ 1,256,038	4	\$ 843,371	3
8620 Non-controlling interest		52,704	-	40,304	-
		<u>\$ 1,308,742</u>	<u>4</u>	<u>\$ 883,675</u>	<u>3</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 1,248,755	4	\$ 862,841	3
8720 Non-controlling interest		51,803	-	42,425	-
		<u>\$ 1,300,558</u>	<u>4</u>	<u>\$ 905,266</u>	<u>3</u>
Earnings per share (in dollars)	6(33)				
9750 Basic		<u>\$ 2.15</u>		<u>\$ 1.69</u>	
9850 Diluted		<u>\$ 2.14</u>		<u>\$ 1.69</u>	

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

SOLAR APPLIED MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent										
	Retained Earnings					Other Equity Interest				
	Share capital – common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interest	Total	Total equity
Year ended December 31, 2020										
Balance at January 1, 2020	\$ 4,984,312	\$ 1,484,543	\$ 50,372	\$ 126,403	\$ 1,369,217	(\$ 145,790)	(\$ 66,485)	\$ 196,336	\$ 7,802,572	\$ 7,998,908
Profit for the year	-	-	-	-	843,371	-	-	40,304	843,371	883,675
Other comprehensive income (loss) for the year	-	-	-	-	(3,131)	36,922	(14,321)	2,121	19,470	21,591
Total comprehensive income (loss)	-	-	-	-	840,240	36,922	(14,321)	42,425	862,841	905,266
Distribution of 2019 net income:										
Legal reserve	-	-	103,704	-	(103,704)	-	-	-	-	-
Special reserve	-	-	-	85,872	(85,872)	-	-	-	-	-
Cash dividends	-	-	-	-	(498,431)	-	-	-	(498,431)	(498,431)
Acquisition of investment accounted for using equity method not proportionate to shareholding ratio	-	139	-	-	-	-	-	-	139	139
Recognition of changes in ownership interest in subsidiaries	-	-	-	-	(1,896)	-	-	1,896	(1,896)	-
Compensation cost of employee stock options	-	55,042	-	-	-	-	-	-	55,042	55,042
Increase in non-controlling interest	-	-	-	-	-	-	-	45,359	-	45,359
Balance at December 31, 2020	\$ 4,984,312	\$ 1,539,724	\$ 154,076	\$ 212,275	\$ 1,519,554	(\$ 108,868)	(\$ 80,806)	\$ 286,016	\$ 8,220,267	\$ 8,506,283
Year ended December 31, 2021										
Balance at January 1, 2021	\$ 4,984,312	\$ 1,539,724	\$ 154,076	\$ 212,275	\$ 1,519,554	(\$ 108,868)	(\$ 80,806)	\$ 286,016	\$ 8,220,267	\$ 8,506,283
Profit for the year	-	-	-	-	1,256,038	-	-	52,704	1,256,038	1,308,742
Other comprehensive income (loss) for the year	-	-	-	-	1,750	(16,529)	7,496	(901)	(7,283)	(8,184)
Total comprehensive income (loss)	-	-	-	-	1,257,788	(16,529)	7,496	51,803	1,248,755	1,300,558
Distribution of 2020 net income:										
Legal reserve	-	-	83,834	-	(83,834)	-	-	-	-	-
Special reserve	-	-	-	(22,601)	22,601	-	-	-	-	-
Cash dividends	-	-	-	-	(710,318)	-	-	-	(710,318)	(710,318)
Proceeds from issuance of shares	935,000	2,424,097	-	-	-	-	-	-	3,359,097	3,359,097
Decrease in non-controlling interest	-	-	-	-	-	-	-	(17,631)	-	(17,631)
Balance at December 31, 2021	\$ 5,919,312	\$ 3,963,821	\$ 237,910	\$ 189,674	\$ 2,005,791	(\$ 125,397)	(\$ 73,310)	\$ 320,188	\$ 12,117,801	\$ 12,437,989

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

SOLAR APPLIED MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,577,110	\$ 1,144,961
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets and liabilities at fair value through profit or loss		(96,545)	(21,899)
Expected credit impairment loss (gain)	12	19,146	16,209
Provision (reversal of allowance) for inventory market price decline	6(6)	97,719	(314,792)
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(8)	(3,295)	54,889
Gain on disposal of investments	4(3), 6(8)(28)(34)	(8,924)	(8,020)
Depreciation	6(9)(10)(12)	448,870	506,216
Net loss on disposal of property, plant and equipment	6(28)	1,701	1,569
Impairment loss (gain on reversal of impairment loss) on property, plant and equipment	6(9)(14)(28)	3,524	(48,552)
Loss arising from lease modifications	6(10)(28)	108	-
Amortisation	6(13)(30)	5,293	7,895
Amortisation on long-term deferred revenue	6(18)	(1,617)	(1,617)
Interest income	6(26)	(9,502)	(6,855)
Interest expense	6(29)	240,880	255,403
Compensation cost of employee stock options	6(21)(22)(31)	-	55,042
Gain on foreign exchange rate		(62,864)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(56,179)	12,435
Accounts receivable		(251,925)	(212,367)
Other receivables		(3,725)	111,229
Inventories		(1,628,112)	(171,013)
Prepayments		(314,954)	289,948
Changes in operating liabilities			
Current contract liabilities		73,879	(18,734)
Notes payable		(54,000)	(120,000)
Accounts payable		447,355	(55,757)
Other payables		388,357	50,662
Advance receipts		5,063	(8,115)
Net defined benefit liability, non-current		(2,033)	(792)
Other non-current liabilities		-	(575)
Cash inflow generated from operations		815,330	1,484,952
Dividends received	6(8)	1,154	1,385
Interest received		9,507	6,778
Interest paid		(213,739)	(249,299)
Income taxes paid		(68,933)	(58,362)
Net cash flows from operating activities		543,319	1,185,454

(Continued)

SOLAR APPLIED MATERIAL TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortized cost		(\$ 555,620)	\$ 1,583,707
Proceeds from disposal of subsidiary	6(34)	-	8,423
Acquisition of investments accounted for using equity method - associates	6(8)	(8,618)	-
Disposal of investments accounted for using equity method - associates		8,924	-
Cash paid for acquisition of property, plant and equipment	6(34)	(270,699)	(185,510)
Interest paid for acquisition of property, plant and equipment	6(9)(29)(34)	(5,314)	(1,276)
Cash received from disposal of property, plant and equipment	6(34)	29,520	13,379
Acquisition of intangible assets	6(13)	(15,964)	(2,051)
Increase in prepayments for business facilities		(429,869)	(165,458)
Decrease (increase) in refundable deposits		1,615	(7,631)
Decrease in other non-current assets		14,290	3,906
Net cash flows (used in) from investing activities		(1,231,735)	1,247,489
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(35)	2,411,944	702,514
Repayments of short-term borrowings	6(35)	(1,946,508)	(3,235,797)
Payments of lease liabilities	6(35)	(206,632)	(50,719)
Proceeds from long-term borrowings	6(35)	253,840	10,346,470
Repayments of long-term borrowings	6(35)	(1,448,434)	(8,212,961)
Increase (decrease) in refundable deposits	6(35)	30	(20)
Proceeds from issuance of shares	6(20)	3,359,097	-
Payment of cash dividends	6(23)	(710,318)	(498,431)
(Decrease) increase in non-controlling interest		(17,631)	45,359
Net cash flows from (used in) financing activities		1,695,388	(903,585)
Effect of foreign exchange rate changes on cash and cash equivalents		(19,675)	42,314
Net increase in cash and cash equivalents		987,297	1,571,672
Cash and cash equivalents at beginning of year	6(1)	2,161,229	589,557
Cash and cash equivalents at end of year	6(1)	\$ 3,148,526	\$ 2,161,229

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Solar Applied Material Technology Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Solar Applied Material Technology Corp. (the “Company”) as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and parent company only notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(8) for accounting policy on inventory valuation, Note 5 for accounting judgements, estimates and key sources of assumption uncertainty in relation to inventory valuation, and Note 6(6) for details of inventory. As of December 31, 2021, inventory and allowance for valuation losses are \$8,042,336 thousand and \$237,868 thousand, respectively.

The Company is primarily engaged in manufacturing, processing, recycling, refining and trading of sputtering targets for thin film, precious metal materials and specialty chemicals for automobiles. Since most of the Company's inventories are precious metal materials whose value is easily affected by the variations in market prices, and the calculation of net realisable value usually involves subjective judgment and a high degree of estimation uncertainty, we identified the evaluation of inventories as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Inspected whether the Company's inventories have been assessed based on the Company's accounting policies, and evaluated the reasonableness of the provision policies and procedures on allowance for inventory valuation losses.
2. Understood the Company's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the consistency of the classification of obsolete inventory and internal controls over obsolete inventory.
3. Checked the adequacy of allowance for inventory valuation losses based on our testing on the reports in relation to the net realisable value.

Valuation of derivative financial instruments and hedge accounting applied

Description

Refer to Notes 4(5) (20) (23) and (24) for accounting policy on valuation of derivative financial instruments and hedge accounting, and Notes 6(2) and 6(4) for details of financial assets and liabilities at fair value through profit or loss and hedging financial assets and liabilities. As of December 31, 2021, liabilities arising from derivative instruments measured at fair value and financial liabilities for hedging amounted to \$4,011 thousand and \$45,735 thousand, respectively. For the year ended December 31, 2021, the Company recognised net gain on derivative instruments amounting to \$270,371 thousand.

The Company uses derivative instruments to hedge significant variations in the prices of precious metal materials (gold, silver, platinum and palladium gold). Derivative instruments that meet the conditions of hedge accounting are accounted for using hedge accounting. As the derivative instrument transactions are subject to high market price risk and variation in derivative pricing, and the determination as to whether the derivative instruments qualify for hedge accounting involves significant judgement, we identified the valuation of derivative financial instruments and application of hedge accounting as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained derivative instruments transaction summary and written documents, including the minutes of Board of Directors' meeting and announcements issued based on regulations, and interviewed executives who were authorised to transact derivative instruments in order to understand the Company's transactions on derivative instruments.
2. Performed confirmation with financial institutions, futures commission merchant and major counterparties which had business with the Company and obtained statements in order to confirm the completeness of derivative instrument transactions.
3. Obtained formal designation and documentation of the hedging relationship between hedging instruments and hedged items as basis for applying hedge accounting.
4. Sampled and inspected the documents related to the derivative instrument transactions created or settled in the current period, and checked whether the transactions and calculation of profit and loss are accurate.

5. Obtained the derivative instrument fair value information and assessed the reasonableness of the valuation of the derivative instruments.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors’ responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current

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

Lin, Tzu-Shu

Independent Accountants

Lin, Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 16, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SOLAR APPLIED MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)(16)	\$ 1,925,041	8	\$ 1,295,250	7
1136	Financial assets at amortised cost - current	6(2)(3)(16) and 8	1,291,428	5	733,725	4
1150	Notes receivable, net	6(5) and 12	4,753	-	14,797	-
1170	Accounts receivable, net	6(5) and 12	1,105,631	5	1,040,506	5
1180	Accounts receivable due from related parties, net	6(5) and 7	151,308	1	75,558	-
1200	Other receivables	7	50,253	-	48,702	-
130X	Inventories	5, 6(4)(6)	7,804,468	34	6,234,161	32
1410	Prepayments		80,484	-	75,496	-
11XX	Total current assets		12,413,366	53	9,518,195	48
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(7)	105,101	1	97,605	1
1535	Financial assets at amortised cost - non-current	6(3) and 8	33,220	-	26,623	-
1550	Investments accounted for using equity method	6(8)	3,488,040	15	3,310,130	17
1600	Property, plant and equipment	6(9)(10)(14), 7 and 8	6,397,346	28	5,901,896	30
1755	Right-of-use assets	6(9)(10)	13,478	-	84,758	-
1760	Investment property, net	6(12) and 8	430,442	2	432,723	2
1780	Intangible assets	6(13) and 7	11,991	-	7,812	-
1840	Deferred income tax assets	6(31)	251,109	1	292,119	2
1915	Prepayments for business facilities	6(9)	75,122	-	33,924	-
1920	Guarantee deposits paid		27,410	-	28,361	-
1930	Long-term notes and accounts receivable		-	-	9,258	-
1990	Other non-current assets		6,323	-	8,130	-
15XX	Total non-current assets		10,839,582	47	10,233,339	52
1XXX	Total assets		\$ 23,252,948	100	\$ 19,751,534	100

(Continued)

SOLAR APPLIED MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(15) and 8	\$ 276,800	1	\$ -	-
2120	Financial liabilities at fair value	6(2)				
	through profit or loss - current		4,011	-	96,526	-
2126	Hedging financial liabilities - current	6(4)	45,735	-	-	-
2130	Current contract liabilities	6(24)	108,084	-	3,002	-
2150	Notes payable		-	-	54,000	-
2170	Accounts payable		214,368	1	122,742	1
2180	Accounts payable to related parties	7	27,152	-	104,817	1
2200	Other payables	7	1,065,695	5	622,931	3
2230	Current income tax liabilities	6(31)	123,537	1	14,481	-
2280	Current lease liabilities	6(10)	6,073	-	26,517	-
2310	Advance receipts		11,393	-	9,298	-
2320	Long-term liabilities, current portion	6(16) and 8	602,897	3	391,827	2
21XX	Total current liabilities		2,485,745	11	1,446,141	7
Non-current liabilities						
2540	Long-term borrowings	6(16) and 8	8,295,988	36	9,726,339	49
2570	Deferred income tax liabilities	6(31)	260,471	1	211,990	1
2580	Non-current lease liabilities	6(10)	3,584	-	51,631	-
2630	Long-term deferred revenue	6(17)	33,041	-	34,658	-
2640	Accrued pension liabilities	6(18)	54,697	-	58,917	1
2645	Guarantee deposits received		1,621	-	1,591	-
25XX	Total non-current liabilities		8,649,402	37	10,085,126	51
2XXX	Total liabilities		11,135,147	48	11,531,267	58
Equity						
Share capital						
3110	Common stock	6(19)	5,919,312	25	4,984,312	25
3200	Capital surplus	6(8)(19)(20)(21)	3,963,821	17	1,539,724	8
	Retained earnings	6(8)(22)				
3310	Legal reserve		237,910	1	154,076	1
3320	Special reserve		189,674	1	212,275	1
3350	Unappropriated retained earnings		2,005,791	9	1,519,554	8
3400	Other equity interest	6(7)(8)(23)	(198,707)	(1)	(189,674)	(1)
3XXX	Total equity		12,117,801	52	8,220,267	42
Significant Contingent Liabilities and						
Unrecognised Contract Commitments						
Significant Events after the Balance						
Sheet Date						
3X2X	Total liabilities and equity		\$ 23,252,948	100	\$ 19,751,534	100

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

SOLAR APPLIED MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)

