

Elite Material Co., Ltd.

Year 2022 Annual Shareholders' Meeting

Meeting Agenda (Translation)

Date: 26 May 2022

Time: 9:00am Taipei time

Place: No. 18, Datong 1st Road,
Guanyin District, Taoyuan City
Taiwan

Method of convening: Entity shareholders' meeting

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**Meeting Agenda
for
2022 Annual General Shareholders' Meeting
of
Elite Material Co., Ltd.**

- A. Call the meeting to order**
- B. Chairperson takes chair**
- C. Chairperson remarks**
- D. Report items:**
- E. Proposed resolutions**
- F. Discussion and election matters**
- G. Extemporaneous motion**
- H. Meeting adjourned**

Reporting Items

1. To report Year 2021 business operations and financial statements

Year 2021 Business report

I. Year 2021 business results

Unit: NT\$ thousands

Items	Year 2021	Year 2020	
Revenue	38,500,026	27,200,786	41.54%
Gross profit	10,068,554	7,040,029	43.02%
Operating profit	6,922,620	4,683,451	47.81%
Income before tax	6,911,896	4,843,563	42.70%
Net income	5,500,157	3,694,270	48.88%

Note: The net income of year 2021 includes NT\$6,939 thousand belongs to the minority interests.

Execution results of business plan

- Guanyin/Hsinchu production site of Taiwan: Monthly production capacity has achieved 650,000 sheets.
- Kunshan production site of Jiangsu Province, China: Monthly production capacity has achieved 1.35 million sheets. (Expected capacity of 1.65 million/Month in Q322)
- Zhongshan production site of Guangdong Province, China: Monthly production capacity has achieved 950,000 sheets.
- Huangshi production site of Hubei Province, China: Monthly production capacity has achieved 600,000 sheets. (Expected capacity of 0.9 million/Month in Q322)

ii. Summary of cash flow statements

Unit: NT\$ thousands

Items	Year 2021
Net cash provided by operating activities	4,021,522
Net cash used in investing activities	2,618,127
Net cash used in financing activities	419,758
Effects of changes in foreign exchange rate on cash and cash equivalents	(73,430)
Increase in cash in reporting period	910,207

iii. Analysis of profitability

Items	Year 2021	Year 2020
Return on assets (%)	17.26	13.98
Return on equities (%)	30.11	24.39
Percentage of paid-in capital (%)	Operating profit	207.94
	Income before tax	140.68
Net margin (%)	14.29	13.58
Earnings per share (NT Dollar)	16.50	11.33

iv. Results of research and development:

EMC is the world's largest supplier of halogen-free and laminate material, continues to focus on the development of halogen-free material for handheld and high-speed related applications. In response to the needs of 5G high-speed transmission of internet of things, not only mass production of 5G handheld devices but also optimal substrate material applied in server/ base station/ networking appliance, furthermore, mitigate into next generation high end material development.

New products successfully developed by the Company in 2021:

1. RCC material adopted in 5G high-end handheld device
2. High end substrate material consumed by SiP package
3. PCIe 5 II and PCIe 6 high speed data transmission material
4. 800GHz Switch material verified by global brand companies
5. Granted patents from ROC,China and USA

In the era of internet of things, not only require for high speed data calculation, but also high frequency signal receiver, only high frequency material can achieve truly wireless communication. In the past, the technology relies on PTFE as substrate material, however, PTFE technology has its weakness such as difficult to process, unpopular. In autonomous driving era, to fulfill self-driving and post 5G electronic material needs, EMC further engages in Radar high frequency substrate material and high end packaging substrate material development, to satisfy global customers growth trajectory.

