

NAN YA PRINTED CIRCUIT BOARD CORPORATION

2022 ANNUAL SHAREHOLDERS' MEETING

MEETING HANDBOOK

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistency between the Chinese original and this translation, the Chinese version shall prevail.)

May 27, 2022

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NAN YA PRINTED CIRCUIT BOARD CORPORATION

2022 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

- 1. Call Meeting to Order**
- 2. Chairman's Address**
- 3. Report Items**
- 4. Ratification Items**
- 5. Discussion Items**
- 6. Extraordinary Motions**
- 7. Meeting Adjourned**

NAN YA PRINTED CIRCUIT BOARD CORPORATION

2022 ANNUAL SHAREHOLDERS' MEETING AGENDA

Time: 10:00 a.m., Friday, May 27, 2022

Venue: No. 338, Sec.1 Nankan Rd., Luchu Dist., Taoyuan City, Taiwan
(Located at the Company's Jinshing Campus)

Convening method: The annual shareholders' meeting will be held physically with the assistance of video chat (The video conferencing platform provided by Taiwan Depository & Clearing Corporation will be used for video chat, please refer to <https://www.stockvote.com.tw> for notices and description.)

1. Report Items

- (1) Business Report for 2021.
- (2) Audit Committee's Review Report for 2021.
- (3) Report of the Distribution of Employee Compensation for 2021.

2. Ratification Items

- (1) Please approve the 2021 Business Report and Financial Statements as required by the Company Act.
- (2) Please approve the Proposal for Distribution of 2021 Profits as required by the Company Act.

3. Discussion Items

- (1) Amendment to the Articles of Incorporation of the Company. Please discuss and resolve.
- (2) Amendment to Procedures for Acquisition or Disposal of Assets of the Company. Please discuss and resolve.

Report Items

1. About the Company's business operation condition of 2021, please refer to Business Report for further details (on page 4 of the Handbook.) which is hereby reported for record.
2. The Company's Audit Committee members reviewed the 2021 Business Report and Financial Statements and issued their Review Report according to the applicable laws. Please refer to Audit Committee's Review Report (on page 7 of the Handbook.) which is hereby reported for the record.
3. The company has issued the report on compensation distributed to its employees for 2021.
The pre-tax profit prior to deducting employees compensation distributed for 2021 is NT\$12,499,109,331. The company has no accumulated losses. Adopted by the Board Meeting on February 25, 2022, 0.2% of the profit is allocated as employees' compensation in accordance with Article 19 of the Articles of Incorporation. The total allocated amount is NT\$24,998,219 which shall be distributed in cash. The above is hereby reported for record.

NAN YA PRINTED CIRCUIT BOARD CORPORATION

2021 Business Report

I. Business Overview in 2021

The 2021 consolidated revenues of Nan Ya PCB were 52 billion 228 million and 457 thousand NTD, which were 35.61% greater than those in 2020. The consolidated pre-tax profits were 13 billion 95 million and 58 thousand NTD, and EPS were 16.38 NTD.

The COVID-19 has changed the the working and living styles globally. The demands in work-from-home and stay-home entertainment have increased significantly and enhanced the sales of PCs and game consoles. Also, the market of AI and HPC ships has been fast growing and the penetration rate of heterogeneous integration continues to increase. Both of these factors drive up the IC substrates sales and the growth rate of production value of global PCB in 2021 was 22.6%.

The Company has been specialized in manufacturing high-end IC substrates and closely collaborated with clients to launch CPU, GPU, AI, and HPC substrates of the next generation. The new capacity of high-end substrates started to contribute in the second quarter of 2021 to meet the clients' demands and lifted the sales ratio of high value products. AI and big data have also been applied to manufacturing management to improve the processes and yield rates, which led to a consecutive growth of the Company's operations.

II. Business Plan in 2022

A. IC substrate products

1. Because of rising penetration rate of chiplet package, which

requires high layer counts and large area IC substrates, the consumption of IC substrate capacity is significant. Consequently, the high-end IC substrate is severely undersupply. We will continue to expand the capacities from Shulin and Kunshan campus to meet the demands from the U.S. and China semiconductor markets to gain market shares.

2. The trend of heterogeneous integration continues and the demands in SiP products keep increasing. The Company will continue to collaborate with clients to develop the SiP substrate of the next generation to further lift the ratio of high value product sales.

B. Conventional PCBs

1. To meet the strong demands in game consoles, we will increase the production volumes for their motherboards, and will continue to access new customers and develop new products. In addition, we will strive to increase the sales ratios of HDI and interposers to fulfill our sales goal of high value product.
2. We expect the demands in data centers and automotive electronics will continue to grow, and the Company will launch new products for DRAMs, SSDs, Wi-Fi modules, and automotive infotainment systems to improve product mix and profits.

III. The Impact from the Company's Future Strategy, External Competition, Law, and Macro Operating Environment

Because of the constant mutation of COVID-19, the pandemic has not been eased and impacting the economic recovery. Besides, the long lasting easing monetary policies, rising freight, and soaring material prices have intensified the inflation. Given the growth in consumers' incomes is not able to catch up with the inflation rate; it is still unclear for the outlook of the electronic product sales.

China continues to implement the localization of the semiconductor industry and subsidize the domestic supply chain vendors. As a result, their prices become competitive and the PCB makers face serious challenges.

However, Taiwan semiconductor industry supply chain is complete and having technology edges, which helps the leading international brand names continue to collaborate with Taiwanese companies to launch more new products.

In 2022, the Company will expand the high-end substrate capacity as planned to obtain more high value product business and recruit more talents for R&D, manufacturing improvements, AI, and information technology to enhance production and operations.

In terms of ESG, we will strive to reach our target of carbon reduction. We will amplify the profits for our shareholders and take full corporate social responsibilities at the same time to fulfill the sustainability.

Chairman: Chia-Chau Wu

President: Ann-De Tang

Accountant Officer: Wen-Feng Chiang

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Audit Committee' Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, including Consolidated and Individual Financial Statements, and Proposal for Profits Distribution. The CPA firm of KPMG was retained to audit Nan Ya Printed Circuit Board Corporation's Financial Statements and has issued an audit report relating to Financial Statements. The Business Report, Financial Statements, and Proposal for Profits Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Nan Ya Printed Circuit Board Corporation. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please be advised accordingly.

Nan Ya Printed Circuit Board Corporation
Chairman of the Audit Committee : Ta-Sheng Lin

February 25, 2022

Ratification Items

Proposal 1

Proposal: For approval of the 2021 Business Report and Financial Statements as required by the Company Act.

Proposed by the Board of Directors

Explanation :

1. The preparation of the Company's 2021 Consolidated and Individual Financial Statements were completed and the same were approved by the Board Meeting on February 25, 2022 and audited by independent auditors, Mr. Hui-Chih Ko and Ms. Tzu-Hui Lee, of KPMG. The aforesaid Financial Statements together with the Business Report were reviewed by the Audit Committee, which the Audit Committee' Review Report is presented.
2. For the aforementioned Business Report, please refer to page 4 through page 6 of the Meeting Handbook. As for the Financial Statements, please refer to page 25 through page 32 of the Handbook. Please approve the Business Report and the Financial Statements.

Resolution :

Ratification Items

Proposal 2

Proposal: For Approval of the Proposal for Distribution of 2021 Profits as required by the Company Act.

Proposed by the Board of Directors

Explanation :

The Proposal for Distribution of 2021 Profits of the Company was reviewed by the Audit Committee and approved by the Board of Directors on February 25, 2022.(Please refer to Page 33 of the Handbook for the Statement of Profits Distribution.)

Resolution :

Discussion Items

Proposal 1

Proposal: Amendment to the Articles of Incorporation of the Company. Please discuss and resolve.