			Year ended December 31			
			2021		2020	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(24) and 7		\$ 13,622,814	100	\$ 11,730,877	100
5000 Operating costs	6(6)(13)(18)(29)(30) and 7	(	10,809,314)	(79)	(9,562,372)	(81)
5900 Net operating margin			<u>2,813,500</u>	<u>21</u>	<u>2,168,505</u>	<u>19</u>
Operating expenses	6(13)(18)(29)(30), 7 and 12					
6100 Selling expenses		(	146,627)	(1)	(129,979)	(1)
6200 General and administrative expenses		(	1,020,544)	(8)	(618,927)	(5)
6300 Research and development expenses		(	326,902)	(2)	(289,726)	(3)
6450 Expected credit (loss) gain		(	17,534)	-	(12,301)	-
6000 Total operating expenses		(	<u>1,511,607</u>	<u>(11)</u>	<u>(1,026,331)</u>	<u>(9)</u>
6900 Operating profit			<u>1,301,893</u>	<u>10</u>	<u>1,142,174</u>	<u>10</u>
Non-operating income and expenses						
7100 Interest income	6(3)(25)		2,258	-	1,053	-
7010 Other income	6(11)(12)(26) and 7		88,160	1	100,349	1
7020 Other gains and losses	6(2)(4)(14)(27), 7 and 12		81,501	1	(204,878)	(2)
7050 Finance costs	6(9)(10)(28)	(	214,241)	(2)	(234,506)	(2)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(8)		<u>211,962</u>	<u>1</u>	<u>243,136</u>	<u>2</u>
7000 Total non-operating income and expenses			<u>169,640</u>	<u>1</u>	<u>(94,846)</u>	<u>(1)</u>
7900 Profit before income tax			1,471,533	11	1,047,328	9
7950 Income tax expense	6(31)	(	215,495)	(2)	(203,957)	(2)
8200 Profit for the year			<u>\$ 1,256,038</u>	<u>9</u>	<u>\$ 843,371</u>	<u>7</u>
Other comprehensive (loss) income						
Components of other comprehensive (loss) income that will not be reclassified to profit or loss						
8311 Actuarial gains (losses) on defined benefit plans	6(18)	\$	2,187	-	(\$ 3,914)	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(23)		7,496	-	(14,321)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	(	437)	-	(783)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations	6(8)	(	20,661)	-	(46,153)	-
8399 Aggregated income tax relating to components of other comprehensive income	6(31)		<u>4,132</u>	<u>-</u>	<u>(9,231)</u>	<u>-</u>
8300 Other comprehensive (loss) income for the year		(	<u>\$ 7,283</u>	<u>-</u>	<u>\$ 19,470</u>	<u>-</u>
8500 Total comprehensive income for the year			<u>\$ 1,248,755</u>	<u>9</u>	<u>\$ 862,841</u>	<u>7</u>
Earnings per share (in dollars)						
9750 Basic	6(32)	\$	2.15		\$ 1.69	
9850 Diluted		\$	2.14		\$ 1.69	

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

SOLAR APPLIED MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Notes	Share capital – common stock	Retained Earnings			Other Equity Interest			Total equity
		Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
Year ended December 31, 2020								
Balance at January 1, 2020	\$ 4,984,312	\$ 1,484,543	\$ 50,372	\$ 126,403	\$ 1,369,217	\$ 145,790	\$ 66,485	\$ 7,802,572
Profit for the year	-	-	-	-	843,371	-	-	843,371
Other comprehensive income (loss) for the year	-	-	-	-	(3,131)	36,922	(14,321)	19,470
Total comprehensive income (loss)	-	-	-	-	840,240	36,922	(14,321)	862,841
Distribution of 2019 net income:								
Legal reserve	-	-	103,704	-	(103,704)	-	-	-
Special reserve	-	-	-	85,872	(85,872)	-	-	-
Cash dividends	-	-	-	-	(498,431)	-	-	(498,431)
Acquisition of investment accounted for using equity method not proportionate to shareholding ratio	-	139	-	-	-	-	-	139
Recognition of changes in ownership interest in subsidiaries	-	-	-	-	(1,896)	-	-	(1,896)
Compensation cost of employee stock options	-	55,042	-	-	-	-	-	55,042
Balance at December 31, 2020	\$ 4,984,312	\$ 1,539,724	\$ 154,076	\$ 212,275	\$ 1,519,554	\$ 108,868	\$ 80,806	\$ 8,220,267
Year ended December 31, 2021								
Balance at January 1, 2021	\$ 4,984,312	\$ 1,539,724	\$ 154,076	\$ 212,275	\$ 1,519,554	\$ 108,868	\$ 80,806	\$ 8,220,267
Profit for the year	-	-	-	-	1,256,038	-	-	1,256,038
Other comprehensive income (loss) for the year	-	-	-	-	1,750	(16,529)	7,496	(7,283)
Total comprehensive income (loss)	-	-	-	-	1,257,788	(16,529)	7,496	1,248,755
Distribution of 2020 net income:								
Legal reserve	-	-	83,834	-	(83,834)	-	-	-
Special reserve	-	-	-	(22,601)	22,601	-	-	-
Cash dividends	-	-	-	-	(710,318)	-	-	(710,318)
Proceeds from issuance of shares	935,000	2,424,097	-	-	-	-	-	3,359,097
Balance at December 31, 2021	\$ 5,919,312	\$ 3,963,821	\$ 237,910	\$ 189,674	\$ 2,005,791	\$ 125,397	\$ 73,310	\$ 12,117,801

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

SOLAR APPLIED MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,471,533	\$ 1,047,328
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets and liabilities at fair value through profit or loss		(92,293)	(12,882)
Expected credit impairment loss (gain)	12	17,534	(12,301)
Provision (reversal of allowance) for inventory market price decline	6(6)	74,929	(318,630)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(8)	(211,962)	(243,136)
Depreciation	6(9)(10)(12)	344,854	396,230
Net gain on disposal of property, plant and equipment	6(27)	(576)	(555)
Impairment loss (gain on reversal of impairment loss) on property, plant and equipment	6(9)(14)(27)	3,524	(48,552)
Amortisation	6(13)(29)	3,277	4,373
Amortisation on long-term deferred revenue	6(17)	(1,617)	(1,617)
Interest income	6(25)	(2,258)	(1,053)
Interest expense	6(28)	214,241	234,506
Compensation cost of employee stock options	6(20)(21)(30)	-	55,042
Gain on foreign exchange rate		(62,862)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		786	1,467
Accounts receivable		(82,659)	(80,782)
Accounts receivable due from related parties		(75,750)	53,021
Other receivables		(10,770)	121,882
Inventories		(1,599,723)	303,991
Prepayments		(4,988)	(41,349)
Changes in operating liabilities			
Current contract liabilities		105,082	(9,045)
Notes payable		(54,000)	(120,000)
Accounts payable		91,626	(49,033)
Accounts payable to related parties		(77,665)	86,339
Other payables		331,583	(1,187)
Advance receipts		2,095	(9,380)
Net defined benefit liability, non-current		(2,033)	(792)
Cash inflow generated from operations		381,908	1,353,885
Dividends received	6(8)	13,391	5,057
Interest received		2,219	1,020
Interest paid		(187,641)	(229,633)
Income taxes paid		(13,253)	(13,725)
Net cash flows from operating activities		196,624	1,116,604

(Continued)

SOLAR APPLIED MATERIAL TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost		(\$ 564,300)	\$ 1,641,789
Cash paid for acquisition of property, plant and equipment	6(33)	(160,365)	(114,439)
Interests paid for acquisition of property, plant and equipment	6(9)(28)(33)	(5,314)	(1,276)
Cash received from disposal of property, plant and equipment	6(33)	31,638	12,913
Acquisition of intangible assets	6(13)	(7,456)	(4,759)
Increase in prepayments for business facilities		(416,089)	(160,538)
Decrease in refundable deposits		951	125
Decrease (increase) in other non-current assets		1,807	(8,130)
Net cash flows (used in) from investing activities		(1,119,128)	1,365,685
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(34)	1,010,951	-
Repayments of short-term borrowings	6(34)	(733,611)	(2,769,643)
Payments of lease liabilities	6(34)	(190,975)	(34,243)
Proceeds from long-term borrowings	6(34)	253,840	10,316,470
Repayments of long-term borrowings	6(34)	(1,436,719)	(8,202,497)
Increase (decrease) in refundable deposits	6(34)	30	(20)
Proceeds from issuance of shares	6(19)	3,359,097	-
Payment of cash dividends	6(22)	(710,318)	(498,431)
Net cash flows from (used in) financing activities		1,552,295	(1,188,364)
Net increase in cash and cash equivalents		629,791	1,293,925
Cash and cash equivalents at beginning of year	6(1)	1,295,250	1,325
Cash and cash equivalents at end of year	6(1)	\$ 1,925,041	\$ 1,295,250

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

Solar Applied Materials Technology Corporation
Comparison Table for the Sustainable Development Best Practice Principles Before
and After Amendment

(Existing name: “Corporate Social Responsibilities Best Practice Principles”)

Amended name	Existing name	Explanation
Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	Corporate Social Responsibilities Best Practice Principles for TWSE/TPEX Listed Companies	In line with international developmental trends and to realize the goal of sustainable development by strengthening the promotions of sustainable developments among TWSE and TPEX listed companies in Taiwan and to enhance the quality of their information disclosure regarding sustainable development to demonstrate the Taiwanese enterprises’ emphasis on sustainable development and their relevant actions, the Corporate Social Responsibilities Best Practice Principles for TWSE/TPEX Listed Companies have been renamed the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies accordingly.

Amended Article	Current Article	Explanation
<p>Article2</p> <p>The Principles apply to the Company, including the entire operations of each such company and its business group.</p> <p>The Principles encourage the Company to actively fulfill their <u>sustainable developments</u> in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance</p>	<p>Article2</p> <p>The Principles apply to the Company, including the entire operations of each such company and its business group.</p> <p>The Principles encourage the Company to actively fulfill their corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens,</p>	<p>Paragraph 2 has been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.</p>

Amended Article	Current Article	Explanation
competitive edges built on <u>sustainable developments</u> .	and to enhance competitive edges built on corporate social responsibility.	
<p>Article3</p> <p>In fulfilling <u>sustainable development</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p>(Omitted)</p>	<p>Article3</p> <p>In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p>(Omitted)</p>	Paragraph 1 has been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.
<p>Article4</p> <p>To implement <u>sustainable development</u> initiatives, the Company is advised to follow the principles below:</p> <ol style="list-style-type: none"> 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of <u>sustainable development</u> information. 	<p>Article4</p> <p>To implement corporate social responsibility initiatives, the Company is advised to follow the principles below:</p> <ol style="list-style-type: none"> 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information. 	The opening and Item 4 of this Article have been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.
<p>Article5</p> <p>The Company shall take into consideration the correlation between the development of domestic and international <u>sustainable development</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of</p>	<p>Article5</p> <p>The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of</p>	Paragraphs 1 and 2 have been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.

Amended Article	Current Article	Explanation
<p>directors and then reported to the shareholders meeting.</p> <p>When a shareholder proposes a motion involving <u>sustainable development</u>, the Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.</p>	<p>directors and then reported to the shareholders meeting.</p> <p>When a shareholder proposes a motion involving corporate social responsibility, the Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.</p>	
<p>Article7</p> <p>The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The Board of Directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its <u>sustainable development</u> initiatives:</p> <ol style="list-style-type: none"> 1. Identifying the Company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or 	<p>Article7</p> <p>The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The Board of Directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate social responsibility initiatives:</p> <ol style="list-style-type: none"> 1. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines. 2. Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives. 	<p>Paragraphs 1 and 2 have been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.</p>

Amended Article	Current Article	Explanation
<p>relevant management guidelines.</p> <p>2. Making <u>sustainable development</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives.</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information. Enhance disclosure of <u>sustainable development</u> information.</p> <p>(Omitted)</p>	<p>3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. Enhance disclosure of corporate social responsibility information.</p> <p>(Omitted)</p>	
<p>Article8</p> <p>The Company is advised to, on a regular basis, organize education and training on the <u>promotion of sustainable development</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>Article8</p> <p>The Company is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>The Article has been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.</p>
<p>Article9</p> <p>For the purpose of <u>strengthening the management of sustainable developments</u>, the Company has already established a <u>governance framework to promote sustainable developments</u> as well as established an exclusively dedicated unit, the <u>Sustainable Development Department</u>, to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the Board of Directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable</p>	<p>Article9</p> <p>For the purpose of managing corporate social responsibility initiatives, the Company has already established an exclusively dedicated unit, the Resource Integration Center, to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the Board of Directors on a periodic basis.</p> <p>The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the</p>	<p>1. To achieve sound management over corporate sustainable development, a company shall strengthen the promotions of sustainable development goals through formulating a governance framework, and Paragraph 1 has been amended accordingly.</p> <p>2. Paragraphs 1 and 3 have been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.</p>

Amended Article	Current Article	Explanation
<p>remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p> <p>It is advised that the employee performance evaluation system be combined with <u>sustainable development</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>strategic aims of the organization, and align with the interests of stakeholders.</p> <p>It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.</p>	
<p>Article10</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.</p>	<p>Article10</p> <p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.</p>	<p>The Article has been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.</p>
<p>Article12</p> <p>The Company is advised to endeavor to utilize <u>energy consumption</u> more efficiently <u>and</u> use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article12</p> <p>The Company is advised to endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>The Article is amended to focus on corporate management over energy consumption in order to reduce greenhouse gas emissions.</p>
<p>Article17</p> <p>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>relevant</u> measures.</p> <p>The Company is advised to adopt standards or guidelines generally used in</p>	<p>Article17</p> <p>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>climate related</u> measures.</p> <p>The Company is advised to adopt standards or guidelines generally used in</p>	<p>1. Paragraph 1 has been amended because when a TWSE/TPEX listed company is evaluating the risks and opportunities related to climate change, as well as measures that shall be adopted in response to climate change, the scope of which shall include but are not limited to climate-</p>

Amended Article	Current Article	Explanation
<p>Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: Emissions from operations that are owned or controlled by the Company. 2. Indirect greenhouse gas emissions: Emissions resulting from the <u>input</u> electricity, heating, or steam. 3. <u>Other indirect emissions: Emissions resulting from the Company's activities that are not categorized as indirect energy emissions, but from emission sources owned or controlled by other companies.</u> (Omitted) 	<p>Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: Emissions from operations that are owned or controlled by the Company. 2. Indirect greenhouse gas emissions: Emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. (Omitted) 	<p>related measures.</p> <ol style="list-style-type: none"> 2. Clause 2, Paragraph 2 has been amended since electricity includes but is not limited to externally purchased electricity in indirect greenhouse gas emission sources. 3. To achieve the purpose of reducing greenhouse gas emissions, companies are encouraged to disclose Scope III other indirect greenhouse gas emissions; therefore, Clause 3, Paragraph 2 has been added accordingly.

Amended chapter name	Existing chapter name	Explanation
Chapter 5 Enhancing Disclosure of <u>Sustainable Development</u> Information	Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information	Name of Chapter 5 was amended in line with amendment of Clause 4 in Article 4.