II. Summary of Year 2021 business plan

- i. Planning of sales and production
 - a. Capacity expansion
 - b. Promote eco-friendly laminate material
 - c. Balancing sales and production, flexible inventory adjustment and active cash management
- ii. Operating strategy
 - a. To introduce high end HDI substrate material for server and switch market.
 - b. To extend expertise in substrate like material to substrate material.
 - c. To maintain lion's share in high end HDI segment.
 - d. To develop laminate material for high end vehicle market.
- iii. Sales volume target
 - a. Expected sales volume target:

Copper clad laminates (CCLs):	48 million sheets/year
Prepreg (PP):	1.06 million rolls/year
Mass Lam (M/L):	1.6 million panels/year

III. Effects from changes in competitions, regulations, and business environment on the future development strategy of the company

i. Future development strategy of EMC:

- a. To develop high speed/ high frequency and low loss materials
- b. To solidify the leading position of EMC's materials consumed by HDI PCBs in the global market.
- c. Enlarge offshore market, diversify risks.

ii. Perfectness of Internal control, enhance management efficiency

iii. Effects from changes in competitions, regulations, and business environment:

Due to the outbreak of Covid-19 in those two years, the company and all sites have been strictly following the quarantine protocol to make sure that the company still operates on the track.

From the future perspective, the demand for halogen-free keeps growing, on the back of severely environmental regulations, EMC maintains its global leading position in eco-friendly laminates, equips long lasting strength in HDI technology and environmental material. After years of waiting, it is been officially recognized by the market and take into must consideration of their material structure, enabling the company to possess elements for further success.

Chairman: Dong Ding-Yu

President: Guan En-Xiang

Director of Accounting Department: Sara Yen

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

2. Year 2021 financial statements

1. Balance Sheet of year 2020 and 2021
2. Income statement of year 2020 and 2021
3. Statement of changes in Equity of year 2020 and 2021
4. Statement of cash flow of year 2020 and 2021

The full financial reports prepared and audited by KPMG can be viewed and downloaded at the company website: <https://www.emctw.com/en-global/report/index>; or at the website of MOPS operated by the Taiwan Stock Exchange: <http://mops.twse.com.tw>

Independent Auditors' Report

To the Board of Directors of ELITE MATERIAL CO., LTD.:

Opinion

We have audited the financial statements of ELITE MATERIAL CO., LTD. ("the Company"), which comprise the statement of financial position as of December 31, 2021 and 2020, and the statement of comprehensive income, changes in equity and cash flows for the years 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 at December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

Please refer to Note 4(n) "Revenue" and Note 6(o) "Revenue" of the consolidated financial statements.

Description of key audit matter:

The recognition of revenue is based on the fact that the Company has transferred all its ownership and the significant risk of its products to the customers. The judgment on the arrival date of the products involves uncertainty under the FOB destination which is stated in the sales contracts between the Company and the customers. The Company still needs to take the risk of the products before they are delivered to customers.

Therefore, the recognition of revenue was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the accounting policies on the recognition timing of sales revenue and the appropriateness of related internal controls; testing the effectiveness of implementation of internal control ; performing cut-off test for recognition of revenue on the period before and after the reporting date to assess the rationality to the recognition timing of sales revenue.

2. Allowance for Inventory Valuation

Please refer to Note (4)(g) "Inventories" and Note (6)(d)" Inventories" of the consolidated financial statements.

Description of key audit matter:

The printed circuit board and other electronic components are the major products of the Company. Inventories have specific life cycle due to their attributes. Apart from this, the Company prepared certain amounts of security stock to meet the delivery date required by the customers. Inventories are stated at the lower of cost or net realizable value. Consequently, there may be situations that the net realizable value of inventory will exceed its cost. In addition, the Company would purchase the materials in advance for the expected sales orders. The cancellation or the change of orders, and the change of the material used or quantities of the material may lead to product obsolescence. Therefore, the recognition on allowance for inventory valuation and obsolescence loss was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policy of the Company is applied; selecting samples to examine their net realizable values to verify the accuracy and completeness of inventory aging report; reassessing the accuracy of allowance for inventory valuation and obsolescence loss according to the Company' s accounting policy; performing a retrospective review to evaluate the completeness of disclosure for allowance for 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 IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)
February 23, 2022

Notes to Readers

The accompanying parent company only 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