Proposed by the Board of Directors

Explanation :

To conform to the needs of commercial practice, certain Articles of Incorporation of the Company have been amended. The comparison table for articles before and after amendment is hereby attached. Please determine whether the amendments are reasonable.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 13	The Company shall have 9 directors, each with a term of three years. The candidates nomination system is adopted by the elections of the directors. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. A director can be re-elected. <u>The total shareholding owned by the directors of the Company shall not be less than a certain percentage of the total issued shares of the Company. The calculation of such percentage shall be in compliance with the regulations promulgated by</u>	The Company shall have 9 directors, each with a term of three years. The candidates nomination system is adopted by the elections of the directors. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. A director can be re-elected. The directors mentioned in the previous paragraph shall be <u>at least 3</u> independent directors. The method of nomination, election of independent directors and other related matters shall be conducted in accordance with the Company Law and the regulations of the	To conform to the needs of commercial practice, the Company proposes to adjust the number of directors to increase flexibility and delete the regulation about the registered shares held by the directors.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 13	<p><u>the competent government authorities.</u></p> <p>The directors mentioned in the previous paragraph shall be <u>the</u> 3 independent directors. The method of nomination, election of independent directors and other related matters shall be conducted in accordance with the Company Law and the regulations of the competent authority for securities matters.</p> <p>(below omitted)</p>	<p>competent authority for securities matters.</p> <p>(below omitted)</p>	
Article 20	<p>Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend. For remaining surplus incorporated with the accumulative earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits and <u>submit the same to the</u></p>	<p>Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend. For remaining surplus incorporated with the accumulative earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits and <u>is authorized to</u></p>	<p>To conform to the needs of commercial practice, the Company proposes to amend the procedure of cash dividend distribution in compliance with Company Act.</p>

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 20	<u>shareholders' meeting for resolution.</u> (below omitted)	<u>distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting.</u> (below omitted)	
Article 22	(Omitted)	Add " <u>nineteenth amendment on May 27, 2022</u> " to the existing Article.	In line with the amendments to the provisions, the date of amendment is added.

Resolution :

Discussion Items

Proposal 2

Proposal: Amendment to Procedures for Acquisition or Disposal of Assets of the Company. Please discuss and resolve.

Proposed by the Board of Directors

Explanation :

To comply with the requirements provided in the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission, certain articles of Procedures for Acquisition or Disposal of Assets of the Company have been amended. The comparison table for articles before and after amendment is hereby attached. Please determine whether the amendments are reasonable.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 7	In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser	In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser	Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 7	<p>and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be proposed for approval in advance by the Board of Directors; the same procedure shall also be followed for any subsequent changes to the terms and conditions of the transaction. 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 	<p>and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be proposed for approval in advance by the Board of Directors; the same procedure shall also be followed for any subsequent changes to the terms and conditions of the transaction. 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 	

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 7	<p>the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation of Republic of China (ARDF)</u> and 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 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract</p>	<p>the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract</p>	

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 7	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.	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.	
Article 8	The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of</u>	The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where	Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 8	<p><u>Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the securities competent authority.</p>	<p>otherwise provided by regulations of the securities competent authority.</p>	
Article 9	<p>In acquiring or disposing of intangible assets or right-of-use assets thereof or membership cards where the transaction amount reaches 20 percent or more of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, shall obtain a CPA's opinion on the reasonableness of the transaction price prior to the date of occurrence of the event. <u>The CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation.</u></p>	<p>In acquiring or disposing of intangible assets or right-of-use assets thereof or membership cards where the transaction amount reaches 20 percent or more of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, shall obtain a CPA's opinion on the reasonableness of the transaction price prior to the date of occurrence of the event.</p>	<p>Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.</p>
Article 14	<p>When the Company intends to acquire or dispose of real property or right-of-use assets</p>	<p>When the Company intends to acquire or dispose of real property or right-of-use assets</p>	<p>Amended to comply with the order</p>

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 14	<p>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 repurchase 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:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property or right-of-use assets 	<p>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 repurchase 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:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property or right-of-use assets 	<p>Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.</p>

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 14	<p>thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 through 17.</p> <p>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>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.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p>	<p>thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 through 17.</p> <p>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>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.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p>	

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 14	<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 2 of Article 28 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors need not be counted toward the transaction</p>	<p><u>Where the transaction in paragraph 1 of the Company or any subsidiaries that are not public companies and the transaction amount reaches 10 percent or more of the Company's total assets, the Company or any subsidiaries that are not public companies may not proceed to enter into a transaction contract or make a payment until the documents in paragraph 1 have been submitted for the approval in the Shareholders' Meeting of the Company. However, this provision does not apply to the transaction between the Company and its parent or subsidiaries, or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in <u>paragraph 1 and</u> the preceding paragraph shall be made in accordance with paragraph 2 of Article 28 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by <u>the Shareholders' Meeting or the</u></p>	

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 14	amount. (below omitted)	Board of Directors need not be counted toward the transaction amount. (below omitted)	
Article 28	<p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the securities competent authority's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>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</p>	<p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the securities competent authority's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>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</p>	<p>Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.</p>

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 28	<p>under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or assignment of shares.</p> <p>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.</p> <p>4. Where equipment/machinery or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the trading counterparty is not a related party, and the transaction amount is more than NT\$1 billion.</p> <p>5. 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</p>	<p>under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or assignment of shares.</p> <p>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.</p> <p>4. Where equipment/machinery or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the trading counterparty is not a related party, and the transaction amount is more than NT\$1 billion.</p> <p>5. 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</p>	

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 28	<p>construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT\$500 million.</p> <p>6. An asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area where the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, provided this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements or the</p>	<p>construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT\$500 million.</p> <p>6. An asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area where the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, provided this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign government bonds with a sovereign rating not lower than the sovereign rating of the R.O.C.</u></p> <p>(2) Trading of bonds under repurchase/resale agreements or the</p>	

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 28	subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. (below omitted)	subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. (below omitted)	

Resolution :