Amended Article	Current Article	Explanation
<p>Article28</p> <p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> initiatives to improve information transparency.</p> <p>Relevant information relating to <u>sustainable development</u> which the Company shall disclose</p>	<p>Article28</p> <p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.</p> <p>Relevant information relating to corporate social responsibility which the Company shall disclose</p>	<p>Paragraphs 1 and 2 have been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.</p>

Amended Article	Current Article	Explanation
<p>includes:</p> <ol style="list-style-type: none"> 1. The policy, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the Board of Directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for <u>promoting the sustainable development</u> initiatives established by the Company, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to <u>sustainable development</u> initiatives. 	<p>includes:</p> <ol style="list-style-type: none"> 1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the Board of Directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to corporate social responsibility initiatives. 	
<p>Article29</p> <p>The Company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainability</u> reports, to disclose the status of their implementation of the <u>sustainable development</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The policy, system, or 	<p>Article29</p> <p>The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The policy, system, or 	<p>The opening and Item 1 of this Article have been amended in line with the specific promotional measures of “Corporate Governance 3.0 - Sustainable Development Roadmap”, the name of TWSE/TPEX companies’ Corporate Social Responsibility (CSR) Report has been renamed as “Sustainability Report”, and in accordance with the amendment to the name of the principle and to broaden the concept of emphasis on</p>

Amended Article	Current Article	Explanation
<p>relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives.</p> <p>2. Major stakeholders and their concerns.</p> <p>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>4. Future improvements and goals.</p>	<p>relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.</p> <p>2. Major stakeholders and their concerns.</p> <p>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>4. Future improvements and goals.</p>	<p>corporate social sustainability toward sustainable development.</p>
<p>Article30</p> <p>TWSE/GTSM listed companies shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the implementation of the <u>sustainable development</u> policy.</p>	<p>Article30</p> <p>TWSE/GTSM listed companies shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.</p>	<p>The Article has been amended in line with the amendment to the name of the principle and to broaden the concept of emphasis on corporate social sustainability toward sustainable development.</p>

Solar Applied Materials Technology Corporation
Comparison Table for the Articles of Incorporation Before and After Amendment

Amended Article	Current Article	Explanation
<u>Article 6-1</u> <u>The targets of the Company's treasury share subscription, issuance of employee share options, restricted new employee shares, and cash capital increase through issuing new shares for employee subscription, may include employees of parents or subsidiaries of the Company meeting certain specific requirements, and the requirements and distribution methods are delegated to the Board of Directors to resolve accordingly.</u>	(New Article)	1. New Article. 2. In line with requirements from Article 267 of the Company Act and in accordance with the Company's actual operating needs, a new Article specifying that the targets of employee share subscriptions and issuance of new employee restricted stocks may include employees of parents or subsidiaries of the Company that meet certain specific requirements. Patents or subsidiaries are defined by specific requirements in the Company Act.
<u>Article 6-2</u> <u>To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders' meeting attended by shareholders representing a majority of total issued shares.</u>	(New Article)	1. New Article. 2. Specified in accordance with Article 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.
<u>Article 9-1</u> <u>The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u>	(New Article)	1. New Article. 2. Specified in line with the additional contents to Article 172-2 of the Company Act stipulated on December 29, 2021, in which a publicly listed company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority, i.e., the Ministry of Economic Affairs. 3. In response to the competent authority's promotion of shareholders' meetings held

Amended Article	Current Article	Explanation
		via video conferencing and to meet the demand for a more digitized era, the Company strives to provide convenient channels to shareholders in attending shareholders' meetings, and has added Article 9-1 to specify that the Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the MOEA in line with the aforementioned regulation.
Article12 Unless otherwise provided for in <u>the relevant laws</u> , a resolution of a shareholders' meeting shall be adopted with the approval of shareholders representing more than half the voting rights at the meeting attended by shareholders holding more than half the total number of issued shares.	Article12 Unless otherwise provided for in <u>the Company Act</u> , a resolution of a shareholders' meeting shall be adopted with the approval of shareholders representing more than half the voting rights at the meeting attended by shareholders holding more than half the total number of issued shares. <u>If there is no dissenting opinion from the shareholders present against a proposal upon inquiry by the chairperson at the time of voting, the proposal shall be deemed to be adopted with the same effect as if the proposal is adopted through voting.</u>	Article amended in line with the fact that the shareholders' meeting has already included voting via electronic means as a channel for shareholders to exercise their voting rights.
Article 20-1 If the Company posts a profit in its final accounts for a particular year, <u>besides paying income taxes in accordance with the laws and making up for accumulated losses in previous periods, any remaining profit shall be distributed in the following order:</u> <u>I. Setting aside ten percent of the profit as legal reserve; however, this provision shall not apply when the legal reserve has amounted to the total amount of paid-in capital.</u>	Article 20-1 If the Company posts a profit in its final accounts for a particular year, <u>the profit shall be distributed for the purposes listed in the following order:</u> <u>I. Tax payment.</u> <u>II. Making up for losses.</u> <u>III. Setting aside ten percent of the profit as legal reserve.</u> This provision shall not apply when the legal reserve amounts to the total amount of <u>the Company's paid-in</u>	Amended in line with the regulations from Article 240 and Article 241 of the Company Act and in accordance with the Company's practical needs.

Amended Article	Current Article	Explanation
<p>II. When necessary, appropriation or <u>reversal</u> of special earnings reserve in accordance with the law.</p> <p>III. For any <u>remaining profit and the undistributed earnings from the previous periods</u>, the Company's Board of Directors shall propose an <u>earnings distribution plan</u>. <u>The earnings distribution plan shall comply with the regulations from Article 240 of the Company Act; and when the distribution is handled through issuance of new shares, the proposal shall be submitted to the Shareholders' meeting for resolution on the distribution. When the distribution is in cash, the Board of Directors will be authorized to handle the distributions in a meeting attended by more than two-thirds of all Directors and a vote by the majority of the Directors in attendance, and reported to the Shareholders' Meeting.</u> <u>When the Company distributes new shares or issues cash dividend using all or parts of the legal reserve and paid-in capital based on the ratio of existing shareholding of the shareholders, in line with regulations from Article 241 of the Company Act, the resolution and the distribution will be handled in line with the aforesaid method.</u></p>	<p>capital.</p> <p>IV. Setting aside or reversing part of the profit as special reserve pursuant to the relevant regulations or the order of the competent authority.</p> <p>V. If there is any <u>profit left, the remaining profit shall be the earnings for the year. The sum of earnings for the year and undistributed earnings from previous years shall form the accumulated distributable earnings.</u> The Company may propose an earnings distribution plan accordingly and <u>submit the plan to the shareholders' meeting for approval.</u></p>	
<p>Article 20-2 The Company may determine the amount and percentage of earnings to be distributed as dividends for the year and the type of dividends to be distributed for the year based on financial, business, and operational considerations. However, the amount of earnings to be distributed as dividends for the year shall be at least 40 percent of the earnings for the year up to the</p>	<p>Article 20-2 The Company may determine the amount and percentage of earnings to be distributed as dividends for the year and the type of dividends to be distributed for the year based on financial, business, and operational considerations. However, the amount of earnings to be distributed as dividends for the year shall be at least 40 percent of the</p>	<p>Amended in accordance with the Company's practical needs.</p>

Amended Article	Current Article	Explanation
full amount of the accumulated distributable earnings. Earnings shall be distributed in the form of cash dividends or stock dividends. However, considering the environment to which the Company belongs and its growth in response to its future capital needs and long-term financial planning, the Company shall give priority to earnings distribution in the form of cash dividends, where the amount of dividends to be distributed in the form of cash <u>shall</u> be no less than 50 percent of the total amount of dividends.	earnings for the year up to the full amount of the accumulated distributable earnings. Earnings shall be distributed in the form of cash dividends or stock dividends. However, considering the environment to which the Company belongs and its growth in response to its future capital needs and long-term financial planning, the Company shall give priority to earnings distribution in the form of cash dividends, where <u>as a principle</u> the amount of dividends to be distributed in the form of cash shall be no less than 50 percent of the total amount of dividends. <u>The percentage of earnings to be distributed as dividends and the type of dividends to be distributed may be adjusted upon a resolution adopted in the shareholders' meeting based on the actual profit and capital position for the year.</u>	
Article25 The Articles of Incorporation was established on (omitted). The 41st amendment was made on July 16, 2021. <u>The 42nd amendment was made on May 31, 2022.</u>	Article25 The Articles of Incorporation was established on (omitted). The 41st amendment was made on July 16, 2021.	A new date of amendment is added.

Solar Applied Materials Technology Corporation
Comparison Table for the Regulations Governing the Acquisition and Disposal of
Assets Before and After Amendment.

Amended Article	Current Article	Explanation
<p>Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1 to 3 are omitted. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-disciplinary standards of their respective industry associations</u> and the following:</p> <ol style="list-style-type: none"> 1. Omitted. 2. When <u>undertaking</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 	<p>Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1 to 3 are omitted. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Omitted. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and</u> reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional 	<ol style="list-style-type: none"> 1. As the industry associations of the external experts have specified relevant rules for their undertaking of related businesses, the Article shall be amended to reflect that the external experts shall follow the items specified in Paragraph 2 as well as the self-disciplinary standards of their respective industry associations. 2. Since the aforementioned standard regarding external experts who undertake and execute cases concerning appraisal reports or express opinions on reasonableness do not refer to examining financial reports, the wording for “examining” a case has been amended to “undertaking” a case in Clause 2, Paragraph 2. 3. Taking the actual evaluations of information sources, parameters, and information from external experts into consideration, wording in Clauses 3 and 4 in Paragraph 2 have been amended to reflect upon actual practices.

Amended Article	Current Article	Explanation
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and accurate, and that they have complied with applicable laws and regulations.	competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u> , and that they have complied with applicable laws and regulations.	
<p>Article 7: Regulations Governing the Acquisition and Disposal of Property, Equipment, or Right-of-use Assets</p> <p>1. Omitted.</p> <p>2. Transaction terms and approval process (1) to (3) are omitted.</p> <p>4. Appraisal Report of the Property, Equipment, or Right-of-use Assets</p> <p>Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition of equipment for operation purpose, for acquisition or disposal of real estate, equipment, or right-of-use assets by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by a Professional Appraiser shall be obtained prior to the Date of the Event and the following provisions should be complied with:</p> <p>(1) If for any special reason, restricted price, specific price, or special price must be used as a reference for the transaction price, the transaction should be approved</p>	<p>Article 7: Regulations Governing the Acquisition and Disposal of Property, Equipment, or Right-of-use Assets</p> <p>1. Omitted.</p> <p>2. Evaluation procedures for transaction terms and authority and delegation system (1) to (3) are omitted.</p> <p>4. Appraisal Report of the Property, Equipment, or Right-of-use Assets</p> <p>Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition of equipment for operation purpose, for acquisition or disposal of real estate, equipment, or right-of-use assets by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by a Professional Appraiser shall be obtained prior to the Date of the Event and the following provisions should be complied with:</p> <p>(1) If for any special reason, restricted price, specific price, or special price must be used as a reference for the transaction</p>	<p>1. In consideration of the fact that requirements on external experts' compliance to self-disciplinary regulations from their respective industry associations have been added to Article 6, which already includes the procedures that certified public accountants should adhere to in issuing a specific opinion, the "CPA's compliance to the Statement of Auditing Standards" has been deleted from Clause 3, Paragraph 4.</p> <p>2. Wording adjustment.</p>

Amended Article	Current Article	Explanation
<p>by the Board of Directors in advance. The above procedures should also be followed in case the transaction terms <u>are</u> changed subsequently.</p> <p>(2) Omitted.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(4) Omitted.</p>	<p>price, the transaction should be approved by the Board of Directors in advance. The above procedures should also be followed in case the transaction terms are changed subsequently.</p> <p>(2) Omitted.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions</u> of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation ("ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. When the</p>	

Amended Article	Current Article	Explanation
(5) Omitted.	<p>discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>2. When the discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(4) Omitted.</p> <p>(5) Omitted.</p>	
<p>Article 8: Regulations Governing the Acquisition and Disposal of Marketable Security Investments 1 to 3 are omitted.</p> <p>4. Obtaining expert's opinion The Company acquiring or disposing of securities, in which the transaction price reach 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price have to be sought from a certified public accountant prior to the Date of the Event. These requirements are not applicable if such securities have a public price from an active market or where otherwise provided by regulations of the Taiwan Financial Supervisory Commission. (Omitted)</p>	<p>Article 8: Regulations Governing the Acquisition and Disposal of Marketable Security Investments 1 to 3 are omitted.</p> <p>4. Obtaining expert's opinion The Company acquiring or disposing of securities, in which the transaction price reach 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price have to be sought from a certified public accountant prior to the Date of the Event. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> These requirements are not applicable if such securities have a public price from an active market or where otherwise provided by regulations of the Taiwan Financial Supervisory Commission. (Omitted)</p>	Reason for amendment follows the reason given for Article 7.

Amended Article	Current Article	Explanation
<p>Article 9: Regulations Governing the Related Party Transactions</p> <ol style="list-style-type: none"> Omitted. Evaluation and operating procedures Omitted. <u>When the Company or a subsidiary that is not a domestically listed company engages in a transaction described in Clause 1, Paragraph 2 of this Article, and the transaction amount reaches 10% or more of the Company's total assets, the Company may only sign the transaction agreement and pay for the transaction after submitting all information prescribed in Clause 1, Paragraph 2 to the shareholders' meeting and a resolution has been reached. Nevertheless, transactions between the Company and its subsidiaries, or between its subsidiaries, are exempted from this rule.</u> <p>The transaction amount in <u>Clauses 1 and 2, Paragraph 2</u> shall be handled in line with Clause 8, Paragraph 1, Article 14, and within the preceding year refers to the year preceding the Date of Occurrence of this transaction. Items that have been approved by the <u>shareholders' meeting</u>, the Audit Committee, and the Board of Directors according to these Regulations shall not be counted toward the transaction amount.</p> <ol style="list-style-type: none"> Evaluation process of reasonableness of transaction costs <ol style="list-style-type: none"> Omitted. Where land and structures thereupon are combined as a 	<p>Article 9: Regulations Governing the Related Party Transactions</p> <ol style="list-style-type: none"> Omitted. Evaluation and operating procedures Omitted. The <u>aforementioned</u> transaction amount shall be handled in line with Clause 8, Paragraph 1, Article 14, and within the preceding year refers to the year preceding the Date of Occurrence of this transaction. Items that have been approved by the Audit Committee and the Board of Directors according to these Regulations shall not be counted toward the transaction amount. Evaluation process of reasonableness of transaction costs <ol style="list-style-type: none"> Omitted. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the <u>preceding paragraph</u>. <p>(Omitted)</p>	<ol style="list-style-type: none"> To strengthen management over related party transactions to protect the shareholders' rights and interests, a new stipulation regarding acquisition or disposal of assets from publicly listed company or its non-domestically listed subsidiary to a related party, when the transaction amount reaches 10% or more of the public company's total assets, the public company may only engage in the transaction after submitting all relevant information to, and obtaining approval from the shareholders' meeting, has been added. Taking the overall business planning needs between the public company and its parent, subsidiary, or between subsidiaries into consideration, transactions between such companies have been exempted from resolution from the shareholders' meeting. Wording adjustment.