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

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(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021.12.31		2020.12.31		2021.12.31		2020.12.31	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Current Assets:								
1100 Cash and cash equivalents (Note (6)(a))	\$ 1,292,713	5	962,032	5	2100		399,607	2
1150 Notes receivable, net (Note (6)(b))	114,211	-	206,128	1	2110		-	-
1170 Accounts receivable, net (Note (6)(b))	2,321,410	9	1,716,921	8	2170		1,675,322	8
1181 Accounts receivable due from related parties (Notes (6)(b) and (7))	361,577	1	312,089	1	2200		850,721	4
1200 Other receivables, net (Note (6)(c))	541,377	2	449,618	2	2220		420,724	2
1210 Other receivables due from related parties, net (Notes (6)(c) and (7))	180,489	1	50,433	-	2230		94,813	-
1310 Inventories (Note (6)(d))	1,206,273	5	1,082,476	5	2322		500,000	2
1470 Other current assets	48,021	-	37,240	-	2399		27,460	-
	<u>6,066,071</u>	<u>23</u>	<u>4,816,937</u>	<u>22</u>			<u>3,968,647</u>	<u>18</u>
Non-Current Assets:								
1550 Investments accounted for using equity method, net (Note (6)(e))	17,822,990	68	14,794,570	68	2540		300,000	2
1600 Property, plant and equipment (Note (6)(f))	1,957,319	7	2,007,189	9	2570		910,910	4
1780 Intangible assets	41,094	-	18,019	-	2645		8,673	-
1840 Deferred tax assets (Note (6)(i))	238,729	1	200,749	1			1,219,583	6
1900 Other non-current assets	136,289	1	85,002	-			5,188,230	24
1920 Guarantee deposits paid	8,566	-	640	-				
1975 Net defined benefit asset, non-current (Note (6)(k))	<u>14,619</u>	<u>-</u>	<u>3,754</u>	<u>-</u>				
	20,219,606	77	17,109,923	78	3100		3,329,183	15
							1,868,661	7
LIABILITIES AND STOCKHOLDERS' EQUITY								
Current Liabilities:								
Short-term borrowings (Note (6)(g))								
Short-term notes payable (Note (6)(h))								
Accounts payable								
Other payables								
Other payables to related parties (Note (7))								
Current tax liabilities								
Long-term borrowings, current portion (Note (6)(i))								
Other current liabilities, others								
Non-Current liabilities:								
Long-term borrowings (Note (6)(j))								
Deferred tax liabilities (Note (6)(l))								
Guarantee deposits received								
Total liabilities								
Equity (Note (6)(m)):								
Capital stock								
Capital surplus								
Retained earnings:								
Legal reserve								
Special reserve								
Accumulated profit and loss								
Other equity interest								
Total equity								
Total liabilities and equity								
Total assets	<u>\$ 26,285,677</u>	<u>100</u>	<u>21,926,860</u>	<u>100</u>			<u>21,926,860</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

ELITE MATERIAL CO., LTD.

Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Note (6)(o) and Note (7))	\$ 9,189,939	100	6,930,636	100
5000	Operating costs (Note (6)(d) and Note (7))	(7,104,396)	(77)	(5,562,113)	(80)
	Gross profit from operations	2,085,543	23	1,368,523	20
5910	Less: Unrealized profit from sales	(9,316)	-	(4,051)	-
5920	Add: Realized profit on from sales	4,051	-	4,300	-
	Gross profit from operations	2,080,278	23	1,368,772	20
	Operating expenses:				
6100	Total selling expenses	(339,529)	(4)	(256,032)	(4)
6200	Total administrative expenses	(673,876)	(7)	(473,491)	(7)
6300	Total research and development expenses	(327,147)	(4)	(255,430)	(4)
6450	Expected credit loss	(41)	-	(66)	-
6300	Total operating expenses	(1,340,593)	(15)	(985,019)	(15)
	Net operating income	739,685	8	383,753	5
	Non-operating income and expenses:				
7100	Total interest income (Note (6)(q))	920	-	1,026	-
7020	Other gains and losses, net (Note (6)(q))	(45,584)	-	(15,223)	-
7370	Share of profit of associates and joint ventures accounted for using equity method	5,365,858	58	3,838,173	55
7050	Finance costs (Note (6)(q))	(9,041)	-	(23,185)	-
	Total non-operating income and expenses	5,312,153	58	3,800,791	55
	Profit from continuing operations before tax	6,051,838	66	4,184,544	60
7950	Less: Income tax expenses (Note (6)(l))	(558,620)	(6)	(495,545)	(7)
	Profit	5,493,218	60	3,688,999	53
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	(1,945)	-	675	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(15,335)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	389	-	(135)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(16,891)	-	540	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(164,604)	(2)	94,378	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	32,921	-	(18,876)	-
	Components of other comprehensive income that will be reclassified to profit or loss	(131,683)	(2)	75,502	1
8300	Other comprehensive income, net	(148,574)	(2)	76,042	1
	Total comprehensive income	\$ 5,344,644	58	3,765,041	54
	Basic earnings per share (Note (6)(n))(dollars)	\$ 16.50		11.33	
	Diluted earnings per share (Note (6)(n))(dollars)	\$ 16.46		11.07	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