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(o) and 7)	\$ 52,228,457	100	38,512,743	100
5000 Operating costs (notes 6(d)(f)(g)(j)(k)(p) and 7)	<u>37,345,601</u>	<u>72</u>	<u>32,760,832</u>	<u>85</u>
Gross profit from operations	<u>14,882,856</u>	<u>28</u>	<u>5,751,911</u>	<u>15</u>
Operating expenses (notes 6(f)(g)(j)(k)(p) and 7):				
6100 Selling expenses	568,489	1	457,089	1
6200 Administrative expenses	<u>1,443,719</u>	<u>3</u>	<u>1,187,281</u>	<u>3</u>
6000 Total operating expenses	<u>2,012,208</u>	<u>4</u>	<u>1,644,370</u>	<u>4</u>
6900 Net operating income	<u>12,870,648</u>	<u>24</u>	<u>4,107,541</u>	<u>11</u>
Non-operating income and expenses (notes 6(e)(f)(j)(q) and 7):				
7100 Interest income	46,629	-	81,856	-
7010 Other income	436,413	1	256,406	1
7020 Other gains and losses	(272,946)	-	(440,139)	(1)
7050 Finance costs	(32,317)	-	(44,576)	-
7060 Share of profit of associates accounted for using equity method	<u>46,631</u>	<u>-</u>	<u>41,970</u>	<u>-</u>
Total non-operating income and expenses	<u>224,410</u>	<u>1</u>	<u>(104,483)</u>	<u>-</u>
Profit before tax	13,095,058	25	4,003,058	11
7950 Less: Tax expense (note 6(l))	<u>2,513,533</u>	<u>5</u>	<u>337,141</u>	<u>1</u>
Profit	<u>10,581,525</u>	<u>20</u>	<u>3,665,917</u>	<u>10</u>
8300 Other comprehensive income (notes 6(e)(k)(l)(m)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Losses on remeasurements of defined benefit plans	(264,117)	-	(237,560)	(1)
8320 Share of other comprehensive income of associates accounted for using equity method	(1,592)	-	(1,342)	-
8349 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(52,823)</u>	<u>-</u>	<u>(47,512)</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(212,886)</u>	<u>-</u>	<u>(191,390)</u>	<u>(1)</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation	(69,296)	-	144,713	-
8399 Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(13,859)</u>	<u>-</u>	<u>28,943</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>(55,437)</u>	<u>-</u>	<u>115,770</u>	<u>-</u>
8300 Other comprehensive income, net	<u>(268,323)</u>	<u>-</u>	<u>(75,620)</u>	<u>(1)</u>
Total comprehensive income	<u>\$ 10,313,202</u>	<u>20</u>	<u>3,590,297</u>	<u>9</u>
Earnings per share(note 6(n))				
9750 Basic earnings per share	<u>\$ 16.38</u>		<u>5.67</u>	
9850 Diluted earnings per share	<u>\$ 16.37</u>		<u>5.67</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020		December 31, 2020				
	Amount	%	Amount	%	Amount	%			
Assets									
Current assets:									
1100 Cash and cash equivalents (note 6(a))	\$ 13,194,450	23	5,573,154	13	2100 Current borrowings (note 6(h))	\$ 1,214,969	2	293,630	1
1170 Notes and accounts receivable, net (notes 6(b)(o))	10,981,794	20	9,112,792	20	2130 Current contract liabilities(note 6(o))	112,399	-	-	-
1180 Accounts receivable due from related parties (notes 6(b)(o) and 7)	79,757	-	46,891	-	2170 Accounts payable	3,385,225	6	3,454,646	8
1200 Other receivables (note 6(c))	63,500	-	181,429	-	2180 Accounts payable to related parties(note 7)	272,317	-	266,580	-
1210 Other receivables due from related parties (notes 6(c) and 7)	7,193	-	3,000,000	7	2200 Other payables	3,052,073	6	2,067,376	5
1310 Current inventories (note 6(d))	5,347,835	10	4,988,765	11	2220 Other payables to related parties(note 7)	50,113	-	1,565,960	4
1410 Prepayments	501,116	1	353,436	1	2230 Current tax liabilities	1,590,041	4	-	-
Total current assets	<u>30,175,645</u>	<u>54</u>	<u>23,256,467</u>	<u>52</u>	2282 Current lease liabilities, related parties (notes 6(i) and 7)	154,013	-	171,201	-
Non-current assets:					2322 Long-term borrowings, current portion (note 6(i))	454,395	1	156,436	-
1550 Investments accounted for using equity method (note 6(e))	501,678	1	487,152	1	2399 Other current liabilities, others	230,836	-	277,208	-
1600 Property, plant and equipment (note 6(f))	24,471,003	43	19,710,121	44	Total current liabilities	<u>10,516,381</u>	<u>19</u>	<u>8,253,037</u>	<u>18</u>
1755 Right-of-use assets (note 6(g) and 7)	402,488	1	281,544	1	Non-current liabilities:				
1840 Deferred tax assets(note 6(i))	788,842	1	815,984	2	Non-current contract liabilities (note 6(o))	711,975	1	-	-
1900 Other non-current assets	5,519	-	4,969	-	Non-current portion of non-current borrowings (note 6(i))	227,197	-	469,309	1
Total non-current assets	<u>26,169,530</u>	<u>46</u>	<u>21,299,770</u>	<u>48</u>	Deferred tax liabilities(note 6(i))	1,871,276	4	1,313,232	3
					Non-current lease liabilities, related parties (notes 6(j) and 7)	220,264	-	80,090	-
					Net defined benefit liability, non-current(note 6(k))	2,189,580	4	1,970,937	5
					Guarantee deposits received	129,528	-	106,943	-
					Total non-current liabilities	<u>5,349,820</u>	<u>9</u>	<u>3,940,511</u>	<u>9</u>
					Total liabilities	<u>15,866,201</u>	<u>28</u>	<u>12,193,548</u>	<u>27</u>
					Equity (note 6(m)):				
					Ordinary shares	6,461,655	11	6,461,655	15
					Capital surplus	18,125,600	32	18,125,555	41
					Legal reserve	4,859,640	9	4,512,049	10
					Special reserve	592,160	1	592,160	1
					Unappropriated retained earnings	11,301,164	20	3,475,906	8
					Other equity interest	(861,245)	(1)	(804,636)	(2)
					Total equity	<u>40,478,974</u>	<u>72</u>	<u>32,362,689</u>	<u>73</u>
Total assets	<u>\$ 56,345,175</u>	<u>100</u>	<u>44,556,237</u>	<u>100</u>	Total liabilities and equity	<u>\$ 56,345,175</u>	<u>100</u>	<u>44,556,237</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest				Total equity
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total	
Balance at January 1, 2020	\$ 6,461,655	18,577,844	4,488,449	379,765	235,995	(920,381)	1,354	(919,027)	29,224,681	
Profit for the year ended December 31, 2020	-	-	-	-	3,665,917	-	-	-	3,665,917	
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(190,011)	115,770	(1,379)	114,391	(75,620)	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	3,475,906	115,770	(1,379)	114,391	3,590,297	
Appropriation of earnings:										
Legal reserve	-	-	23,600	-	(23,600)	-	-	-	-	
Special reserve	-	-	-	212,395	(212,395)	-	-	-	-	
Other changes in capital surplus:										
Cash dividends from capital surplus	-	(452,316)	-	-	-	-	-	-	(452,316)	
Other changes in capital surplus	-	27	-	-	-	-	-	-	27	
Balance at December 31, 2020	\$ 6,461,655	18,125,555	4,512,049	592,160	3,475,906	(804,611)	(25)	(804,636)	32,362,689	
Profit for the year ended December 31, 2021	-	-	-	-	10,581,525	-	-	-	10,581,525	
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(211,714)	(55,437)	(1,172)	(56,609)	(268,323)	
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	10,369,811	(55,437)	(1,172)	(56,609)	10,313,202	
Appropriation and allocation of earnings:										
Legal reserve	-	-	347,591	-	(347,591)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(2,196,962)	-	-	-	(2,196,962)	
Other changes in capital surplus:										
Other changes in capital surplus	-	45	-	-	-	-	-	-	45	
Balance at December 31, 2021	\$ 6,461,655	18,125,600	4,859,640	592,160	11,301,164	(860,048)	(1,197)	(861,245)	40,478,974	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Profit before tax	\$ 13,095,058	4,003,058
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	3,633,895	2,933,479
Interest expense	32,317	44,576
Interest income	(46,629)	(81,856)
Share of profit of associates accounted for using equity method	(46,631)	(41,970)
Loss on disposal of property, plant and equipment	60,178	30,453
Impairment loss on non-financial assets	120,046	36,198
Unrealized foreign exchange loss	18,791	85,930
Total adjustments to reconcile profit	<u>3,771,967</u>	<u>3,006,810</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable (including related parties)	(1,926,400)	(1,786,296)
Decrease(increase) in other receivables	9,551	(23,254)
Increase in inventories	(358,784)	(722,052)
Increase in prepayments	(51,667)	(225,215)
Total changes in operating assets	<u>(2,327,300)</u>	<u>(2,756,817)</u>
Changes in operating liabilities:		
Increase in contract liabilities	824,684	-
(Decrease) increase in accounts payable (including related parties)	(51,658)	1,847,532
Increase in other payables (including related parties)	996,162	464,254
(Decrease) increase in other current liabilities	(46,372)	47,554
Decrease in net defined benefit liabilities	(45,474)	(46,269)
Total changes in operating liabilities	<u>1,677,342</u>	<u>2,313,071</u>
Total changes in operating assets and liabilities	<u>(649,958)</u>	<u>(443,746)</u>
Total adjustments	<u>3,122,009</u>	<u>2,563,064</u>
Cash inflow generated from operations	16,217,067	6,566,122
Interest received	46,361	84,582
Interest paid	(68,126)	(63,926)
Income taxes (paid) refund	(266,250)	91
Net cash flows from operating activities	<u>15,929,052</u>	<u>6,586,869</u>
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(8,451,429)	(7,356,838)
Proceeds from disposal of property, plant and equipment	30,540	15,817
Decrease in other receivables due from related parties	3,000,000	1,000,000
(Increase) decrease in other non-current assets	(550)	(208)
Dividends received	30,514	29,187
Net cash flows used in investing activities	<u>(5,390,925)</u>	<u>(6,312,042)</u>
Cash flows used in financing activities:		
Increase in short-term loans	1,828,742	506,297
Decrease in short-term loans	(905,805)	(212,667)
Proceeds from long-term debt	305,595	634,346
Repayments of long-term debt	(245,412)	-
Increase (decrease) in guarantee deposits received	22,585	(43,221)
Increase in other payables to related parties	868,472	860,474
Decrease in other payables to related parties	(2,370,930)	(1,007,629)
Payment of lease liabilities	(198,258)	(180,649)
Cash dividends paid	(2,196,962)	(452,316)
Net cash flows used in financing activities	<u>(2,891,973)</u>	<u>104,635</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(24,858)</u>	<u>(156,108)</u>
Net increase in cash and cash equivalents	7,621,296	223,354
Cash and cash equivalents at beginning of period	<u>5,573,154</u>	<u>5,349,800</u>
Cash and cash equivalents at end of period	<u>\$ 13,194,450</u>	<u>5,573,154</u>