Amended Article	Current Article	Explanation
<p>single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with any of the methods specified in Clause 3 (1), Paragraph 3.</p> <p>(Omitted)</p>		
<p>Article 10: Regulations Governing the Acquisition and Disposal of Intangible Assets or its Right-of-use Asset or Membership 1 to 3 are omitted.</p> <p>4. Expert's appraisal report Except for transactions with government institutions, if the Company's acquisition or disposal of membership or intangible assets or its right-of-use assets reaches 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the Date of the Event.</p> <p>(Omitted)</p>	<p>Article 10: Regulations Governing the Acquisition and Disposal of Intangible Assets or its Right-of-use Asset or Membership 1 to 3 are omitted.</p> <p>4. Expert's appraisal report Except for transactions with government institutions, if the Company's acquisition or disposal of membership or intangible assets or its right-of-use assets reaches 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the Date of the Event. <u>Certified public accountant shall handle the matter in accordance with the provision of Auditing Standard No. 20 published by the ARDE.</u></p> <p>(Omitted)</p>	<p>Reason for amendment follows the reason given for Article 7.</p>
<p>Article 14: Procedures for Public Disclosure of Information</p> <p>1. Circumstances and conditions required to be announced or reported (1) to (6) are omitted.</p> <p>(7) Where there is an asset transaction (other than any such transactions referred to in the preceding six subparagraphs), a</p>	<p>Article 14: Procedures for Public Disclosure of Information</p> <p>1. Circumstances and conditions required to be announced or reported (1) to (6) are omitted.</p> <p>(7) Where there is an asset transaction (other than any such transactions referred to in the preceding six subparagraphs), a</p>	<p>1. Clause 7-2, Paragraph 1 concerning the exemption of trading of foreign bonds from public announcement, is amended in consideration of the fact that public companies are now exempted from publicly announcing their trading of domestic government bonds.</p> <p>2. Since the nature of the foreign government bond is</p>

Amended Article	Current Article	Explanation
<p>disposal of receivables to a financial institution, or an investment in mainland China area that reaches 20% or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign bonds with credit ratings that are no lower than sovereign ratings in Taiwan.</u> 2. Trading of securities at the stock exchange or over the counter, or purchase of the ordinary corporate bonds <u>or foreign bonds</u> or the general bank debentures without equity characteristics that are offered and issued in the domestic primary market as investment professionals (excluding subordinated debt and the subscription or redemption of securities investment trust funds and futures trust funds), <u>or purchase requisition or sell-back of exchange traded notes (ETN), or</u> acquisition of securities in line with regulations from the TPEx due to underwriting business needs from a securities dealer, who serves as a consultant and recommends securities firms from the TPEx. 3. Omitted. <p>(8) The transaction amount from the preceding Paragraphs <u>1</u> to 7 shall be calculated as follows, and "within the preceding year" refers to the</p>	<p>disposal of receivables to a financial institution, or an investment in mainland China area that reaches 20% or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Where done by professional investors- securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the <u>domestic</u> primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Omitted. <p>(8) The transaction amount from the preceding Paragraphs <u>4</u> to 7 shall be calculated as follows, and "within the preceding year" refers to the</p> <p>year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations</p>	<p>simple and usually has better credit rating than ordinary foreign corporate bonds, and since the nature of ETN is similar to ETF, they are now exempted from public announcement, and Clause 7-1, Paragraph 1 has been amended accordingly.</p> <p>3. Wording adjustment.</p>

Amended Article	Current Article	Explanation
<p>year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>1. to 4. are omitted.</p> <p>2. Timing for Announcement and Report</p> <p>When the Company's acquisition or disposal of asset includes items that shall be announced in Paragraph 1 and the transaction amount reaches the announcement and reporting standard in Paragraph 1, the Company shall carry out the announcement and reporting within 2 days of the Date of the Event.</p> <p>3. Procedures for Announcement and Report</p> <p>(1) to (2) are omitted.</p> <p>(3) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively <u>from the date of knowing</u> of such error or omission.</p> <p>(4) Omitted.</p> <p>(5) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and</p>	<p>need not be counted toward the transaction amount.</p> <p>1. to 4. are omitted.</p> <p>2. Timing for Announcement and Report</p> <p>When the Company's acquisition or disposal of asset includes items that shall be announced in this Article and the transaction amount reaches the announcement and reporting standard in this Article, the Company shall carry out the announcement and reporting within 2 days of the Date of the Event.</p> <p>3. Procedures for Announcement and Report</p> <p>(1) to (2) are omitted.</p> <p>(3) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety <u>in</u> two days counting inclusively from the date of knowing of such error or omission.</p> <p>(4) Omitted.</p> <p>(5) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with <u>the preceding</u> article, a public report of relevant information shall be made on the information reporting website designated by the FSC</p>	

Amended Article	Current Article	Explanation
<p>reported in accordance with <u>this</u> article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(Omitted)</p>	<p>within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(Omitted)</p>	

Solar Applied Materials Technology Corporation
Comparison Table for the Rules of Procedure for Shareholders' Meetings
Before and After Amendment

Amended Article	Current Article	Description
<p>Article 3</p> <p>Unless otherwise provided by the relevant laws and regulations, the Company's shareholders' meetings shall be convened by the Board of Directors.</p> <p><u>Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>The Company shall prepare the electronic version of the shareholders' meeting notice and power of attorney, and information regarding the subject and explanatory notes for all proposals, including proposals for ratification, matters for deliberation, and election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. If, however, <u>the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign</u></p>	<p>Article 3</p> <p>Unless otherwise provided by the relevant laws and regulations, the Company's shareholders' meetings shall be convened by the Board of Directors.</p> <p>The Company shall prepare the electronic version of the shareholders' meeting notice and power of attorney, and information regarding the subject and explanatory notes for all proposals, including proposals for ratification, matters for deliberation, and election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare the electronic version of the agenda for an annual shareholders' meeting and supplemental meeting materials, and upload them to MOPS 21 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. In addition, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials 15 days before the date of a shareholders' meeting, and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall be</p>	<p>I. Paragraph 2 is added to facilitate shareholders to understand any changes to the method of holding the shareholders' meeting, changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.</p> <p>II. Paragraph 2 is amended and moved to Paragraph 3 in line with the the amendment of Article 6 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies announced on December 16, 2021, in which for listed companies with paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be</p>

Amended Article	Current Article	Description
<p><u>shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting.</u> Before 15 days before the date of a shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. <u>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:</u></p> <p>I. <u>For physical shareholders' meetings, to be distributed on-site at the meeting.</u></p> <p>II. <u>For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p>III. <u>For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>(Paragraphs 5 to 7 are omitted)</p> <p>A shareholder holding more than one percent of the total</p>	<p>displayed at the Company and the professional shareholder services agent designated by the Company, <u>and also distributed on the spot at the meeting venue.</u> (Paragraphs 3 through 5 are omitted)</p> <p>A shareholder holding more than one percent of the total number of issued shares may submit to the Company a proposal containing only one item for discussion at an annual shareholders' meeting. Proposals containing more than one item shall not be included in the meeting agenda. In addition, the Board of Directors may exclude a shareholder's proposal from the meeting agenda if any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act is found in the proposal. 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 <u>Article 172-1</u> of the Company Act, and no proposal containing more than <u>1</u> item will be included in the meeting agenda. (Paragraphs 7 through 9 are omitted)</p>	<p>made by 30 days before the regular shareholders' meeting.</p> <p>III. In response to the allowance of public companies to organize virtual shareholders' meeting, the Company may convene either physical shareholders' meeting or via video conference. Paragraph 2 is amended and Paragraph 4 is added to facilitate shareholders to obtain the shareholders' meeting handbook and supplemental information on the day of the meeting whether they choose to attend the physical shareholders' meeting or virtual shareholders' meeting.</p> <p>IV. Wording adjustment in Paragraph 6 to uniform the presentation of numbers, and the paragraph is moved to Paragraph 8.</p>

Amended Article	Current Article	Description
<p>number of issued shares may submit to the Company a proposal containing only one item for discussion at an annual shareholders' meeting. Proposals containing more than one item shall not be included in the meeting agenda. In addition, the Board of Directors may exclude a shareholder's proposal from the meeting agenda if any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act is found in the proposal. 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 <u>Article 172-1</u> of the Company Act, and no proposal containing more than <u>one</u> item will be included in the meeting agenda. (Paragraphs 9 through 11 are omitted)</p>		
<p>Article 4 At each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the power of attorney issued by the Company which states the scope of power authorized 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 before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. Unless a declaration is made to cancel the previous proxy appointment.</p>	<p>Article 4 At each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the power of attorney issued by the Company which states the scope of power authorized 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 before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. Unless a declaration is made to cancel</p>	<p>I. Paragraphs 1 through 3 are not amended.</p> <p>II. Paragraph 4 is added to specify that if after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date.</p>

Amended Article	Current Article	Description
<p>If the shareholder intends to attend the shareholders' meeting in person or exercise his/her voting rights by correspondence or electronically after a power of attorney has been delivered to the Company, the shareholder shall issue a proxy rescission notice to the Company in writing two days before the date of the shareholders' meeting. If a proxy rescission notice is issued late, the voting rights exercised by the proxy in attendance shall prevail.</p> <p><u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>the previous proxy appointment.</p> <p>If the shareholder intends to attend the shareholders' meeting in person or exercise his/her voting rights by correspondence or electronically after a power of attorney has been delivered to the Company, the shareholder shall issue a proxy rescission notice to the Company in writing two days before the date of the shareholders' meeting. If a proxy rescission notice is issued late, the voting rights exercised by the proxy in attendance shall prevail.</p>	
<p>Article 5</p> <p>A shareholders' meeting shall be held at the premises of the Company or a venue which is convenient for shareholders to attend the meeting and is suitable for convening the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m., with full consideration given to the opinions of the independent directors.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>	<p>Article 5</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 9:00 a.m. and no later than 3:00 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>I. Paragraph 1 is not amended.</p> <p>II. Paragraph 2 is added to specify that the restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</p>
<p>Article 6</p> <p>The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and</p>	<p>Article 6</p> <p>The Company shall specify in a shareholders' meeting notice the time during which <u>shareholder</u> attendance registration will be conducted,</p>	<p>I. Paragraphs 4 through 6 are not amended.</p> <p>II. Paragraph 2 is amended to specify the registration time and procedures for</p>

Amended Article	Current Article	Description
<p>proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</u></p> <p><u>Shareholders</u> 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 prepare an attendance book for the shareholders present to sign, or the shareholders present may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, Annual Report, attendance card,</p>	<p>the venue to register for attendance, and other relevant matters.</p> <p>The time during which shareholder attendance registration will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting will commence. The venue at which attendance registration are conducted shall be clearly marked and with a sufficient number of suitable personnel assigned to handle the registration.</p> <p><u>Shareholders and their proxies (hereinafter referred to as "shareholders")</u> shall attend shareholders' meetings with an attendance card, a sign-in card 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 powers of attorney shall also bring their identification documents for verification.</p> <p>The Company shall prepare an attendance book for the shareholders present to sign, or the shareholders present may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall provide the shareholders present with an agenda handbook, an annual report, an attendance card, a speaker's slip, a voting card and other meeting materials. In the event that an election of directors is held, a ballot shall also be provided to them.</p> <p>When the government or a legal person is a shareholder, the shareholder may appoint more than one representative to</p>	<p>shareholders in a virtual shareholders' meeting.</p> <p>III. Paragraph 3 is amended in line with the abbreviated reference to the shareholders in Paragraph 1.</p> <p>IV. Paragraph 7 is added to specify that in the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</p> <p>V. Paragraph 8 is added to specify that in order for shareholders attending the virtual shareholders' meeting to have access to the meeting handbook and the Annual Report, the Company shall upload such materials to the virtual meeting platform.</p>

Amended Article	Current Article	Description
<p>speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished. When the government or a legal person is a shareholder, the shareholder may appoint more than one representative to attend a shareholders' meeting. When a legal person is appointed to attend a shareholders' meeting as proxy, the legal person may only designate one representative to attend the meeting.</p> <p><u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, Annual Report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>attend a shareholders' meeting. When a legal person is appointed to attend a shareholders' meeting as proxy, the legal person may only designate one representative to attend the meeting.</p>	
<p><u>Article 6-1</u> <u>To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:</u></p> <p>I. <u>How shareholders attend the virtual meeting and exercise their rights.</u></p> <p>II. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p>	<p>(New article)</p>	<p>I. New Article.</p> <p>II. In order to allow shareholders to understand their rights and interests and prohibited matters before attending the shareholders' meeting, it is specified that the meeting notice shall include how shareholders attend the virtual meeting and exercise their rights; actions to be taken if the virtual meeting platform or participation in the virtual meeting is</p>

Amended Article	Current Article	Description
<p>(I) <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p>(II) <u>Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.</u></p> <p>(III) <u>In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p>(IV) <u>Actions to be taken if the outcome of all proposals have been announced and</u></p>		<p>obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: postponement or resumption of the date of meeting and to what time the meeting is postponed or from what time the meeting will resume, regulations from Paragraphs 1, 2, 4, and 5, Article 44-20 in Regulations Governing the Administration of Shareholder Services of Public Companies, actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out, and appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online should also be specified.</p>

Amended Article	Current Article	Description
<p><u>extraordinary motion has not been carried out.</u></p> <p>III. <u>To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.</u></p>		
<p>Article 8</p> <p>The Company shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures, starting from the time when shareholders are allowed to register for attendance at the meeting.</p> <p>The audio and video recording mentioned in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual</u></p>	<p>Article 8</p> <p>The Company shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures, starting from the time when shareholders are allowed to register for attendance at the meeting.</p> <p>The audio and video recording mentioned in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>I. Paragraphs 1 and 2 are not amended.</p> <p>II. Paragraphs 3 and 4 are added in reference to Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, which specifies that the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and to continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end, and to keep such information during the entirety of its existence, and copies of the audio and video recordings shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</p> <p>III. Paragraph 5 is added to specify that in order to preserve as much information relevant to the virtual meeting as</p>

Amended Article	Current Article	Description
<p><u>meeting.</u></p> <p><u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>		<p>possible, besides specifying that the Company shall continuously audio and video record, without interruption, the entirety of the virtual meeting in Paragraph 3, the Company is also advised to audio and video record the back-end operation interface of the virtual meeting platform. Since synchronous recording of the screen requires a certain specification of computer software and hardware as well as information security, the Company may specify this on its Regulations Governing Shareholder Meetings based on the feasibility of its own equipment.</p>
<p>Article 9</p> <p>Attendance at shareholders' meetings shall be calculated based on the 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 shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairperson shall call the meeting to order at the appointed meeting time and announce the number of non-voting shares and the number of shares in attendance. However, when the shareholders present do not represent more than half the total number of issued shares,</p>	<p>Article 9</p> <p>Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the number of shares indicated in the attendance book and the sign-in card handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairperson shall call the meeting to order at the appointed meeting time and announce <u>the relevant information, such as the</u> number of non-voting shares and the number of shares in attendance. However, when the shareholders present do not represent more than half the total number of issued shares,</p>	<p>I. Paragraph 1 is amended to specify that when the Company convenes a virtual meeting, the calculation of the total shares represented at the meeting shall also take in the number of shares registered to the virtual meeting platform.</p> <p>II. Paragraph 3 is amended to specify that when convening a virtual meeting, in case the chair declares a meeting adjourned, the Company shall also declare the meeting adjourned at the virtual meeting platform in order to immediately notify all shareholders.</p> <p>III. Paragraph 4 is amended to specify that when a</p>