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

	Total other equity interest					
	Share capital		Retained earnings		Exchange Differences on Translation of Foreign Statements (831,955)	Unrealised gains (losses) on equity instruments at fair value through other comprehensive income (438)
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve		
Balance at January 1, 2020	\$ 3,197,080	628,858	1,710,929	423,554	8,391,903	13,519,931
Profit for the year ended December 31, 2020	-	-	-	-	3,688,999	3,688,999
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	540	76,042
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	3,689,539	3,765,041
Earnings distribution:						
Legal reserve	-	-	324,085	-	(324,085)	-
Special reserve	-	-	-	408,839	(408,839)	-
Cash dividends on ordinary share	-	-	-	-	(1,918,248)	(1,918,248)
Conversion of convertible bonds	132,103	1,239,803	-	-	-	1,371,906
Balance at December 31, 2020	3,329,183	1,868,661	2,035,014	832,393	9,430,270	16,738,630
Profit for the year ended December 31, 2021	-	-	-	-	5,493,218	5,493,218
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(1,556)	(15,335)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	5,491,662	5,344,644
Earnings distribution:						
Legal reserve	-	-	368,954	-	(368,954)	-
Special reserve reversal	-	-	-	(75,502)	75,502	-
Cash dividends on ordinary share	-	-	-	-	(2,330,428)	(2,330,428)
Balance at December 31, 2021	\$ 3,329,183	1,868,661	2,403,968	756,891	12,298,052	19,752,846

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 6,051,838	4,184,544
Adjustments:		
Adjustments to reconcile profit :		
Depreciation expense	198,379	191,491
Amortization expense	9,269	5,095
Expected credit loss	41	66
Net gain on financial assets or liabilities at fair value through profit or loss	-	(1,853)
Interest expense	9,041	9,145
Interest income	(920)	(1,026)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	(5,365,858)	(3,838,173)
Gain on disposal of property, plant and equipment	(338)	(34)
Amortized discounted corporate bonds payable-interest expense	-	14,040
Total adjustments to reconcile profit	(5,150,386)	(3,621,249)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	91,917	1,084
Accounts receivable	(604,530)	153,281
Accounts receivable due from related parties	(49,488)	208,954
Other receivable	(221,869)	83,596
Inventories	(123,797)	(274,425)
Deferred revenues	5,723	3,667
Other current assets	(16,481)	6,663
Other assets	(51,287)	(12,737)
Total changes in operating assets	(969,812)	170,083
Changes in operating liabilities:		
Accounts payable	528,959	(196,735)
Other payable	348,299	179,667
Other payable to related parties	32,286	(94,192)
Other current liabilities	13,958	8,113
Net defined benefit liability	(12,810)	(10,646)
Total changes in operating liabilities	910,692	(113,793)
Total changes in operating assets and liabilities	(59,120)	56,290
Total adjustments	(5,209,506)	(3,564,959)
Cash inflow generated from operations	842,332	619,585
Interest received	974	960
Dividends received	2,151,776	3,327,861
Interest paid	(9,151)	(9,076)
Income taxes paid	(561,921)	(762,834)
Net cash flows from (used in) operating activities	2,424,010	3,176,496
Cash flows from investing activities:		
Acquisition of investments accounted for using equity method	-	(761,482)
Acquisition of property, plant and equipment	(135,259)	(168,639)
Proceeds from disposal of property, plant and equipment	338	34
(Increase) decrease in refundable deposits	(2,226)	(7)
Acquisition of intangible assets	(32,344)	(17,270)
Net cash flows used in investing activities	(169,491)	(947,364)
Cash flows from financing activities:		
(Decrease) increase in short-term loans	152,123	(179,961)
Decrease in short-term notes and bills payable	200,000	(100,000)
Proceeds from long-term debt	750,000	950,000
Repayments of long-term debt	(700,000)	(500,000)
Increase in guarantee deposits received	4,467	857
Cash dividends paid	(2,330,428)	(1,918,248)
Net cash flows used in financing activities	(1,923,838)	(1,747,352)
Net increase in cash and cash equivalents	330,681	481,780
Cash and cash equivalents at beginning of period	962,032	480,252
Cash and cash equivalents at end of period	\$ 1,292,713	962,032