(English Translation of Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(m) and 7)	\$ 42,187,823	100	33,367,222	100
5000	Operating costs (notes 6(d)(f)(g)(h)(i)(n) and 7)	<u>30,924,828</u>	<u>73</u>	<u>28,250,898</u>	<u>85</u>
	Gross profit from operations	11,262,995	27	5,116,324	15
5910	Less: Unrealized profit on from sales (note 7)	2,825	-	798	-
5920	Add: Realized profit on from sales (note 7)	<u>798</u>	<u>-</u>	<u>986</u>	<u>-</u>
	Gross profit from operations	<u>11,260,968</u>	<u>27</u>	<u>5,116,512</u>	<u>15</u>
	Operating expenses (notes 6(f)(g)(h)(i)(n) and 7):				
6100	Selling expenses	488,514	1	396,603	1
6200	Administrative expenses	<u>1,072,545</u>	<u>3</u>	<u>903,900</u>	<u>3</u>
6000	Total operating expenses	<u>1,561,059</u>	<u>4</u>	<u>1,300,503</u>	<u>4</u>
6900	Net operating income	<u>9,699,909</u>	<u>23</u>	<u>3,816,009</u>	<u>11</u>
	Non-operating income and expenses (notes 6(f)(o) and 7):				
7100	Interest income	34,647	-	62,610	-
7010	Other income	197,955	-	165,850	1
7020	Other gains and losses	(291,411)	(1)	(404,480)	(1)
7050	Finance costs	(3,843)	-	(6,473)	-
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method, net	<u>2,836,854</u>	<u>7</u>	<u>369,226</u>	<u>1</u>
	Total non-operating income and expenses	<u>2,774,202</u>	<u>6</u>	<u>186,733</u>	<u>1</u>
	Profit before tax	12,474,111	29	4,002,742	12
7950	Less: Tax expense (note 6(j))	<u>1,892,586</u>	<u>4</u>	<u>336,825</u>	<u>1</u>
	Profit	<u>10,581,525</u>	<u>25</u>	<u>3,665,917</u>	<u>11</u>
8300	Other comprehensive income (notes 6(e)(i)(j)(k)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Loss on remeasurements of defined benefit plans	(264,117)	(1)	(237,560)	(1)
8320	Share of other comprehensive income of associates accounted for using equity method	(1,592)	-	(1,342)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(52,823)</u>	<u>-</u>	<u>(47,512)</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(212,886)</u>	<u>(1)</u>	<u>(191,390)</u>	<u>(1)</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(69,296)	-	144,713	1
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(13,859)</u>	<u>-</u>	<u>28,943</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(55,437)</u>	<u>-</u>	<u>115,770</u>	<u>1</u>
8300	Other comprehensive income, net	<u>(268,323)</u>	<u>(1)</u>	<u>(75,620)</u>	<u>-</u>
	Total comprehensive income	<u>\$ 10,313,202</u>	<u>24</u>	<u>3,590,297</u>	<u>11</u>
	Earnings per share(note 6(l))				
9750	Basic earnings per share	<u>\$ 16.38</u>		<u>5.67</u>	
9850	Diluted earnings per share	<u>\$ 16.37</u>		<u>5.67</u>	

(English Translation of Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 11,603,118	22	4,763,106	12
1170 Accounts receivable, net (notes 6(b)(m))	8,673,545	16	8,114,786	20
1180 Accounts receivable due from related parties (notes 6(b)(m) and 7)	25,841	-	9,846	-
1200 Other receivables (note 6(c))	59,859	-	131,726	-
1210 Other receivables due from related parties (notes 6(c) and 7)	10,389	-	3,004,885	7
1310 Current inventories (note 6(d))	2,976,583	6	3,050,275	8
1410 Prepayments	370,926	1	17,451	-
Total current assets	23,720,261	45	19,092,075	47
Non-current assets:				
1550 Investments accounted for using equity method (notes 6(e) and 7)	14,773,625	28	12,036,662	29
1600 Property, plant and equipment (notes 6(f) and 7)	12,733,666	24	8,559,458	21
1755 Right-of-use assets (note 6(g) and 7)	370,934	1	248,697	1
1840 Deferred tax assets (note 6(j))	788,842	2	815,984	2
1900 Other non-current assets	5,411	-	4,858	-
Total non-current assets	28,672,478	55	21,665,659	53
Total assets	\$ 52,392,739	100	40,757,734	100
Liabilities and equity				
Current liabilities:				
Accounts payable	1,878,660	4	2,034,288	5
Accounts payable to related parties (note 7)	868,614	2	960,179	2
Other payables	2,649,115	5	1,672,290	4
Current tax liabilities	1,240,717	2	-	-
Current lease liabilities, related parties (notes 6(h) and 7)	154,013	-	171,201	1
Other current liabilities	99,295	-	179,628	1
Total current liabilities	6,890,414	13	5,017,586	13
Non-current liabilities:				
Non-current contract liabilities (notes 6(m))	711,975	2	-	-
Deferred tax liabilities (note 6(i))	1,871,276	4	1,313,232	3
Non-current lease liabilities, related parties (notes 6(h) and 7)	220,264	-	80,090	-
Net defined benefit liability, non-current (note 6(i))	2,189,580	4	1,970,937	5
Guarantee deposits received	30,256	-	13,200	-
Total non-current liabilities	5,023,351	10	3,377,459	8
Total liabilities	11,913,765	23	8,395,045	21
Equity (note 6(k)):				
Ordinary shares	6,461,655	12	6,461,655	16
Capital surplus	18,125,600	35	18,125,555	44
Legal reserve	4,859,640	9	4,512,049	11
Special reserve	592,160	1	592,160	1
Unappropriated retained earnings	11,301,164	22	3,475,906	9
Other equity interest	(861,245)	(2)	(804,636)	(2)
Total equity	40,478,974	77	32,362,689	79
Total liabilities and equity	\$ 52,392,739	100	40,757,734	100

(English Translation of Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION
Statements of Changes in Equity

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

	Other equity interest						Total	Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficits)	Exchange differences on translation of foreign financial statements		
Balance at January 1, 2020	\$ 6,461,655	18,577,844	4,488,449	379,765	235,995	(920,381)	1,354	29,224,681
Profit for the year ended December 31, 2020	-	-	-	-	3,665,917	-	-	3,665,917
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(190,011)	115,770	(1,379)	(75,620)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	3,475,906	115,770	(1,379)	3,590,297
Appropriation of retained earnings:								
Legal reserve	-	-	23,600	-	(23,600)	-	-	-
Special reserve	-	-	-	212,395	(212,395)	-	-	-
Other changes in capital surplus:								
Cash dividends from capital surplus	-	(452,316)	-	-	-	-	-	(452,316)
Other changes in capital surplus	-	27	-	-	-	-	-	27
Balance at December 31, 2020	6,461,655	18,125,555	4,512,049	592,160	3,475,906	(804,611)	(25)	32,362,689
Profit for the year ended December 31, 2021	-	-	-	-	10,581,525	-	-	10,581,525
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(211,714)	(55,437)	(1,172)	(268,323)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	10,369,811	(55,437)	(1,172)	10,313,202
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	347,591	-	(347,591)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,196,962)	-	-	(2,196,962)
Other changes in capital surplus:								
Other changes in capital surplus	-	45	-	-	-	-	-	45
Balance at December 31, 2021	\$ 6,461,655	18,125,600	4,859,640	592,160	11,301,164	(860,048)	(1,197)	40,478,974