Amended Article	Current Article	Description
<p>the chairperson may announce a postponement, with no more than two such postponements exceeding one hour in total allowed. 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>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</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>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u></p> <p>When the shareholders present represent more than half the total number of issued shares before the conclusion of the meeting, the chairperson may resubmit the tentative resolution for voting at the shareholders' meeting in accordance with Article 174 of the Company Act.</p>	<p>the chairperson may announce a postponement, with no more than two such postponements exceeding one hour in total allowed. If the shareholders present still do not represent more than one-third of the total number of issued shares after two postponements, the chairperson shall declare the meeting adjourned.</p> <p>If the shareholders present still do not represent more than half the total number of issued shares but represent more than one-third of the total number of issued shares after two postponements as mentioned in the preceding paragraph, a tentative resolution may be adopted in accordance with 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 the shareholders present represent more than half the total number of issued shares before the conclusion of the meeting, the chairperson may resubmit the tentative resolution for voting at the shareholders' meeting in accordance with Article 174 of the Company Act.</p>	<p>tentative resolution is reached to convene another shareholders' meeting, the shareholders who wish to attend the meeting online shall register to the Company.</p>
<p>Article 11 Paragraphs 1 to 6 are omitted.</p>	<p>Article 11 (Paragraphs 1 through 6 are omitted)</p>	<p>I. Paragraph 7 is added to specify the method, procedure, and restraint of raising questions for shareholders attending</p>

Amended Article	Current Article	Description
<p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p> <p><u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>		<p>the meeting online.</p> <p>II. Paragraph 8 is added to facilitate all shareholders in understanding the contents of the questions raised by specifying that besides screening questions unrelated to any proposal of the shareholders' meeting, the Company is advised to disclose all questions on the virtual meeting platform.</p>
<p>Article 13 (Paragraphs 1 through 3 are omitted)</p> <p>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 <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised his/her voting rights both by correspondence or</p>	<p>Article 13 (Paragraphs 1 through 3 are omitted)</p> <p>If the shareholder intends to attend the shareholders' meeting in person after exercising his/her voting rights by correspondence or electronically, the shareholder shall issue a written declaration of intent to retract the voting rights already exercised in the preceding paragraph to the Company two days before the date of the shareholders' meeting. If a notice of retraction is issued late, the voting rights already exercised by correspondence or electronically shall prevail. When a shareholder has exercised his/her voting rights both by correspondence or electronically and by appointing a proxy to attend a shareholders' meeting, the</p>	<p>I. Paragraph 4 is amended to specify that after a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised.</p> <p>II. Slight wording change in Paragraph 5.</p> <p>III. Paragraphs 9 and 10 are added to provide more time for shareholders attending the virtual meeting in casting their votes, when this</p>

Amended Article	Current Article	Description
<p>electronically and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, a proposal shall be approved upon a resolution adopted by more than half the shareholders present. At the time of voting, the chairperson or a person designated by the chairperson shall first announce the total number of voting shares held by the shareholders present before the shareholders begin to vote for each proposal. The results for each proposal, including the number of votes for and against the proposal and the number of abstentions, shall be uploaded onto MOPS on the same day after the conclusion of the meeting. (Paragraphs 6 through 8 are omitted)</p> <p><u>When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, if shareholders who have</u></p>	<p>voting rights exercised by the proxy in the meeting shall prevail. Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, a <u>proposal</u> shall be approved upon a resolution adopted by more than half the shareholders present. At the time of voting, the chairperson or a person designated by the chairperson shall first announce the total number of voting shares held by the shareholders present before the shareholders begin to vote for each proposal. The results for each proposal, including the number of votes for and against the proposal and the number of abstentions, shall be uploaded onto MOPS on the same day after the conclusion of the meeting. (Paragraphs 6 through 8 are omitted)</p>	<p>Corporation convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends, and votes shall be counted at once after the chair announces the voting session ends.</p> <p>IV. Paragraph 11 is added to specify that in a hybrid meeting, if shareholders who have registered to attend the meeting online decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered two days before the meeting. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.</p> <p>V. In accordance with Directive Letter No. Ching-Shang-Tzu10102404740 and Directive Letter No. Ching-Shang-Tzu10102414350 dated February 24, 2012 and May 3, 2012, respectively from the Ministry of Economic Affairs, shareholders who exercise their</p>

Amended Article	Current Article	Description
<p><u>registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		<p>voting rights by electronic means and have not revoked the votes may not propose an amendment to the original proposal and are prohibited from exercising their voting rights on the same proposal. However, the shareholder may still attend the shareholders' meeting and may propose extraordinary motion and exercise their voting rights during the meeting. In consideration of the fact that correspondence and electronic means are both methods for shareholders to exercise their voting rights, based on the principle of equality, voting via correspondence may be treated in the same way as voting via the preceding electronic means to protect the rights and interests of shareholders.</p> <p>Therefore, it is specified in Paragraph 12 that shareholders who exercised their voting rights by correspondence or electronically and did not retract the voting rights already exercised may register to attend a shareholders' meeting virtually. However, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the</p>

Amended Article	Current Article	Description
		original proposals or exercise voting rights on amendments to the original proposal.
<p>Article 15 (Paragraphs 1 through 2 are omitted)</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 or Supervisors. The meeting minutes shall be kept permanently throughout the existence of the Company. <u>Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties</u></p>	<p>Article 15 (Paragraphs 1 through 2 are omitted)</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 or Supervisors. The meeting minutes shall be kept permanently throughout the existence of the Company.</p>	<p>I. Paragraphs 1 through 3 are not amended.</p> <p>II. Paragraph 4 is added to facilitate shareholders to understand the results of the shareholders' meeting, alternative measures for shareholders with digital gap, and actions to be taken and how issues are dealt with in case of disruption to the virtual meeting, the Company is required to specify in the meeting minutes the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph.</p> <p>III. Paragraph 5 is added to specify alternative measures available to shareholders with digital gap by requiring that the meeting notice shall specify the appropriate alternative measures available to</p>

Amended Article	Current Article	Description
<u>in attending a virtual-only shareholders' meeting online.</u>		shareholders with difficulties in attending a virtual shareholders' meeting online.
<p>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, the number of shares represented by proxies and the <u>number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders' meeting. <u>In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> If the resolutions adopted by a shareholders' meeting constitute material information under the relevant laws and regulations or the regulations promulgated by Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the content of these resolutions onto MOPS within</p>	<p>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 these numbers at the venue of the shareholders' meeting. If the resolutions adopted by a shareholders' meeting constitute material information under the relevant laws and regulations or the regulations promulgated by Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the content of these resolutions onto MOPS within the prescribed time period.</p>	<p>I. To facilitate the understanding of all shareholders, the Company shall compile 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 these numbers at the venue of the shareholders' meeting. Paragraph 1 is amended to specify that the Company shall upload the meeting materials to the virtual meeting platform in case of a virtual meeting.</p> <p>II. Paragraph 2 is added so that shareholders attending the virtual shareholders' meeting can simultaneously understand whether the total number of shares represented at the meeting have met the threshold for calling the meeting to order; hence, it is specified that the Company shall disclose the number of shares represented at the meeting on the virtual meeting platform when the meeting is called to order, and the same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released</p>

Amended Article	Current Article	Description
the prescribed time period.		during the meeting.
<u>Article 19</u> <u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	(New article)	I. New Article. II. The Article is added to require sufficient information disclosure time, so that the shareholders attending the virtual shareholders' meeting may immediately understand the voting on the proposals and election results.
<u>Article 20</u> <u>When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	(New article)	I. New Article. II. Added to specify that when the shareholders' meeting is virtual-only with no physical meeting venue, the chair and the secretary shall be in the same location within Taiwan, and the chair call declare the address of their location when the meeting is called to order so that the shareholders could understand their whereabouts.
<u>Article 21</u> <u>In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the</u>	(New article)	I. New Article. II. Paragraph 1 is added in reference to overseas practices in reducing communication issues during the virtual meeting, it specifies that the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues., III. Paragraph 2 is added to

Amended Article	Current Article	Description
<p><u>Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and</u></p>		<p>specify that in the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act which specifies that a resolution from the shareholders' meeting is required, shall not apply. The scope of this Article does not include any intentional or negligent failure of the Company, the virtual meeting platform, shareholders, solicitors, or proxies that lead to the failure in holding or attending a virtual shareholders' meeting.</p> <p>IV. Paragraph 3 is added to specify that when the Company experiences a matter that requires a meeting to be postponed or resumed as specified in Paragraph 2, pursuant to Article 4-4-20, Paragraph 2 of the Regulations Governing the Administration of Shareholder Services of Public Companies,</p>

Amended Article	Current Article	Description
<p><u>results have been announced, or list of elected Directors and Supervisors.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at</u></p>		<p>shareholders (including solicitors and proxies) who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session. As for hybrid shareholders' meetings, the shareholders attending the affected physical meeting, may continue to participate in the postponed or resumed session via physical means.</p> <p>V. Paragraph 4 is added to specify that, pursuant to Paragraph 3, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, for a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders (including solicitors and proxies) who have registered to participate in the affected shareholders' meeting of the Company and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the</p>

Amended Article	Current Article	Description
<u>Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.</u>		<p>postponed or resumed session.</p> <p>VI. Paragraph 5 is formulated to reduce the time and cost for convening a postponed or resumed meeting by specifying that, in case a meeting is required to be postponed or resumed due to communication difficulties, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected Directors.</p> <p>VII. Paragraph 6 is formulated in consideration that, during a hybrid meeting, since the physical shareholders' meeting is available even when the virtual meeting cannot continue as described in the second paragraph, the shareholders' meeting shall continue by specifying that if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders'</p>

Amended Article	Current Article	Description
		<p>meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</p> <p>VIII. Paragraph 7 is formulated in consideration that under the circumstances where a meeting should continue as in the preceding two paragraph and does not need to be postponed or resumed, pursuant to Article 44-20, Paragraph 5 of the Regulations Governing the Administration of Shareholder Service of Public Companies, the shares represented by shareholders (including solicitors and proxies) attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</p> <p>IX. Paragraph 8 is formulated in consideration that the preceding original shareholders' meeting requiring to be</p>

Amended Article	Current Article	Description
		<p>postponed or resumed is the same one as the one to be resumed, the Company is not required to carry out the relevant preparatory works in accordance with the requirements listed under Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Service of Public Companies.</p> <p>X. Additionally, Paragraph 9 is formulated in consideration that when a meeting is postponed, on the day of the postponed or resumed shareholders' meeting, the Company shall handle the matters stipulated by the following Acts to facilitate the shareholders' understanding: the dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5 Paragraph 2, Article 44-15, Article 44-17 Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p>
<p><u>Article 22</u> <u>When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with</u></p>	(New article)	<p>I. New Article. II. When convening a virtual-only shareholders' meeting, in consideration of the fact that shareholders</p>

Amended Article	Current Article	Description
<u>difficulties in attending a virtual shareholders' meeting online.</u>		with digital gap may have difficulties in attending a virtual meeting, the Company shall provide appropriate alternative measures such as voting by correspondence or providing lease or rental of equipment necessary to attending a virtual meeting to its shareholders.
Article 23 These Procedures shall take effect upon approval by the shareholders' meeting. The same shall apply to any amendment thereto.	Article 19 These Procedures shall take effect upon approval by the shareholders' meeting. The same shall apply to any amendment thereto.	The order of the Articles is adjusted to accommodate the addition of new Articles.

Lifting of Non-compete Clause Against Directors

Name	Positions held in other companies
Yung-Chang Chao	Jentech Precision Industrial Co., Ltd. - Director Kenly Precision Industrial Co., Ltd. - Chairman and General Manager
Yu-Cheng Cheng, Representative of Xxentria Chi Co., Ltd.	Xxentria Technology Materials Co., Ltd. - R&D Engineer and Director
Yun-Fang Li, Representative of Xxentria Chi Co., Ltd.	Xxentria Technology Materials Co., Ltd. - Chief Financial Officer Dong Hua System Develop Co., Ltd. – Supervisor Sunfly Solar Technology Co., Ltd. – Supervisor Guangju Environmental Protection Technology Co., Ltd. – Supervisor Xxentria (Shanghai) International Trading Co., Ltd. - Supervisor

Your Target is Our Target**Chapter 1 General Provision**

Clause 1: The Company is organized according to the Company Act, and named “Solar Applied Materials Technology Corporation”.

Clause 2: The Company is engaged in several industries as follows,

1. C801010 Basic Industrial Chemical Manufacturing.
2. C801030 Precision Chemical Materials Manufacturing.
3. C801990 Other Chemical Materials Manufacturing.
4. C802090 Cleaning Products Manufacturing.
5. C802170 Toxic and Concerned Chemical Substances Manufacturing.
6. C802990 Other Chemical Products Manufacturing.
7. C803990 Other Petroleum and Charcoal Manufacturing.
8. C901010 Pottery and Ceramics Products Manufacturing.
9. C901060 Refractory Materials Manufacturing.
10. C901990 Other Non-metallic Mineral Products Manufacturing.
11. CA01090 Aluminum Casting.
12. CA01100 Aluminum Rolling, Drawing and Extruding.
13. CA01110 Copper Refining.
14. CA01120 Copper Casting.
15. CA01130 Copper Rolling, Drawing and Extruding.
16. CA01150 Magnesium Casting.
17. CA01160 Magnesium Rolling, Drawing and Extruding.
18. CA01990 Other Non-ferrous Metal Basic Industries.
19. CA02080 Metal Forging.
20. CA02090 Metal Wire Products Manufacturing.
21. CA02990 Other Metal Products Manufacturing.
22. CA03010 Heat Treatment.
23. CA04010 Surface Treatments.
24. CA05010 Powder Metallurgy.
25. CB01020 Affairs Machine Manufacturing.
26. CB01030 Pollution Controlling Equipment Manufacturing.
27. CC01090 Manufacture of Batteries and Accumulators.
28. CG01010 Jewelry and Precious Metals Products Manufacturing.
29. E599010 Pipping Engineering.
30. E603100 Electric Welding Engineering.

31. E603120 Sand Blasting Engineering.
32. E604010 Machinery Installation.
33. EZ99990 Other Engineering.
34. F107060 Toxic and Concerned Chemical Substances Wholesale Trade.
35. F107200 Wholesale of Chemical Feedstock.
36. F112040 Wholesale of Petroleum Products.
37. F115010 Wholesale of Jewelry and Precious Metals.
38. F199010 Wholesale of Recycling Materials.
39. F207060 Toxic and Concerned Chemical Substances Retail.
40. F215010 Retail Sale of Jewelry and Precious Metals.
41. F401010 International Trade.
42. J101030 Waste Disposing.
43. J101040 Waste Treatment.
44. J101060 Wastewater (Sewage) Treatment.
45. J101080 Resource Recycling.
46. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Clause 3: The Company is headquartered in Tainan City, and may set up branches in Taiwan and overseas when necessary pursuant to resolutions adopted by the Board of Directors.
- Clause 4: The Company may provide endorsements and guarantees to others based on business needs and the principle of reciprocity.
- Clause 5: The Company shall make public announcements in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Clause 6: The total capital of the Company is set at NT\$8 billion, which is divided into 800 million shares at a par value of NT\$10 per share. The Board of Directors is authorized to issue unissued shares in installments based on business needs.

The Company may issue in installments stock warrants, corporate bonds with warrants or preferred shares with warrants totaling up to NT\$120 million out of the the total capital mentioned in the preceding paragraph, which amounts to 12 million shares at a par value of NT\$10 per share.