Independent Auditors' Report

To the Board of Directors of Elite Material Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Elite Material Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2021 and 2020, 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 at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

Please refer to Note 4(o) "Revenue" and Note 6(s) "Revenue" of the consolidated financial statements.

Description of key audit matter:

The recognition of revenue is based on the fact that the Group has transferred all its ownership and the significant risk of its products to the customers. The judgment on the arrival date of the products involves uncertainty under the FOB destination which is stated in the sales contracts between the Group and the customers. The Group still needs to take the risk of the products before they are delivered to customers.

Therefore, the recognition of revenue was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the accounting policies on the recognition timing of sales revenue and the appropriateness of related internal controls; testing the effectiveness of implementation of internal control ; performing cut-off test for recognition of revenue on the period before and after the reporting date to assess the rationality to the recognition timing of sales revenue.

2. Allowance for Inventory Valuation

Please refer to Note (4)(h) "Inventories" and Note (6)(e)" Inventories" of the consolidated financial statements.

Description of key audit matter:

The printed circuit board and other electronic components are the major products of the Group. Inventories have specific life cycle due to their attributes. Apart from this, the Group prepared certain amounts of security stock to meet the delivery date required by the customers. Inventories are stated at the lower of cost or net realizable value. Consequently, there may be situations that the net realizable value of inventory will exceed its cost. In addition, the Group would purchase the materials in advance for the expected sales orders. The cancellation or the change of orders, and the change of the material used or quantities of the material may lead to product obsolescence. Therefore, the recognition on allowance for inventory valuation and obsolescence loss was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policy of the Group is applied; selecting samples to examine their net realizable values to verify the accuracy and completeness of inventory aging report; reassessing the accuracy of allowance for inventory valuation and obsolescence loss according to the Group' s accounting policy; performing a retrospective review to evaluate the completeness of disclosure for allowance for inventories.

Other Matter

Elite Material Co., Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 auditor's 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 auditor's 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)
February 23, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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.

(Expressed in Thousands of New Taiwan Dollars)