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NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Profit Before tax	\$ 12,474,111	4,002,742
Adjustments:		
Adjustments to reconcile profit :		
Depreciation expense	2,005,809	1,555,481
Interest expense	3,843	6,473
Interest income	(34,647)	(62,610)
Share of profit of subsidiaries and associates accounted for using equity method	(2,836,854)	(369,226)
Gain on disposal of property, plant and equipment	(2,329)	(7,863)
Unrealized profit on from sales	2,825	798
Realized profit on from sales	(798)	(986)
Unrealized foreign exchange loss	19,903	85,155
Loss on impairment on non-financial assets	120,046	36,198
Total adjustments to reconcile profit	(722,202)	1,243,420
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in accounts receivable (including related parties)	(599,289)	(1,712,471)
(Increase) decrease in other receivables (including related parties)	(36,862)	8,203
Decrease (increase) in inventories	73,692	(558,339)
(Increase) decrease in prepayments	(257,114)	15,548
Total changes in operating assets	(819,573)	(2,247,059)
Changes in operating liabilities:		
Increase in contract liabilities	711,975	-
(Decrease) increase in accounts payable (including related parties)	(235,167)	1,020,106
Increase in other payables	976,869	402,159
(Decrease) increase in other current liabilities	(80,333)	14,272
Decrease in net defined benefit liability	(45,474)	(46,269)
Total changes in operating liabilities	1,327,870	1,390,268
Total changes in operating assets and liabilities	508,297	(856,791)
Total adjustments	(213,905)	386,629
Cash inflow generated from operations	12,260,206	4,389,371
Interest received	36,423	65,463
Interest paid	(3,843)	(6,473)
Income taxes refund	5,088	391
Net cash flows from operating activities	12,297,874	4,448,752
Cash flows used in investing activities:		
Decrease in other receivables due from related parties	3,000,000	1,000,000
Acquisition of investments accounted for using equity method	-	(1,456,560)
Acquisition of property, plant and equipment	(6,118,856)	(3,036,130)
Proceeds from disposal of property, plant and equipment	16,592	14,520
Increase in other non-current assets	(553)	(215)
Dividends received	30,514	29,187
Net cash flows used in investing activities	(3,072,303)	(3,449,198)
Cash flows used in financing activities:		
Increase (decrease) in guarantee deposits received	17,056	(43,856)
Payment of lease liabilities	(198,258)	(180,649)
Cash dividends paid	(2,196,962)	(452,316)
Net cash flows used in financing activities	(2,378,164)	(676,821)
Effect of exchange rate changes on cash and cash equivalents	(7,395)	(35,149)
Net increase in cash and cash equivalents	6,840,012	287,584
Cash and cash equivalents at beginning of period	4,763,106	4,475,522
Cash and cash equivalents at end of period	\$ 11,603,118	4,763,106

NAN YA PRINTED CIRCUIT BOARD CORPORATION
Statement of Profits Distribution
For the year of 2021

Unit:NT\$

Items	Amount
Available for Distribution:	
1. Unappropriated retained earnings of previous years	931,353,423
2. Net Income of 2021	10,581,525,281
3. Change in retained earnings results from items other than Net Income	-211,714,693
Total	11,301,164,011
Distribution Items:	
1. Appropriation of Legal Reserve	1,036,981,059
2. Appropriation of Special Reserve	269,085,388
3. Distribution of dividends and bonuses in cash (\$10 per share)	6,461,654,870
4. Unappropriated retained earnings	3,533,442,694
Total	11,301,164,011
Explanation	
<p>1. The proposed distribution is \$10 per share, including dividend of \$6.93 and bonus of \$3.07.</p> <p>2. The total distribution of dividends and bonuses amount to \$6,461,654,870; all of which are from the net income of 2021.</p> <p>3. Change in retained earnings resulting from Other Comprehensive Income is the remeasurement of defined benefit obligation.</p>	

Independent Auditors' Report

To the Board of Directors of Nan Ya Printed Circuit Board Corporation:

Opinion

We have audited the consolidated financial statements of Nan Ya Printed Circuit Board Corporation and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) and the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Valuation of inventories

The Group estimates the loss on decline of inventory market price on a monthly basis using the aging analysis of inventories and the lower of cost or net realizable value. Since the net realizable value of inventory relies on the impact of international raw material prices, the valuation of inventories is one of the key audit matters while conducting the audit for the financial statements of the Group. For accounting policies, estimation uncertainty, and related disclosures on the valuation of inventories, please refer to notes 4(h), 5(a), and 6(d), respectively, of the consolidated financial statements.

The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value and the aging analysis of inventories.

Other Matter

Nan Ya Printed Circuit Board Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

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

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

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

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

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

We communicated 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 identified during our audit.

We also provided 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 determined 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 described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Chih Ko and Tzu-Hui Lee.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2022

Notes to Readers

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

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

Independent Auditors' Report

To the Board of Directors of Nan Ya Printed Circuit Board Corporation:

Opinion

We have audited the financial statements of Nan Ya Printed Circuit Board Corporation (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, and statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and 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 Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits, We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Valuation of inventories

The Company estimates the loss on decline of inventory market price on a monthly basis using the aging analysis of inventories and the lower of cost or net realizable value. Since the net realizable value of inventory relies on the impact of international raw material prices, the valuation of inventories is one of the key audit matters while conducting the audit for the financial statements of the Company. For accounting policies, estimation uncertainty, and related disclosures on the valuation of inventories, please refer to notes 4(g), 5(a), and 6(d), respectively, of the financial statements.

The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value and the aging analysis of inventories.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

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

The engagement partners on the audit resulting in this independent auditors' report are Hui-Chih Ko and Tzu-Hui Lee.

KPMG

Taipei, Taiwan (Republic of China)

February 25, 2022

Notes to Readers

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

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

Information regarding the Proposed Employees and Directors' Compensation to Adopted by the Board of Directors of the Company :

1. Amounts of employees' cash compensation, stock compensation, and Directors' compensation:	
Employees Cash Compensation	NT\$ 24,998,219
Employees Stock Compensation	NT\$ 0
Directors Cash Compensation	NT\$ 0
2. Share amount of the employees' stock compensation and the percentage of the share amount to that of all stock dividends capitalization:	
Share amount of employees' stock compensation	0 share
Percentage of the share amount to that of all stock dividends capitalization	0%

Effect upon Business Performance and Earnings Per Share of the Company by the Stock Dividend Distribution Proposed at the 2021 Annual Shareholders' Meeting :

Not applicable since the Company does not propose the stock dividend distribution at the 2021 Annual Shareholders' Meeting and does not required to prepare financial forecast information.

ARTICLES OF INCORPORATION OF NAN YA PRINTED CIRCUIT BOARD CORPORATION

Amended by the Annual Shareholders' Meeting on June 8, 2016

CHAPTER I GENERAL PRINCIPLES

- Article 1 The Company is incorporated in accordance with the Company Law, by the name of Nan Ya Printed Circuit Board Corporation.
- Article 2 The Company is engaged in the following businesses:
1. CC01080 Electronic Parts and Components Manufacturing;
 2. CC01090 Batteries Manufacturing
 3. I199990 Other Consultancy; and
 4. ZZ99999 Businesses not prohibited and restricted by regulations except permitted businesses.
- Article 3 The Company's principal office is located in Taipei City, and, if necessary, may set up local or foreign offices or branches or factories and sales offices in accordance with the resolution of the Board of Directors.
- Article 4 Any public notice of the Company shall be made in accordance with Article 28 of the Company Law.
- Article 5 The Company may provide guaranty in favor of its business related entities.
The total amount of the investments in other companies shall exceed forty percent of the Company's paid-in capital.