- Clause 7: The shares of the Company are registered shares. The share certificates shall be assigned with serial numbers and affixed with the signature or stamp of the director representing the Company. The share certificates shall be duly certified or authenticated by the bank which is competent to certify shares in accordance with the law before they are issued.
- Clause 7-1: The Company may be exempted from printing any share certificate for the shares it issues, and shall register the issued shares with a centralized securities depository enterprise.
- Clause 8: Transfer of shares shall be handled in accordance with Article 165 of the Company Act.

Chapter 3 Shareholders' Meeting

- Clause 9: There are two types of shareholders' meeting, namely annual shareholders' meeting and extraordinary shareholders' meeting. An annual shareholders' meeting shall be convened by the Board of Directors each year within six months after the end of a fiscal year in accordance with Article 172 of the Company Act. An extraordinary shareholders' meeting shall be convened in accordance with the law when necessary. However, shareholders with less than 1,000 shares of the Company may be notified of a shareholders' meeting via public announcements. 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 delivered electronically. Voting rights may be exercised by correspondence or electronically at a shareholders' meeting convened by the Company. Voting rights shall be exercised according to the methods stipulated in the relevant regulations.
- Clause 10: When a shareholder is unable to attend a shareholders' meeting for any reason, the shareholder may appoint a proxy to attend the meeting on his/her behalf by providing a power of attorney in accordance with Article 177 of the Company Act.
- Clause 11: A shareholder shall be entitled to one vote for each share held; however, there are no voting rights for shares specified in Article 179 of the Company Act and the relevant laws and regulations.
- Clause 12: Unless otherwise provided for in the Company Act, a resolution of a shareholders' meeting shall be adopted with the approval of shareholders representing more than half the voting rights at the meeting attended by shareholders holding more than half the total number of issued shares. If there is no dissenting opinion from the shareholders present against a proposal upon inquiry by the chairperson at the time of voting, the proposal shall be deemed to be adopted with the same effect as if the proposal is adopted through voting.

Chapter 4 Directors and Audit Committee

- Clause 13: The Company shall appoint five to nine directors whose term of office is three years. Directors shall be elected from among persons with disposing capacity by the shareholders' meeting. Re-elected directors may serve consecutive terms.
- The candidate nomination system shall be adopted in the election of directors in accordance with Article 192-1 of the Company Act. Matters related to the election of directors shall be governed by the relevant laws and regulations, including the Company Act and the Securities and Exchange Act.
- The total number of registered shares held by all the directors at the Company shall be subject to the standards stipulated in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance.
- Clause 13-1: Among the directors at the Company mentioned above, there shall be no less than two independent directors, and the number of independent directors may not be less than one-fifth of the total number of directors at the Company. The candidate nomination system shall be adopted in the election of independent directors. Independent directors shall be elected from a list of independent director candidates by the shareholders' meeting. The professional qualifications, restrictions on shareholdings and concurrent positions, methods of nomination and election, and other matters associated with independent directors shall be governed by the relevant rules and regulations promulgated by the competent authority in charge of securities affairs.
- Clause 14: The Board of Directors shall be organized by directors. A chairman shall be elected from among the directors by a majority vote at a meeting attended by more than two-thirds of the total number of directors at the Company. A vice chairman shall also be elected in the same manner. The Chairman shall represent the Company in public and carry out all the matters associated with the Company in accordance with the relevant laws and regulations, the Company's Articles of Incorporation, and the resolutions adopted by the shareholders' meeting and the Board of Directors at the Company. When convening a Board of Directors' meeting, the reason for convening the meeting shall be specified in the meeting notice. All directors shall be notified of the meeting seven days prior to the date of the Board of Directors' meeting. However, in case of an emergency, a Board of Directors' meeting may be convened at any time.
- Directors may be notified of the convening of a Board of Directors' meeting as mentioned in the preceding paragraph in writing, by fax or via e-mail.
- Clause 15: When the Chairman is on leave or is unable to exercise his/her powers for any reason, a person shall be elected to act on his/her behalf in accordance with Article 208 of the Company Act.

Clause 15-1: Unless otherwise provided for in the Company Act, a Board of Directors' meeting must be attended by more than half the total number of directors. A resolution shall be adopted with the approval of more than half the directors present at the meeting. When a director is unable to attend a Board of Directors' meeting for any reason, the director may appoint other directors to attend the meeting on his/her behalf by providing a power of attorney specifying the scope of authority with reference to the reason for convening the meeting; however, a director may only be appointed to serve as a proxy for one other director only. If a Board of Directors' meeting is convened via video conferencing, directors who participate in the meeting via video conferencing shall be deemed to have attended the meeting in person.

Clause 15-2: When no election of directors is held upon expiration of the existing directors' term of office, their term of office shall be extended until the election and appointment of new directors. However, the competent authority may, ex officio, order the Company to elect new directors within a given time period. In the event that no election of directors is held after the given time period ends, the existing directors shall be discharged upon expiration of the given time period.

Clause 15-3: When the number of directors falls to less than one-third of the total number of directors required, the Board of Directors shall convene a shareholders' meeting and hold a by-election to fill the vacancies within the time period stipulated in Article 201 of the Company Act.

Clause 15-4: The Company shall establish the Audit Committee and may set up other functional committees. The Audit Committee shall be fully composed of independent directors, and may not comprise less than three people, where one of the members shall be the convener of the committee, and at least one member shall possess accounting or finance expertise. The Audit Committee shall be responsible for performing the duties and responsibilities of supervisors stipulated in the Company Act, the Securities and Exchange Act, and other laws and regulations, as well as complying the relevant laws and regulations and the Company's Articles of Incorporation. The duties and responsibilities of the Audit Committee and related matters shall be governed by the relevant laws and regulations, and shall be established separately by the Board of Directors.

Clause 16: The duties and responsibilities of the Board of Directors at the Company are listed as follows:

1. Review and implement the business policies of the Company.
2. Review financial movements and audit daily revenue and expenditure at the Company.

3. Review the personnel structure of the Company, and appoint and dismiss key personnel.
4. Prepare the budget and final accounts of the Company.
5. Review and deliberate on the business reports of the Company.
6. Formulate proposals for capital increase or reduction at the Company.
7. Formulate proposals for earnings distribution or making up for losses at the Company.
8. Review and sign external contracts.
9. Review documents related to important regulations at the Company.
10. Handle the assets of the Company.
11. Implement the resolutions adopted in Board of Directors' meetings.
12. Perform other duties and responsibilities granted by the relevant laws and regulations and the shareholders' meeting.

Chapter 5 Managers

Clause 17: The Company shall appoint a president. The appointment, discharge, and remuneration of the President shall be handled in accordance with Article 29 of the Company Act.

Clause 18: Deleted.

Chapter 6 Accounting

Clause 19: The Board of Directors shall prepare the following reports and statements at the end of a fiscal year and submit them to the annual shareholders' meeting for recognition thirty days prior to the date of the annual shareholders' meeting: (1) Business report. (2) Financial statements. (3) Proposal for earnings distribution or making up for losses.

Clause 20: If the Company records a profit in a particular year, the Company shall set aside no less than two percent of its profit as employee remuneration and no more than five percent of its profit as directors' remuneration. However, the Company shall reserve a portion of its profit to make up for losses if the Company still records accumulated loss. Employee remuneration may be distributed in the form of shares or cash. The eligible recipients of employee remuneration may include employees at the subsidiaries of the Company who meet specific conditions.

Clause 20-1: If the Company posts a profit in its final accounts for a particular year, the profit shall be distributed for the purposes listed in the following order.

1. Tax payment.
2. Making up for losses.
3. Setting aside ten percent of the profit as legal reserve. This provision shall not apply when the legal reserve amounts to the total amount of paid-in capital.
4. Setting aside or reversing part of the profit as special reserve pursuant to the relevant regulations or the order of the competent authority.

5. If there is any profit left, the remaining profit shall be the earnings for the year. The sum of earnings for the year and undistributed earnings from previous years shall form the accumulated distributable earnings. The Company may propose an earnings distribution plan accordingly and submit the plan to the shareholders' meeting for approval.

Clause 20-2: The Company may determine the amount and percentage of earnings to be distributed as dividends for the year and the type of dividends to be distributed for the year based on financial, business, and operational considerations. However, the amount of earnings to be distributed as dividends for the year shall be at least 40 percent of the earnings for the year up to the full amount of the accumulated distributable earnings. Earnings shall be distributed in the form of cash dividends or stock dividends. However, considering the environment to which the Company belongs and its growth in response to its future capital needs and long-term financial planning, the Company shall give priority to earnings distribution in the form of cash dividends, where the amount of dividends to be distributed in the form of cash shall be no less than 50 percent of the total amount of dividends. The percentage of earnings to be distributed as dividends and the type of dividends to be distributed may be adjusted upon a resolution adopted in the shareholders' meeting based on the actual profit and capital position for the year.

Chapter 7 Supplementary Provisions

- Clause 21: The amount of the Company's investments in other companies may not exceed 40 percent of its paid-in capital as stipulated in Article 13 of the Company Act.
- Clause 22: The Board of Directors shall be authorized to determine the remuneration of directors based on their level of participation and value of contribution to the operations of the Company, as well as by reference to prevailing industry standards. The Company may purchase liability insurance for directors in relation to their scope of duties during their term of office.
- Clause 23: Any matters not specified in the Articles of Incorporation shall be governed by the Company Act.
- Clause 24: The Company's Articles of Incorporation and bylaws shall be established separately based on the resolutions adopted by the Board of Directors.
- Clause 25: The Articles of Incorporation was established on July 14th, 1978. First revision was made on May 29th, 1979. Second revision was made on July 15th, 1983. Third revision was made on June 16th, 1984. Fourth revision was made on July 2nd, 1986. Fifth revision was made on Feb. 23rd, 1987. Sixth revision was made on Mar. 16th, 1987. Seventh revision was made on Sep. 20th, 1988. Eighth revision was made on Oct. 20th, 1990. Ninth revision was made on Nov. 26th, 1990. Tenth revision was made on July 26th, 1993. Eleventh revision was made on Sep. 7th, 1993. Twelfth revision was made on Apr. 15th, 1994. Thirteenth revision was made on

Oct. 22nd, 1994. Fourteenth revision was made on Dec. 19th, 1994. Fifteenth revision was made on Oct. 14th, 1998. Sixteenth revision was made on Sep. 8th, 1999. Seventeenth revision was made on Sep. 28th, 1999. Eighteenth revision was made on May 10th, 2000. Nineteenth revision was made on June 23rd, 2000. Twentieth revision was made on Sep. 19th, 2000. Twenty-First revision was made on Oct. 28th, 2000. Twenty-Second revision was made on Oct. 6th, 2001. Twenty-Third revision was made on April 7th, 2002. Twenty-Fourth revision was made on Nov. 5th, 2002. Twenty-Fifth revision was made on June 30th, 2003. Twenty-Sixth revision was made on June 24th, 2004. Twenty-Seventh revision was made on June 23rd, 2005. Twenty-Eighth revision was made on June 21st, 2006. Twenty-Ninth revision was made on June 13th, 2007. Thirtieth revision was made on June 13th, 2008. Thirty-First revision was made on June 19th, 2009. Thirty-second revision was made on June 15th, 2010. Thirty-third revision was made on June 10th, 2011. Thirty-fourth revision was made on June 21st, 2012. Thirty-fifth revision was made on June 28th, 2013. Thirty-sixth revision was made on June 12th, 2015. Thirty-seventh revision was made on July 19th, 2016. Thirty-eighth revision was made on June 16th, 2017. Thirty-ninth revision was made on June 15th, 2018. Fortieth revision was made on June 28th, 2019. Forty-First revision was made on July 16, 2021.

Solar Applied Materials Technology Corp.

Corporate Social Responsibility Best Practice Principles

Chapter 1 General Provision

Article 1 In order to assist the Company to fulfill its corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Principles are adopted to manage its economic, environmental and social risks and impact.

Article 2 The Principles apply to the Company, including the entire operations of each such company and its business group.

The Principles encourage the Company to actively fulfill their corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3 In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4 To implement corporate social responsibility initiatives, the Company is advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5 The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving corporate social responsibility, the Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.

Chapter 2 Exercising Corporate Governance

- Article 6** The Company follows the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.
- Article 7** The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The Board of Directors of the Company is advised to include the following matters, in the Company's performance of its corporate social responsibility initiatives:
1. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines.
 2. Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives.
 3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. Enhance disclosure of corporate social responsibility information.
- The Company shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the Board of Directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.
- Article 8** The Company is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.
- Article 9** For the purpose of managing corporate social responsibility initiatives, the Company has already established an exclusively dedicated unit, the Resource Integration Center, to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the Board of Directors on a periodic basis. The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.
- Article 10** The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper

communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Foster a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company is advised to endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company advised to establish proper environment management systems based on the characteristics of its industry. Such systems shall include the following tasks:

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

Article 14 The Company's Environmental Protection department is the dedicated unit for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15 The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:

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

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

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

Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

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

1. Direct greenhouse gas emissions: Emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: Emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

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

Chapter 4 Preserving Public Welfare

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination. To fulfill its responsibility to protect human rights, the Company shall adopt relevant management policies and processes, including:

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

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

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

- Article 19** The Company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company has business operations.
- Article 20** The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.
The Company is advised to organize training on safety and health for its employees on a regular basis.
- Article 21** The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.
The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.
- Article 22** The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.
The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.
The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.
- Article 23** The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.
- Article 24** The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industry.
The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.
- Article 25** The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company is advised to assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enter into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the Board of Directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.

3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

7. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
8. Major stakeholders and their concerns.
9. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
10. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve its established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.



Regulations Governing the Acquisition and Disposal of Assets

Approved by the shareholders' meeting on June 30, 2003

Approved by the shareholders' meeting on June 21, 2006

Approved by the shareholders' meeting on March 16, 2007

Approved by the shareholders' meeting on June 15, 2010

Approved by the shareholders' meeting on March 18, 2011

Approved by the shareholders' meeting on June 10, 2011

Approved by the shareholders' meeting on March 16, 2012

Approved by the shareholders' meeting on June 21, 2012

Approved by the shareholders' meeting on December 20, 2012

Approved by the shareholders' meeting on June 28, 2013

Approved by the shareholders' meeting on March 17, 2014

Approved by the shareholders' meeting on June 27, 2014

Approved by the shareholders' meeting on March 8, 2016

Approved by the shareholders' meeting on July 19, 2016

Approved by the shareholders' meeting on March 21, 2017

Approved by the shareholders' meeting on June 16, 2017

Approved by the shareholders' meeting on March 21, 2018

Approved by the shareholders' meeting on June 15, 2018

Approved by the shareholders' meeting on March 26, 2019

Approved by the shareholders' meeting on June 28, 2019

Approved by the shareholders' meeting on March 16, 2022

Article 1: Purpose

These Regulations have been specified to protect assets and to fulfill information disclosure in practice.

Article 2: Legal basis

These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act") and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" from the Financial Supervisory Commission ("FSC").

Article 3: The term "assets" as used in these Regulations includes the following:

1. Marketable securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed

securities.