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(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
ELITE MATERIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes (6)(s) and (7))	\$ 38,500,026	100	27,200,786	100
5000	Operating costs (Note (6)(e))	(28,431,472)	(74)	(20,160,757)	(74)
	Gross profit from operations	10,068,554	26	7,040,029	26
	Operating expenses:				
6100	Total selling expenses	(1,114,301)	(3)	(866,698)	(3)
6200	Total administrative expenses	(1,264,567)	(3)	(914,229)	(3)
6300	Total research and development expenses	(770,530)	(2)	(582,679)	(2)
6450	Impairment loss (Note (6)(c))	3,464	-	7,028	-
	Total operating expenses	(3,145,934)	(8)	(2,356,578)	(8)
	Net operating income	6,922,620	18	4,683,451	18
	Non-operating income and expenses (Note (6)(u)):				
7100	Total interest income	52,252	-	74,266	-
7020	Other gains and losses, net	23,291	-	157,482	-
7050	Finance costs, net	(76,323)	-	(60,724)	-
7370	Share of profit of associates and joint ventures accounted for using equity method	(9,944)	-	(10,912)	-
	Total non-operating income and expenses	(10,724)	-	160,112	-
7900	Profit from continuing operations before tax	6,911,896	18	4,843,563	18
7950	Less: Income tax expenses (Note (6)(p))	(1,411,739)	(4)	(1,149,293)	(4)
8200	Profit	5,500,157	14	3,694,270	14
	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	(1,945)	-	675	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(15,335)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	389	-	(135)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(16,891)	-	540	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(164,772)	-	94,534	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	32,921	-	(18,876)	-
	Components of other comprehensive income that will be reclassified to profit or loss	(131,851)	-	75,658	-
	Other comprehensive income	(148,742)	-	76,198	-
	Total comprehensive income	\$ 5,351,415	14	3,770,468	14
	Loss attributable to:				
	Owners of the parent company	\$ 5,493,218	14	3,688,999	14
	Non-controlling interests	6,939	-	5,271	-
		\$ 5,500,157	14	3,694,270	14
	Comprehensive income attributable to:				
	Owners of the parent company	\$ 5,344,644	14	3,765,041	14
	Non-controlling interests	6,771	-	5,427	-
		\$ 5,351,415	14	3,770,468	14
	Earnings per share (Note (6)(r))				
	Basic earnings per share (dollars)	\$ 16.50		11.33	
	Diluted earnings per share (dollars)	\$ 16.46		11.07	

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

ELITE MATERIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Share capital	Retained earnings					Total other equity interest			Non-controlling Interests	Total equity
		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Statements	Unrealised gains (losses) on available for sale financial assets	Total Equity Attributable to Owners of Parent		
Balance at January 1, 2020	\$ 3,197,080	628,858	1,710,929	423,554	8,391,903	(831,955)	(438)	13,519,931	16,638	13,536,569	
Profit for the year ended December 31, 2020	-	-	-	-	3,688,999	-	-	3,688,999	5,271	3,694,270	
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	540	75,502	-	76,042	156	76,198	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	3,689,539	75,502	-	3,765,041	5,427	3,770,468	
Earnings distribution:											
Legal reserve	-	-	324,085	-	(324,085)	-	-	-	-	-	
Special reserve	-	-	-	408,839	(408,839)	-	-	-	-	-	
Cash dividends on ordinary share	-	-	-	-	(1,918,248)	-	-	(1,918,248)	-	(1,918,248)	
Conversion of convertible bonds	132,103	1,239,803	-	-	-	-	-	1,371,906	-	1,371,906	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(5,186)	(5,186)	
Balance at December 31, 2020	3,329,183	1,868,661	2,035,014	832,393	9,430,270	(756,453)	(438)	16,738,630	16,879	16,755,509	
Profit for the year ended December 31, 2021	-	-	-	-	5,493,218	-	-	5,493,218	6,939	5,500,157	
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(1,556)	(131,683)	(15,335)	(148,574)	(168)	(148,742)	
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	5,491,662	(131,683)	(15,335)	5,344,644	6,771	5,351,415	
Earnings distribution:											
Legal reserve	-	-	368,954	-	(368,954)	-	-	-	-	-	
Special reserve reversal	-	-	-	(75,502)	75,502	-	-	-	-	-	
Cash dividends on ordinary share	-	-	-	-	(2,330,428)	-	-	(2,330,428)	-	(2,330,428)	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,609)	(2,609)	
Balance at December 31, 2021	\$ 3,329,183	1,868,661	2,403,968	756,891	12,298,052	(888,130)	(15,773)	19,752,846	21,041	19,773,887	