CHAPTER II SHARES

- Article 6 The total capital of the Company is NT\$7,000,000,000, divided into 700,000,000 shares, at NT\$10 per share. The unissued shares of the capital are issued in installments. NT\$84,110,000, divided into 8,411,000 shares at NT\$10 per share out of the total capital as mentioned above shall be reserved for the issuance of certificates of subscription rights.
- Article 7 The company may be exempted from printing any share certificate for the issued shares and the company shall appoint a centralized securities custody institution to make recordation of the issue of such shares.
- Article 8 Registration for share transfer shall be suspended within sixty days prior to each ordinary shareholders' meeting, thirty days prior to each extraordinary shareholders' meeting, or five days prior to any record date for distribution of dividends or other interests as determined by the Company.

CHAPTER III SHAREHOLDERS MEETING

Article 9 Shareholders' meetings of the Company may be classified into ordinary regular meetings and extraordinary meetings. Ordinary meetings shall be held within 6 months after the end of each fiscal year and shall be convened by the Board of Directors. Extraordinary meetings will be held according to the law when necessary.

A written notice to convene the Regular Shareholders Meeting shall be given to each Shareholder at least 30 days in advance including the agenda. For Special Shareholders Meeting, a written notice including the agenda shall be given to each shareholder 15 days in advance. Causes and subjects of convening a Shareholders Meeting shall be explicitly described in the notice and public announcement. Notice may be made in electronic form upon the consent of the counter party.

Article 10 In case a shareholder is unable to attend a shareholders' meeting, he/she may sign and chop a proxy in the form printed and provided by the Company, stating the scope of authorization, to appoint a proxy to attend the meeting on his/her behalf. After the proxy is being served to the Company, if the shareholder would like to attend the Shareholders Meeting in person or exercise the voting power in writing or by way of electronic transmission, such shareholder shall notify the Company in writing no later than 2 days prior to the meeting date of the Shareholders Meeting. If the shareholder fails to revoke his/her proxy by the aforesaid deadline, the voting right exercised by the proxy shall prevail.

Article 11 Each shareholder shall have one vote right for each share he/she holds, except for limited shares or circumstances without voting rights as itemized in paragraph 2, Article 179 of the R.O.C. Company Law.

Article 12 Unless otherwise required by the Company Law, any resolution of shareholders' meeting shall be adopted by the Shareholders of a majority of the votes presented at a shareholders' meeting attended by the shareholders who aggregately hold a majority of all issued and outstanding shares of the Company.

Resolutions adopted at the Shareholders Meeting shall be recorded in the minutes of the proceedings. The minutes of proceedings shall also include the time and place of the meeting, name of the chairman, the manner in which resolutions had been adopted, as well as other essentials of the proceedings, and shall be signed or sealed by the chairman of the meeting. Preparation and distribution of the minutes may be made in electronic method.

The Company may issue a public announcement on the Market Observation Post System to distribute the aforesaid meeting minutes to shareholders.

CHAPTER IV DIRECTORS

- Article 13 The Company shall have 9 directors, each with a term of three years. The candidates nomination system is adopted by the elections of the directors. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. A director can be re-elected. The total shareholding owned by the directors of the Company shall not be less than a certain percentage of the total issued shares of the Company. The calculation of such percentage shall be in compliance with the regulations promulgated by the competent government authorities.
- The directors mentioned in the previous paragraph shall be the 3 independent directors. The method of nomination, election of independent directors and other related matters shall be conducted in accordance with the Company Law and the regulations of the competent authority for securities matters.
- In accordance with the Article14-4 of the “Securities and Exchange Act”, the Company shall establish an Audit Committee. The Audit Committee shall consist of all of the independent directors. The exercise of competence and related matters of the Audit Committee and its members shall be in accordance with “Securities and Exchange Act” and other related regulations.
- Article 14 The Board of Directors is constituted by directors. A Chairman of the Company is elected by a majority of the directors at a board meeting at which more than two-thirds of all of the directors are present. The Chairman shall be the representative of the Company.
- Article 15 In case the Chairman is on leave or is not able to exercise its power and authority for any cause, such situation shall be handled in accordance with Article 208 of the Company Law.
- The meeting notice of the Board of Director may be given by means of written notice, email, or fax. Each director shall attend the meeting of the board of directors in person. If directors can not attend in person except those residing in a foreign country and regulated by Company Law, he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting and appoints another director to attend a meeting of the board of directors in his/her behalf, but a director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- With the exception of items that regulated by law or relevant article or regulation, such as the major advantages of the Company or Related-party Transactions, should still be resolved by The Board of

Directors, The Board of Directors can authorize the Chairman to preside the following scope during the off-session,

1. Ratify the important agreements.
2. Ratify the secured or pledged loan by real estate and other types of loan.
3. Ratify the purchase and disposal on assets and real estates of the Company.
4. Appoint the Directors of the Board and Supervisors of the invested companies.

Article 16 The Board of Directors is authorized to determine the compensation of Directors according to their degree of participation and contribution against normal standard in the same industry.
The Corporation may purchase the D&O liability insurance to for the Directors to the extent of their performance of duties within their tenure of office.

CHAPTER V MANAGERS

Article 17 The Company shall have certain managers. The appointment, discharge and remuneration of such managers shall be made in accordance with Article 29 of Company Law.

CHAPTER VI ACCOUNTING

Article 18 After the close of each fiscal year, the Board of Directors shall prepare (1)business report(2)financial statements (3)proposal concerning appropriation of net profits or covering of losses, and submit the same to shareholders' meeting for ratification after submitting them to the supervisors for examination 30 days before the general shareholders' meeting.

Article 19 When allocating the net profits for each fiscal year, the Company shall set aside 0.05% to 0.5% of the balance of pre-tax profit prior to deducting employees compensation as compensation of employees. However, the Company's accumulated losses shall have been covered. The resolution of employees compensation pursuant to Article 235-1 of the Company Act.

Article 20 Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend. For remaining surplus incorporated with the accumulative earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits and submit the same to the shareholders' meeting for resolution.
The special reserve as described in the preceding paragraph includes

1. any amount reserved for any particular purpose,

2. investment profit and unused deductions for taxable income pursuant to equity methods,
3. The net assessment income recognized due to financial product transactions, however, when the accumulated amount is reduced, the equal amount of special earning reserve shall be reduced simultaneously and up to the reserved number.
4. and other special reserve prescribed by applicable laws and regulations.

The dividend policies adopt the combination of cash dividend, capital increment by earning and by capital reserve. At least 50% of distributable earning deducted by the legal and special reserve shall be distributed, and the cash dividend shall be prioritized. Meanwhile, the percentage of capital increment by earning and capital reserve shall not exceed 50% of all dividend in that year.

CHAPTER VII Miscellaneous

Article 21 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other relevant laws shall govern.

Article 22 These Articles of Incorporation were enacted on October 14, 1997.

The 1st amendment was made on November 18, 1998.

The 2nd amendment was made on June 17, 1999.

The 3th amendment was made on June 15, 2000.

The 4th amendment was made on June 18, 2001.

The 5th amendment was made on June 27, 2002.

The 6th amendment was made on April 30, 2003.

The 7th amendment was made on June 30, 2004.

The 8th amendment was made on June 15, 2005.

The 9th amendment was made on June 20, 2006.

The 10th amendment was made on June 21, 2007.

The 11th amendment was made on Au 30, 2007.

The 12th amendment was made on June 24, 2008.

The 13th amendment was made on June 23, 2009.

The 14th amendment was made on June 21, 2010.

The 15th amendment was made on June 22, 2012.

The 16th amendment was made on June 18, 2013.

The 17th amendment was made on June 24, 2014.

The 18th amendment was made on June 8, 2016. The Company shall establish an Audit Committee at the expiration of the term of office of the Company's incumbent Supervisors elected on June 24, 2014.