2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Intangible assets: Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4: Terms used in these Regulations are defined as follows:

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

amount of the transaction, whichever date is earlier. Provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. "Within the preceding year" refers to the year preceding the date of occurrence of the current acquisition or disposal of asset. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
8. "Most recent financial statements" refers to the financial statements publicly disclosed in line with the laws and have been audited by a certified public accountant prior to the acquisition or disposal of asset.
9. 10% of the Company's total assets: The total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.
10. Shares with no par value or whose par value is not NT\$10:
 - (1) For the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.
 - (2) For calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 5: Total amounts of real property and right-of-use assets thereof or securities acquired by the Company and each subsidiary for business use, and limits on individual securities.

The Company and its subsidiaries have set the following limits on acquisition of preceding assets:

1. Total amount of real property and right-of-use assets thereof acquired by the Company and each subsidiary for business use may not exceed 30% of the Company's net worth.
2. Total amount of securities may not exceed 80% of the Company's net worth.
3. Individual securities may not exceed 50% of the Company's net worth.

Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions

shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

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

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

Article 7: Regulations Governing the Acquisition and Disposal of Property, Equipment, or Right-of-use Assets

1. Evaluation and operating procedures

The Company's acquisition or disposal of property, equipment, or the right-of-use assets thereof, shall be handled in line with the property, plant and equipment circular procedure, which is a part of the Company's internal control system.

2. Transaction terms and approval process
 - (1) In acquisition or disposal of property or the right-of-use assets thereof, the Company shall either use publicly announced present value, assessed present value, and actual sold price for the real estate in the neighborhood in determining the transaction terms and price, and prepare an analysis report, which shall be submitted to the Chairman. The acquisition or disposal of real estate with amount under NT\$300 million (inclusive) shall be implemented in accordance with the Company's authority and delegation system. Those that exceed NT\$200 million shall be reported to the Board of Directors after the event, and amounts that exceed NT\$300 million may only be implemented upon approval from the Board of Directors.
 - (2) In acquisition or disposal of property or the right-of-use assets thereof, the Company shall either ask for a quoted price, compare prices, or use bargain process and tender process. The acquisition or disposal of equipment with amount under NT\$300 million (inclusive) shall be implemented in accordance with the Company's authority and delegation system. Those that exceed NT\$200 million shall be reported to the Board of Directors after the event, and amounts that exceed NT\$300 million may only be implemented upon approval from the Chairman and a resolution from the Board of Directors.
 - (3) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Audit Committee and the Board of Directors under the Company's procedures or other laws or regulations. Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
3. Implementation Unit

The acquisition or disposal of property, equipment, or its right-of-use assets, the unit responsible thereof and relevant authority and delegation unit shall be in charge of such implementations.
4. Appraisal Report of the Property, Equipment, or Right-of-use Assets

Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition of

equipment for operation purpose, for acquisition or disposal of real estate, equipment, or right-of-use assets by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by a Professional Appraiser shall be obtained prior to the Date of the Event and the following provisions should be complied with:

- (1) If for any special reason, restricted price, specific price, or special price must be used as a reference for the transaction price, the transaction should be approved by the Board of Directors in advance. The above procedures should also be followed in case the transaction terms are changed subsequently.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation ("ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with Article 13, Paragraph 1-8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

- (5) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8: Regulations Governing the Acquisition and Disposal of Marketable Security Investments

1. Evaluation and operating procedures

The trading of marketable securities from the Company shall be handled in line with the investment cycle of the Company's internal control system.

2. Transaction terms and approval process

- (1) The short-term securities transactions for the purpose of financing conducted at the centralized exchange market or the stock exchange shall be determined by the responsible units in line with market conditions. Transaction amounts less than NT\$100 million (inclusive) shall be implemented in accordance with the Company's authority and delegation system, and those that exceed NT\$100 million may only be implemented upon approval from the Board of Directors.
- (2) For any securities transaction not conducted at the centralized exchange market or the stock exchange, the most recent CPA-checked, certified, or reviewed financial statement of the target company shall be used as a reference for evaluating the transaction price. Transaction amounts less than NT\$100 million (inclusive) shall be implemented in accordance with the Company's authority and delegation system, and those that exceed NT\$100 million may only be implemented upon approval from the Board of Directors.
- (3) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Audit Committee and the Board of Directors under the Company's procedures or other laws or regulations. Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

3. Implementation Unit

For the acquisition or disposal of securities, the relevant authority and delegation described in the preceding paragraph shall be followed, and the President shall designate a handling unit to carry out the implementations.

4. Obtaining expert's opinion

The Company acquiring or disposing of securities, in which the transaction price reach 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price have to be sought from a certified public accountant prior to the Date of the Event. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. These requirements are not applicable if such securities have a public price from an active market or where otherwise provided by regulations of the Taiwan Financial Supervisory Commission.

The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with Article 13, Paragraph 1-8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 9: Regulations Governing the Related Party Transactions

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted in line with Articles 7, 8, and 10 and the reasonableness of the transaction terms is appraised, the Company shall also adhere to regulations in this Article. If the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion.

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

2. Evaluation and operating procedures

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust

enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Items 1, 2, 3, 4, and 6 in Paragraph 3 of this Article.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The aforementioned transaction amount shall be handled in line with Clause 8, Paragraph 1, Article 14, and within the preceding year refers to the year preceding the Date of Occurrence of this transaction. Items that have been approved by the Audit Committee and the Board of Directors according to these Regulations shall not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may delegate the Board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

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

Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction is submitted for discussion by the Board of Directors pursuant to the Regulations, the Board of Directors

shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

3. Evaluation process of reasonableness of transaction costs

(1) When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:

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

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

(3) When acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, it shall also engage a CPA to check the appraisal and render a specific opinion.

(4) When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 3-5 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- (5) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Items 1, 2, 3, 4, and 5 in paragraph 3 are uniformly

lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
2. Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the Annual Report and any investment prospectus.

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

- (6) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding paragraph 2, and the items 1, 2, and 3 in the preceding paragraph 3 paragraphs do not apply:
 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 4. The real property right-of-use assets for business use are acquired

by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

- (7) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the Item 5, Paragraph 3 in this Article if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 10: Regulations Governing the Acquisition and Disposal of Intangible Assets or its Right-of-use Asset or Membership

1. Evaluation and operating procedures

The Company's acquisition or disposal of intangible assets or the right-of-use assets thereof or memberships, shall be handled in line with the property, plant and equipment circular procedure, which is a part of the Company's internal control system.

2. Transaction terms and approval process

1. In acquisition or disposal of memberships, intangible assets or the right-of-use assets thereof, the Company shall prepare an analysis report. The transaction amount under NT\$300 million (inclusive) shall be implemented in accordance with the Company's authority and delegation system. Those that exceed NT\$300 million may only be implemented upon approval from the Board of Directors.

2. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Audit Committee and the Board of Directors under the Company's procedures or other laws or regulations. Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

3. Implementation Unit

In the acquisition or disposal of memberships, intangible assets or the right-of-use assets thereof, the usage department and relevant authority and delegation unit shall be in charge of such implementations.

4. Expert's appraisal report

Except for transactions with government institutions, if the Company's acquisition or disposal of membership or intangible assets or its right-of-use assets reaches 20% of the Company's paid-in capital or NT\$300 million,

opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the Date of the Event. Certified public accountant shall handle the matter in accordance with the provision of Auditing Standard No. 20 published by the ARDF.

The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with Article 13, Paragraph 1-8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 11: Regulations Governing the Acquisition and Disposal of Creditors' Rights from Financial Institutions

In principle, the Company does not engage in transactions involving the acquisition or disposal of creditors' rights from financial institutions. If subsequently, the Company wishes to engage in transactions involving the acquisition or disposal of creditors' rights from financial institutions, it will be submitted to the Board of Directors for approval, and relevant evaluation and operating procedures will be formulated accordingly.

Article 12: Regulations Governing the Acquisition and Disposal of Derivatives Trading

When engaging in transactions involving derivatives, the Company shall adhere to its "Regulations Governing the Derivatives Trading" and pay strict attention to risk management and auditing matters to implement its internal control system.

Article 13: Procedures for conducting mergers, demergers, acquisitions, or transfer of shares

1. Evaluation and operating procedures

- (1) That Company that conducts a merger, demerger, acquisition, or transfer of shares, is advised to engage attorneys, CPAs, and securities underwriters to jointly draft a schedule in line with regulatory requirements, and to form a project team to carry out the legal procedures accordingly. Prior to convening the Board of Directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly

holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

- (2) When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in paragraph 1, item 1 of the preceding Article when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
 - (3) Where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.
2. Other considerations and procedures
- (1) The Board of Directors meeting date The Company, when participating in a merger, demerger, or acquisition, shall convene a Board meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. The Company, when participating in a transfer of shares, shall call a Board meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
 - (2) Advanced confidentiality undertaking: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

- (3) Principle of altering share exchange ratio or acquisition price: Prior to convening the Board of Directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders' meeting for deliberation and passage. In principle, the share exchange ratio or acquisition price may not be altered; however, if the contract agreement already stipulates conditions allowing for change, and the conditions have been publicly disclosed, they may be exempted. Circumstances permitting alteration for share exchange ratio or acquisition price:
1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 2. An action, such as a disposal of major assets, that affects the Company's financial operations.
 3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (4) Matters required to be recorded in the contract: In engaging in a merger, demerger, acquisition, or transfer of shares, besides recording the items in line with Articles 317-1 and 317-2 of the Company Act, and Articles 22 and 38 of the Business Mergers and Acquisitions Act, the contract shall also specify the following items.
1. Handling of breach of contract.
 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

4. The manner of handling changes in the number of participating entities or companies.
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (5) Change in number of companies participating in the merger, demerger, acquisition, or share transfer: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.
- (6) Information storage period in accordance with the law: When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:
1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or external legal counsel, the execution of a contract, and the convening of a Board meeting.
 3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board meetings
- (7) Reporting procedures: When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall,

within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

- (8) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding Items 6 and 7 in Paragraph 2.

Article 14: Procedures for Public Disclosure of Information

1. Circumstances and conditions required to be announced or reported
 - (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
 - (5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it

constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.

- (6) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
- (7) Where there is an asset transaction (other than any such transactions referred to in the preceding six subparagraphs), a disposal of receivables to a financial institution, or an investment in mainland China area that reaches 20% or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:
 1. Trading of domestic government bonds.
 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the domestic primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (8) The transaction amount from the preceding Paragraphs 4 to 7 shall be calculated as follows, and "within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
 1. The amount of any individual transaction.
 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 3. The cumulative transaction amount of acquisitions and disposals

(cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

2. Timing for Announcement and Report

When the Company's acquisition or disposal of asset includes items that shall be announced in this Article and the transaction amount reaches the announcement and reporting standard in this Article, the Company shall carry out the announcement and reporting within 2 days of the Date of the Event.

3. Procedures for Announcement and Report

- (1) The Company shall enter relevant data to the information reporting website designated by the Financial Supervisory Commission (FSC).
- (2) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- (3) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety in two days counting inclusively from the date of knowing of such error or omission.
- (4) When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
- (5) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

3. Change to the originally publicly announced and reported information.
4. Announcement Format
The items required to be publicly announced and the format of the announcement shall follow the rules specified by the information reporting website designated by the FSC.

Article 15: The Company's subsidiaries are required to comply with the following requirements:

1. The subsidiaries are also required to formulate the Regulations Governing the Acquisition and Disposal of Assets in line with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and to obtain approval from the subsidiary's Board of Directors and shareholders' meeting. Approval from the subsidiary's Board of Directors and shareholders' meeting are also required when making amendments to the Regulations.
2. Any acquisition or disposal of assets from the subsidiaries shall be implemented in accordance with the Company's Regulations.
3. Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.
4. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing.

Article 16: Penalty for violations

The Company's employees shall follow the Regulations in acquisition or disposal of assets. Should there be any violation of the Regulations, subsequent castigation is subject to the related Personnel Articles of the Company

Article 17: Implementation and amendments

The Company's Regulations Governing the Acquisition and Disposal of Assets shall be approved by the Audit Committee and submitted to the Board of Directors meeting for resolution; after it is passed by the Board of Directors, it would be sent to the shareholders' meeting for final approval. When the Regulations is amended, the same procedure shall be applied. Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any

matter, it shall be recorded in the minutes of the board of directors meeting.

Article 18: Supplementary Provisions

Any matters not set forth herein shall be governed by the applicable laws and regulations.

Solar Applied Materials Technology Corp.

Rules of Procedure for Shareholders' Meetings

Approved by the shareholders' meeting on June 28, 2013

Approved by the shareholders' meeting on July 19, 2016

Approved by the shareholders' meeting on December 28, 2016

Approved by the shareholders' meeting on June 19, 2020

Approved by the shareholders' meeting on July 16, 2021

Article 1: In order to establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings and strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Article 2: Unless otherwise provided by the relevant laws and regulations or the Company's Articles of Incorporation, the rules of procedure for the Company's shareholders' meetings shall be governed by these Rules.

Article 3: Unless otherwise provided by the relevant laws and regulations, the Company's shareholders' meetings shall be convened by the Board of Directors.

The Company shall prepare the electronic version of the shareholders' meeting notice and power of attorney, and information regarding the subject and explanatory notes for all proposals, including proposals for ratification, matters for deliberation, and election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare the electronic version of the agenda for an annual shareholders' meeting and supplemental meeting materials, and upload them to MOPS 21 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. In addition, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials 15 days before the date of a shareholders' meeting, and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated by the Company, and also distributed on the spot at the meeting venue.

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 delivered electronically.

Election or dismissal of directors; changes in the Articles of Association; capital reduction; application for halting public offering; permission for directors to compete with the Company; capitalization of retained earnings; capitalization of capital reserves; dissolution, merging or demerger of the Company; or all items pertaining to Article 185, Paragraph 1 of the Company Act; Article 26-1 and Article 43-6 of the Securities and Exchange Act; and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed as reasons to convene the meeting, with their essential contents specified, and may not be raised as extempore motions.

The notice to convene a shareholders' meeting shall already specify the full re-election of directors and supervisors, and shall indicate the date of appointment. After completing the re-election process in the shareholders' meeting, change of appointment date may not be raised as an extempore motion or by other means in the same meeting.

A shareholder holding more than one percent of the total number of issued shares may submit to the Company a proposal containing only one item for discussion at an annual shareholders' meeting. Proposals containing more than one item shall not be included in the meeting agenda. In addition, the Board of Directors may exclude a shareholder's proposal from the meeting agenda if any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act is found in the proposal. A shareholder may submit a proposal containing only one item for urging the Company to promote public interests or fulfill its social responsibilities in accordance with Article 172-1 of the Company Act. Related proposals containing more than one item shall not be included in the meeting agenda.

Prior to the book closure date before the convening of an annual shareholders' meeting, the Company shall publish a notice announcing the acceptance of proposals, the method for receiving proposals, either by correspondence or electronic means, the venue and period for shareholders to submit proposals to be discussed at the meeting. The period for receiving proposals shall be not less than 10 days prior thereto.

A proposal to be submitted by a shareholder shall contain no more than 300 words. Any proposal containing more than 300 words shall not be included in the meeting agenda. The shareholder who has submitted a proposal shall attend, either in person or by proxy, the annual shareholders' meeting in which his/her proposal is to be discussed, and shall take part in the discussion of the proposal.

Prior to the date of issuance of notice for a shareholders' meeting, the Company shall notify the shareholders who submitted their proposals of the proposal screening results, and shall list in the meeting notice the proposals that comply with the provisions of this article. The Board of Directors shall explain the reasons for excluding any shareholder proposals from the agenda during the shareholders' meeting.

Article 4: At each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the power of attorney issued by the Company which states the scope of power authorized to the proxy.

A shareholder may appoint only one proxy by providing only one power of attorney, and shall deliver the power of attorney to the Company five days before the date of a shareholders' meeting. In the event that duplicate powers of attorney are delivered to the Company, the first power of attorney arriving at the Company shall prevail, provided that a declaration is issued to cancel the appointment of the proxy as stated in the power of attorney which arrives later.

If the shareholder intends to attend the shareholders' meeting in person or exercise his/her voting rights by correspondence or electronically after a power of attorney has been delivered to the Company, the shareholder shall issue a proxy rescission notice to the Company in writing two days before the date of the shareholders' meeting. If a proxy rescission notice is issued late, the voting rights exercised by the proxy in attendance shall prevail.

Article 5: A shareholders' meeting shall be held at the premises of the Company or a venue which is convenient for shareholders to attend the meeting and is suitable for convening the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m., with full consideration given to the opinions of the independent directors.

Article 6: The Company shall specify in a shareholders' meeting notice the time during which shareholder attendance registration will be conducted, the venue to register for attendance, and other relevant matters.

The time during which shareholder attendance registration will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting will commence. The venue at which attendance registration are conducted shall be clearly marked and with a sufficient number of suitable personnel assigned to handle the registration.

Shareholders and their proxies (hereinafter referred to as "shareholders") shall attend shareholders' meetings with an attendance card, a sign-in card 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 powers of attorney shall also bring their identification documents for verification.

The Company shall prepare an attendance book for the shareholders present to sign, or the shareholders present may hand in a sign-in card in lieu of signing in.

The Company shall provide the shareholders present with an agenda handbook, an annual report, an attendance card, a speaker's slip, a voting card and other meeting materials. In the event that an election of directors is held, a ballot shall also be provided to them.

When the government or a legal person is a shareholder, the shareholder may appoint more than one representative to attend a shareholders' meeting. When a legal person is appointed to attend a shareholders' meeting as proxy, the legal person may only designate one representative to attend the meeting.

Article 7: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or is unable to exercise his/her powers for any reason, the Vice Chairman shall chair the meeting in place of the Chairman. If there is no Vice Chairman or the Vice Chairman is also on leave or is unable to exercise his/her powers for any reason, the Chairman shall appoint one of the managing directors to chair the meeting. If there are no managing directors, one of the directors shall be appointed to chair the meeting. In the event that the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to chair the meeting.

In the event that a managing director or a director chairs a shareholders' meeting as mentioned in the preceding paragraph, the managing director or director shall be one who has served in his/her position for more than six months and understands the financial and business status of the Company. The same shall apply to the case in which the representative of a legal-person director chairs a shareholders' meeting. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person, and attended by more than half the directors and at least one member of each functional committee on behalf of the committee. Shareholders' attendance shall be recorded in the minutes of shareholders' meetings. If a shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the person shall chair the meeting. When there are two or more such persons, they shall mutually select one person from among themselves to chair the meeting.

The Company may appoint an attorney, a certified public accountant (CPA) or a related person it authorizes to sit in on a shareholders' meeting in a non-voting capacity.

Article 8: The Company shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting

and vote counting procedures, starting from the time when shareholders are allowed to register for attendance at the meeting.

The audio and video recording mentioned in the preceding paragraph shall be kept for at least one year. However, in the event that a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recording shall be kept until the conclusion of the lawsuit.

Article 9: Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the number of shares indicated in the attendance book and the sign-in card handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time and announce the relevant information, such as the number of non-voting shares and the number of shares in attendance. However, when the shareholders present do not represent more than half the total number of issued shares, the chairperson may announce a postponement, with no more than two such postponements exceeding one hour in total allowed. If the shareholders present still do not represent more than one-third of the total number of issued shares after two postponements, the chairperson shall declare the meeting adjourned.

If the shareholders present still do not represent more than half the total number of issued shares but represent more than one-third of the total number of issued shares after two postponements as mentioned in the preceding paragraph, a tentative resolution may be adopted in accordance with 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 the shareholders present represent more than half the total number of issued shares before the conclusion of the meeting, the chairperson may resubmit the tentative resolution for voting at the shareholders' meeting in accordance with 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 by the agenda, which may not be changed without a resolution adopted by the shareholders' meeting.

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a shareholders' meeting convened by a person with the right to convene other than the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda set out in the preceding two paragraphs (including extempore motions), except upon a resolution adopted by the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the shareholders present in electing a new chairperson in accordance with the statutory procedures. The meeting shall continue after a chairperson is elected with the approval of more than half the voting rights represented by the shareholders present.

The chairperson shall allow ample opportunities for explaining and discussing the proposals, amendments or extempore motions raised by the shareholders during the meeting. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

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

A shareholder present who has submitted a speaker's slip but is yet to speak shall be deemed to have not spoken. When the content of a shareholder's speech does not correspond to the subject given on his/her speaker's slip, the spoken content shall prevail.

Unless otherwise consented by the chairperson, a shareholder may not speak more than twice on the same proposal, and may only speak for no more than five minutes each time. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate his/her speech.

When a shareholder present is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder who has the floor. Any violation of this rule shall be stopped by the chairperson.

When a legal-person shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may speak on the same proposal.

After a shareholder present has spoken, the chairperson may respond in person or direct the relevant personnel to respond.

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

For resolutions at 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 a likelihood that such a relationship would prejudice the interests of the Company, the shareholder may not vote on the agenda item, and may not exercise his/her voting rights as a proxy for any other shareholder.

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

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

Article 13: A shareholder shall be entitled to one vote for each share held; however, this shall not apply to those who are restricted or who do not have the right to vote under Article 179, Paragraph 2 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights electronically and may exercise their voting rights by correspondence. When voting rights are exercised by correspondence or electronically, the method for exercising voting rights shall be specified in the shareholders' meeting notice. A shareholder who exercises his/her voting rights by correspondence or electronically shall be deemed to have attended the meeting in person. However, the shareholder shall be deemed to have waived his/her rights in respect of extempore motions or amendments to original proposals in the meeting. Therefore, the Company is advised to avoid proposing extempore motions and amendments to original proposals.

A shareholder who intends to exercise his/her voting rights by correspondence or electronically as mentioned in the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. In the event that duplicate declarations of intent are delivered to the Company, the first declarations of intent arriving at the Company shall prevail, provided that a statement is issued to cancel the first declaration of intent as stated in the declaration of intent which arrives later.

If the shareholder intends to attend the shareholders' meeting in person after exercising his/her voting rights by correspondence or electronically, the shareholder shall issue a written declaration of intent to retract the voting rights already exercised in the preceding paragraph to the Company two days before the date of the shareholders' meeting. If a notice of retraction is issued late, the voting rights already exercised by correspondence or electronically shall prevail. When a

shareholder has exercised his/her voting rights both by correspondence or electronically and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, a proposal shall be approved upon a resolution adopted by more than half the shareholders present. At the time of voting, the chairperson or a person designated by the chairperson shall first announce the total number of voting shares held by the shareholders present before the shareholders begin to vote for each proposal. The results for each proposal, including the number of votes for and against the proposal and the number of abstentions, shall be uploaded onto MOPS on the same day after the conclusion of the meeting.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal along with the original proposal, and decide the order in which they will be put to a vote. If any one of these proposals is adopted, the other proposals shall be deemed rejected, with no further voting required.

The chairperson shall appoint scrutineers and counting agents to perform vote counting and monitoring for proposals, provided that all scrutineers and counting agents are shareholders at the Company.

Vote counting for proposals or elections at shareholders' meetings shall be conducted in public at the venue of the shareholders' meeting. The voting results, including the tallies of number of votes, shall be announced on the spot after vote counting is completed, and a record of these results shall be made.

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. The voting results, including the name of those elected and the corresponding number of votes received, as well as the name of those not elected and the corresponding number of votes received, shall be announced on the spot.

The ballots cast during the election mentioned in the preceding paragraph shall be sealed by the scrutineers and affixed with their signatures, and then kept properly for at least one year. However, in the event that a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be kept until the conclusion of the lawsuit.

Article 15: Matters related to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting, with a copy of the meeting minutes 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 via a public announcement made on MOPS.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including tallies of the number of voting shares), and disclose the number of voting shares received by each candidate in the event of an election of directors. The meeting minutes shall be kept permanently throughout 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 these numbers at the venue of the shareholders' meeting.

If the resolutions adopted by a shareholders' meeting constitute material information under the relevant laws and regulations or the regulations promulgated by Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the content of these resolutions onto MOPS within the prescribed time period.

Article 17: Staff members in charge of affairs related to a shareholders' meeting shall put on an identification badge or armband.

The chairperson may direct proctors or security personnel to help maintain order at the meeting venue. In the event that proctors or security personnel is roped in to help maintain order at the meeting venue, they shall put on an identification badge or armband bearing the word "Proctor." If a shareholder attempts to speak through any device other than the public address equipment provided at the meeting venue, the chairperson may prevent the shareholder from doing so.

In the event that a shareholder violates the rules of procedure and defies the chairperson's directives by obstructing the proceedings and refusing to stop his/her actions, the chairperson may direct proctors or security personnel to escort the shareholder out of the meeting venue.

Article 18: When a meeting is in progress, the chairperson may announce a break based on time considerations. In the event of force majeure, the chairperson may rule the meeting temporarily suspended and announce a time when the meeting will be resumed depending on the circumstance.

If the meeting venue is no longer available for continued use but 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 Procedures shall take effect upon approval by the shareholders' meeting. The same shall apply to any amendment thereto.

Solar Applied Materials Technology Corp.

Procedures for Election of Directors

Approved by the shareholders' meeting on June 30, 2003

Approved by the shareholders' meeting on June 21, 2006

Approved by the shareholders' meeting on March 20, 2015

Approved by the shareholders' meeting on June 12, 2015

Approved by the shareholders' meeting on July 19, 2016

Approved by the shareholders' meeting on July 16, 2021

Article 1: The election of directors at the Company is conducted in accordance with these Procedures.

Article 1-1: The overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. The policy shall include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each member of the Board of Directors shall have the necessary knowledge, skill, and experience to perform their duties. The abilities that must be present in the Board of Directors as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Company's Board of Directors shall consider adjusting its composition based on the results of performance evaluation.

Article 2: Unless otherwise specified in the Company's Articles of Incorporation, the cumulative voting method shall be adopted in the election and appointment of directors (including independent directors) at the Company. Each share shall have voting rights equal to the number of directors (including independent directors) to be elected, and may be cast for a single candidate or split among multiple candidates. Candidates who receive votes representing the most voting shares shall be elected directors (including independent directors). Attendance card number printed on a ballot may be used in place of the name of a voter.

In the event that the election of independent directors and non-independent directors is held simultaneously, the number of independent directors and non-independent directors elected shall be calculated separately.

Article 3: The Board of Directors shall prepare ballots in numbers equal to the number of directors (including independent directors) to be elected, and shall issue the ballots to the shareholders attending the shareholders' meeting according to their attendance card number, with the number of voting shares indicated on the ballots.

Article 4: Directors (including independent directors) at the Company shall be elected from among persons with disposing capacity by the shareholders' meeting. The number of directors (including independent directors) is stipulated in the Company's Articles of Incorporation. The registered cumulative voting method shall be adopted in the election of directors (including independent directors). The candidate nomination system shall be adopted in the election of directors (including independent directors). Candidates shall be subject to the procedures in the candidate nomination system stipulated in Articles 192-1 and 216-1 of the Company Act. Candidates who receive votes representing the most voting shares shall be elected in order according to the number of votes they receive. If two or more candidates receive the same number of votes, thus exceeding the prescribed number of positions, they shall draw lots to determine who will be elected. If the candidates are not present, the chairperson shall draw lots on their behalf.

Article 4-1: When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call an extraordinary shareholders' meeting within 60 days from the date of occurrence and hold a by-election to fill the vacancies.

When the number of independent directors falls below that required as stipulated in Article 14-2, Paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the independent directors are dismissed en masse, an extraordinary shareholders' meeting shall be called within 60 days from the date of occurrence and hold a by-election to fill the vacancies.

Other matters to be complied with shall be governed by the Company Act and the relevant regulations promulgated by the competent authority in charge of securities affairs.

Article 5: Before an election begins, the chairperson shall appoint a number of scrutineers (shareholders present) and counting agents to perform duties related to vote monitoring and counting, respectively.

Article 6: Ballot boxes used for the election of directors shall be prepared and provided by the Board of Directors, and shall be inspected by the scrutineers in public before voting begins.

The ballots cast during the election mentioned in the preceding paragraph shall be sealed by the scrutineers and affixed with their signatures, and then kept properly for at least one year. However, in the event that a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be kept until the conclusion of the lawsuit.

Article 7: (Deleted)

Article 8: A ballot is invalid under any of the following circumstances:

1. The ballot prepared by the person with the right to convene is not used.
2. Words other than the number of voting shares allotted are included.
3. The writing is unclear and indecipherable or has been altered.
4. The name of the candidate filled in the ballot is not consistent with that indicated in the list of director candidates.
5. The number of candidates filled exceeds the number of directors required to be elected.
6. A ballot is not placed into the ballot box or a blank ballot is cast.

Article 9: After all the ballots have been cast, the scrutineers shall open the ballot boxes and proceed with vote counting.

- Article 10: If a ballot is questionable, the scrutineers shall verify whether it will be invalidated. Invalid ballots shall be placed separately, and the number of invalid ballots and corresponding voting shares shall be recorded after vote counting is completed. These ballots shall be indicated as invalid votes by the scrutineers and affixed with their signatures.
- Article 11: In the event that an elected director is confirmed to be ineligible or unsuitable for the position in accordance with the relevant laws and regulations, the vacancy shall be filled by the candidate receiving the next highest number of votes.
- Article 12: After the scrutineers verify the total number of valid and invalid votes, the number of valid votes and corresponding voting shares, and the number of invalid votes and corresponding voting shares shall be filled on the record sheet. The chairperson shall announce the name of the candidates elected and the corresponding number of votes received on the spot.
- Article 13: Any matters not specified here in these Procedures shall be governed by the Company Act and the relevant regulations.
- Article 14: These Procedures shall take effect upon approval during the shareholders' meeting. The same shall apply to any amendment thereto.

Solar Applied Materials Technology Corp. Status of Shareholding by Directors

Book Closure Date: April 2, 2022

Title	Name	Number of Shares Held	Shareholding Ratio (%)
Chairman	Chien-Yung Ma	820,477	0.14
Director	Chii-Feng Huang	6,125,462	1.03
Director	Sheng Yuan Investment Co., Ltd. Representative: Pen-Chan Hung	10,405,064	1.75
Independent Director	Chang-Po Wu	0	0
Number and percentage of shares held by all directors		1,7351,003	2.92

- I. The paid-in capital of the Company is NT\$5,936,312,430, and the number of issued shares is 593,631,243.
- II. In line with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the statutory shareholding of the Company's directors is 18,966,199 shares.