NAN YA PRINTED CIRCUIT BOARD CORPORATION
Rules of Procedure for Shareholders' Meeting of the Company
Amended by the Annual Shareholders' Meeting on June 17, 2020

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best Practice Principles for Taiwan Stock Exchange Corp Listed Companies.
- Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors.
- A notice to convene an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date; while a notice may be given to registered shareholders who own less than 1,000 shares of nominal stocks no later than 30 days prior to the scheduled meeting date in the form of a public announcement on the Market Observation Post System of the TWSE. A notice to convene a special shareholders' meeting shall be given to each shareholders no later than 15 days prior to the scheduled meeting date. A public notice may be given to registered shareholders who own less than 1,000 shares of nominal stocks no later than 15 days prior to the scheduled meeting date in the form of a public announcement on the MOPS of the TWSE.
- To convene a shareholders' meeting, the Company shall prepare a meeting handbook. The Company shall prepare electronic versions of a shareholders' meeting notice and proxy forms, and causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the MOPS no later than 30 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. The Company shall prepare electronic versions of a shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS no later than 21 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. In addition, the Company shall also have prepared a shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time no later than 15 days prior to the scheduled Shareholders' Meeting date. The Meeting Agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent engaged by the Company as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of Directors, amendments to the Articles of Incorporation, capital reduction, application to be delisted from public offering, lifting of non-competition restriction of Directors, capital increase by retained earnings, capital increase by capital reserve, dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1 of Article 185 of the Company Act shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. The content of such matters shall be uploaded to a website designated by the competent authority or the Company, and the website shall be specified on the meeting notice. Where the meeting agenda has specified general re-elections of the Directors and the terms of the Directors' office, the terms of office of the Directors shall not be altered by raising an extraordinary motion or any other method upon the completion of the general elections at the Shareholders' Meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at an annual general shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the Meeting Agenda. However, when a shareholder's proposal contains suggestions or recommendations for the Company to enhance the public interest or facilitate the Company to fulfill its corporate social responsibility, the Board of Directors may include such proposal into the agenda. In addition, when the circumstances of any subparagraph of paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the Agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of receiving such proposals (whether written or in electronic form), and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the

- Shareholders' Meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.
- Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the power authorized to the proxy.
- A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company no later than 5 days prior to the Shareholders' Meeting date. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to revoke the previous proxy appointment.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or by way of electronic transmission, a written notice of proxy rescission shall be submitted to the Company no later than 2 days prior to the meeting date. If the rescission notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 5 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 6 The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations 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.
- The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
- Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company shall not impose arbitrary requirements on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Article 7 If a shareholders' meeting is convened by the Board of Directors, the

meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Director to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chair.

When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman, that a majority of the Directors attend in person, and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the Shareholders Meeting minutes. If a shareholders' meeting is convened by a party having the convening right but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Quorum at shareholders' meetings shall be calculated based on numbers of shares. The quorum shall be calculated according to the shares indicated by the sign-in cards handed in plus the number of shares whose voting rights are exercised in writing or by way of electronic transmission.

The Chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is

not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned.

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

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

Article 10 If a shareholders' meeting is convened by the Board of Director, the meeting agenda shall be determined by the Board of Directors. The relevant proposals (including extraordinary motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party having the convening right that is not the Board of Directors.

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

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

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

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

slip, the spoken content shall prevail.

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

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

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

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

Article 12 Voting at a shareholders' meeting shall be calculated based on the number of shares.

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

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

In case a director of the Company has created a pledge on the Company's shares more than half of the Company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised.

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

With the exception of a trust enterprise or a stock agency approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of voting shares, otherwise, the portion of excessive voting rights shall not be counted.

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

When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing. The method for exercising voting rights in writing or by electronic means shall be indicated in the notice of shareholders' meeting. A shareholder exercising voting rights in writing or by electronic means shall be regarded as having personally attended

the meeting. However, the shareholder shall be regarded as having forfeited voting rights for extraordinary motions or amendments to the original motion.

A shareholder intending to exercise voting rights in writing or by way of electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company no later than 2 days prior to the scheduled shareholders' meeting date. When duplicate declarations of intent are delivered, the one received earliest by the Company shall prevail, except when a declaration is made to revoke the earlier declaration of intention.

After a shareholder has exercised voting rights in writing or by way of electronic transmission, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to rescind 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, no later than 2 days prior to the scheduled shareholders' meeting date. If the notice of rescission is submitted after that time, the voting rights already exercised in writing or by way of electronic transmission shall prevail. When a shareholder has exercised voting rights both in writing or by way of electronic transmission and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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

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

In addition to the proposals on the meeting agenda, when a shareholder wishes to propose an extraordinary motion, the shareholder's voting rights shall represent at least 1% or more of the Company's total issued shares.

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

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

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the weight of the votes), and the number of weighted votes each candidate received in case of a Directors' elections. The meeting minutes shall be retained throughout the life of the Company.

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

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

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

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

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

When a shareholder violates the rules of procedure and defies the Chair's

correction, obstructing the proceedings and refusing to heed calls to stop, the Chair may direct the proctors or security personnel to escort the shareholder from the meeting.

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

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

A resolution may be adopted at a shareholders' meeting to postpone or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

NAN YA PRINTED CIRCUIT BOARD CORPORATION
Procedures for Acquisition or Disposal of Assets of the Company
Amended by the Annual Shareholders' Meeting on June 14, 2019

CHAPTER I General Provisions

- Article 1 When acquiring or disposing of the following assets, Nan Ya Printed Circuit Board Corporation (hereinafter referred to as the “Company”) and its subsidiaries shall follow the Procedures for Acquisition or Disposal of Assets (hereinafter referred to as the “Procedures”):
1. Investments in stocks, government bonds, corporate bonds, bank debentures, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, asset-backed securities, etc.
 2. Real property (including land, houses and buildings, investment property, and land use rights) and equipment.
 3. Memberships.
 4. 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 through mergers, demergers, acquisitions, or assignment of shares in accordance with law.
 9. Other major assets.
- Article 2 The limit amount of investments for non-operating real property and right-of-use assets or securities (the original investment), by the Company and each subsidiary, shall not exceed 60% of the book value of total assets; for an individual securities investment, the limit amount shall not exceed 50% of the foresaid limit amount, i.e. 30% of the book value of total assets.
- Article 3 Terms used in these Procedures 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, post-sales service contracts, long-term leasing contracts, and long-term purchase (sales) contracts.
 2. Assets acquired or disposed through mergers, demergers, acquisitions, or assignment 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 Institutions Merger Act and other acts, or to shares acquired from another company through issuance of new shares of its own as the consideration therefor (hereinafter "acquisition 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 Board 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.

Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions in relation to the assets acquired or disposed, 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 the Company.
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.

Article 5 The procedures for the assessment, determination of transaction terms and conditions, and price of acquiring or disposing of assets by the Company shall be in accordance with the following requirements:

1. Transactions relating to short term security investments, which are mentioned in Article , should be evaluated and executed by the financial department ; long term security investment should be assessed by the Company's President Office ("President Office") and executed by the financial department after the approval of the Board of Directors of the Company (the "Board of Directors"); except for the foresaid assets, the other asset transactions should be conducted by related departments in accordance with the relevant authorization limits of the Company.
2. The price of the above-mentioned transactions, except which are traded in the stock exchange or securities brokerage firms, shall be determined in via public bidding, price bidding, or price negotiation based on reference to the market conditions.

Article 6 Where an acquisition or disposition of assets of the Company shall be approved by the Board of Directors according to the Procedures or other relevant laws, the independent directors' opinions specifically expressing dissent or reservations about any matter shall be included in the minutes of the Board of Directors meeting.

A major asset transaction or a major derivatives transaction shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

CHAPTER II Acquisition or Disposal of Assets

Article 7 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be proposed for approval in advance by the Board of Directors; the same procedure shall also be followed for any subsequent changes to the terms and conditions of the transaction.

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 Accounting Research and Development Foundation of Republic of China (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
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.

Article 8 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. 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. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the securities competent authority.

Article 9 In acquiring or disposing of intangible assets or right-of-use assets thereof or membership cards where the transaction amount reaches 20 percent or more of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government institution, shall obtain a CPA's opinion on the reasonableness of the transaction price prior to the date of occurrence of the event. The CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation.

- Article 10 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with paragraph 2 of Article 28, 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.
- Article 11 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 12 Where the Company acquires or disposes of assets shall be conducted by the authorization to the Chairman by the Board of Directors in accordance with the authorization limits of the Company.

CHAPTER III Transactions with Related Parties

- Article 13 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in compliance with the provisions of the Chapter 2 and this Chapter, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Chapter 2.
- The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10.
- Article 14 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 repurchase 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:
1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 2. The reason for choosing the related party as a trading 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 Article 15 through 17.
 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading

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 calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 2 of Article 28 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors need 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 pursuant to Article 12, delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently proposed 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.

When a matter is proposed for discussion by the Board of Directors pursuant to paragraph 1 of this Article, the independent Directors' opinions specifically expressing dissent or reservations about any matter shall be included in the minutes of the Board of Directors meeting.

The matters for which paragraph 1 requires submitted to the Board of Directors for a resolution shall first be approved by more than half of all audit committee members. If the approval by more than half of all audit committee members is not obtained, the aforesaid matter may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

Article 15 The Company shall evaluate the reasonableness of the transaction costs by the following means if it intends to acquire real property or right-of-use assets thereof from a related party:

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 trading counterparties.

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.

When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs and shall also engage a CPA to review the evaluation and render a specific opinion.

Article 16 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 Article 14, and Article 15 does 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 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.

Article 17 When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of Article 15 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, Article 16 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 two articles, 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) 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 transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Transactions for 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; transaction for 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 right-of-use assets thereof.

Article 18 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 the preceding three Articles are uniformly lower than the transaction price, the following steps shall be taken:

1. A special earnings reserve shall be set aside in accordance with paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and such difference may not be distributed or used for capital increase by issuance of new shares. Where the Company uses the equity method to account for its investment in another company, then the special earnings reserve called for under paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent

with the share of public company's equity stake in the other company.

2. Audit Committee shall supervise the Company's execution of the aforesaid matter.

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.

The Company having set aside a special earnings reserve under the preceding paragraph may not utilize the special earnings 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 securities competent authority has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

CHAPTER IV Engage in the Transaction of Derivatives Products

Article 19 Any derivatives trading of the Company shall be conducted in accordance with the "Procedures for Engaging in Derivatives Transactions" of the Company, and when doing so, the Company shall pay attention to issues of risk management and auditing to fulfill the Internal Control System of the Company.

CHAPTER V Merger, Spin-off, Acquisition or Share Exchange

Article 20 The Company that conducts a merger, demerger, acquisition, or assignment of shares shall, prior to convening the Board of Directors to resolve on the matter, 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 propose the opinion to the Board of Directors for deliberation and approval. 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.

Article 21 The Company participating in a merger, demerger, or acquisition 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, together with the expert opinion referred to in Article 20 when sending notice of the shareholders meeting, for

reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. 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 Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 22 When the Company participates in a merger, demerger, or acquisition, it shall convene a board of directors meeting and shareholders meeting on the same date on which the other companies participating in the merger, demerger, or acquisition convene their board of directors and shareholders meeting to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the securities competent authority is notified in advance of extraordinary circumstances and grants consent. The Company and other companies participating in an assignment of shares shall call their respective board of directors meeting on the same day, unless another act provides otherwise or the securities competent authority is notified in advance of extraordinary circumstances and grants consent.

When the Company participates in a merger, demerger, acquisition, or assignment of shares, it shall prepare a full written record of the following information and retain the record for 5 years for reference. In addition, the information set out in the subparagraphs 1 and 2 of the following paragraph shall be reported in the prescribed format and via the Internet-based information system to the securities competent authority for recordation within two days commencing immediately from the date of passage of a resolution by the Board of Directors.

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 assignment of 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 engagement of a financial or legal advisor, the execution of a contract, and the convening of a board of directors 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 of directors meetings.

Where the Company participating in a merger, demerger, acquisition, or assignment of shares is neither listed on an exchange nor has its shares

traded on an OTC market, the Company shall enter into an agreement with such party and shall comply with the preceding paragraph of this Article.

Article 23 Every person participating in or privy to the plan for merger, demerger, acquisition, or assignment 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 assignment of shares.

Article 24 When participating in a merger, demerger, acquisition, or assignment of shares, the Company shall not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or assignment of shares:

1. Capital increase by cash injection, issuance of convertible corporate bonds, or the issuance of stock dividend, 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 assignment of shares buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or assignment of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 25 The contract for participation by the Company in a merger, demerger, acquisition, or assignment of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or assignment of shares, and shall also record the following:

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.

Article 26 After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or assignment of shares intends further to carry out a merger, demerger, acquisition, or assignment of shares 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 assignment of share ; 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.

Article 27 Where any of the companies participating in a merger, demerger, acquisition, or assignment of shares is not a public company, the Company shall sign an agreement with the non-public company in accordance with the provisions of Article 22, Article 23, and Article 26.

CHAPTER VI Public Disclosure

Article 28 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the securities competent authority's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

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 repurchase of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or assignment 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/machinery or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.
5. 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 trading counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT\$500 million.

6. An asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area where the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, provided this shall not apply to the following circumstances:

(1) Trading of domestic government bonds.

(2) Trading of bonds under repurchase/resale agreements or the subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

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 trading counterparty within the preceding year.
3. The cumulative transaction amount of real property or right-of-use assets thereof acquisitions and disposals (cumulative acquisitions and disposals, respectively) 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.

"Within the preceding year" as used in the paragraph 2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

Article 29 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 from the date when is the Company becomes aware of the error or omission.

Article 30 The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 31 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 three Articles, a public report of relevant information shall be made on the information reporting

website designated by the securities competent authority within 2 days commencing immediately 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 assignment of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

CHAPTER VII Supplemental Provisions

Article 32 Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a subsidiary of the Company that is not a public company in Taiwan shall be reported by the Company.

The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to the threshold requiring a public announcement and regulatory filing under paragraph 1 of Article 28.

Article 33 The Company's controlling and monitoring procedures towards the acquisition or disposal of assets by its subsidiaries are as follows:

1. The Company shall urge its subsidiaries to establish and execute their own "Procedures for Acquisition of Disposal of Assets".
2. If any material violation is found by the internal auditors of the subsidiaries, the subsidiaries shall deliver a written notice to the Company of this kind of violation. The Company shall know the condition of dealing with the violation(s) and of the resulting improvements.

Article 34 Should there be any violation of the procedures when the persons-in-charge of the Company deal with acquisition or disposal of assets, subsequent penalization is subject to the relevant HR policies of the Company.

Article 35 For the calculation of 10 percent of total assets under the Procedures, 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.

Article 36 The Procedures shall be approved by the Board of Directors and submitted to the Shareholders Meeting for approval before its implementation. Any amendment is subject to the same procedure. The independent directors' opinions specifically expressing dissent or reservations about any matter shall be included in the minutes of the Board of Directors meeting.

The matters for which paragraph 1 requires submitted to the Board of Directors for a resolution shall first be approved by more than half of all audit committee members. If the approval by more than half of all audit committee members is not obtained, the procedures may be implemented

if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Current Shareholdings of Directors

Title	Name	NO.	Shareholding (share)
Chairman	CHIA-CHAU WU Representative of Nan Ya Plastics Corporation	000001	432,744,977
Director	WEN-YUAN WONG Representative of Nan Ya Plastics Corporation	000001	432,744,977
Director	MING-JEN TZOU Representative of Nan Ya Plastics Corporation	000001	432,744,977
Director	CHIA-FUNG CHANG Representative of Nan Ya Plastics Corporation	000001	432,744,977
Director	ANN-DE TANG	001366	194
Director	LIEN-JUI LU	-	0
Independent Director	TA-SHENG LIN	-	0
Independent Director	CHENG-I WANG	-	0
Independent Director	SHYUR-JEN CHIEN	-	0

Note:

According to Article 26 of Securities and Exchange Act, the minimum shareholdings of the Company's Directors are 20,677,296 shares. As of March 29, 2022, the actual shareholdings of the Company's Directors are 432,745,171 shares.