ELITE MATERIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

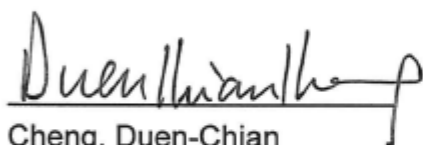
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 6,911,896	4,843,563
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	690,156	599,222
Amortization expense	29,238	9,391
Expected credit loss	(3,464)	(7,028)
Net gain on financial assets or liabilities at fair value through profit or loss	-	(1,853)
Interest expense	76,323	46,684
Interest income	(52,252)	(74,266)
Share of loss of associates and joint ventures accounted for using equity method	9,944	10,912
Loss on disposal of property, plant and equipment	540	571
Others	-	14,040
Dividend income	(24,243)	-
Total adjustments to reconcile profit (loss)	726,242	597,673
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	144,696	3,321
Accounts receivable	(3,523,108)	(484,607)
Other receivable	(92,635)	17,424
Inventories	(1,783,772)	(647,818)
Other current assets	(230,475)	175,253
Other operating assets	(56,045)	(93,425)
Total changes in operating assets	(5,541,339)	(1,029,852)
Changes in operating liabilities:		
Accounts payable	2,318,681	46,714
Other payable	539,398	343,235
Other current liabilities	8,735	70,528
Other non-current liabilities	402,345	(10,646)
Total changes in operating liabilities	3,269,159	449,831
Total changes in operating assets and liabilities	(2,272,180)	(580,021)
Total adjustments	(1,545,938)	17,652
Cash inflow generated from operations	5,365,958	4,861,215
Interest received	60,664	97,697
Dividends received	24,243	-
Interest paid	(74,417)	(47,189)
Income taxes paid	(1,354,926)	(1,394,511)
Net cash flows from operating activities	4,021,522	3,517,212
Cash flows from (used in) investing activities:		
Net cash flow from acquisition of subsidiaries	-	(719,072)
Acquisition of property, plant and equipment	(2,470,150)	(1,199,655)
Proceeds from disposal of property, plant and equipment	7,942	101
Acquisition of intangible assets	(44,622)	(43,197)
Acquisition of right-of-use assets	(74,843)	-
(Increase) decrease in refundable deposits	(36,681)	2,696
Other investing activities	227	-
Net cash flows used in investing activities	(2,618,127)	(1,959,127)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	1,983,991	(226,374)
Increase (decrease) in short-term notes and bills payable	200,000	(100,000)
Proceeds from long-term debt	750,000	1,052,712
Repayments of long-term debt	(1,014,529)	(917,965)
Increase in guarantee deposits received	5,179	1,868
Payment of lease liabilities	(11,362)	-
Cash dividends paid	(2,333,037)	(1,923,434)
Net cash flows used in financing activities	(419,758)	(2,113,193)
Effect of exchange rate changes on cash and cash equivalents	(73,430)	(63,820)
Net increase (decrease) in cash and cash equivalents	910,207	(618,928)
Cash and cash equivalents at beginning of period	5,731,862	6,350,790
Cash and cash equivalents at end of period	\$ 6,642,069	5,731,862

2.Review report by the Audit Committee

To the 2022 General Shareholders' Meeting of Elite Material Co., Ltd.,

In accordance with Article 219 of the Company Act, we have examined the Business Report, the Resolution for Allocation of Surplus Profit, the Financial Statements submitted by the Board of Directors for the year ending 2021 which had been audited by independent auditors, Ms. Chen, Yi-Chun and Mr. Calvin C. Y. Chiang of KPMG, and the auditing report signed by the said independent auditors, and found them in order. We thereby submit the report.



Cheng, Duen-Chian

Convener of the Audit Committee of Elite Material Co., Ltd.

23 Feb 2022

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

3.Information of employees' compensation and Directors' remuneration in Year 2021

Unit: NT\$ Dollar		Year 2021
Earnings before tax, employee's compensation, and Directors' remuneration	\$	6,303,998,315
Accumulated losses		-
Distributable earnings to employees and Directors	\$	6,303,998,315
Employees' compensation (3% of the distributable earnings)	\$	189,119,949
Directors' remuneration (1% of the distributable earnings)	\$	63,039,983

The said employees' compensation and Directors' remuneration will be distributed in cash.

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Approval Items

1. To accept the Year 2021 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of the Year 2021 business report and financial statements.

Explanatory Notes:

- i. EMC's Year 2021 business report and financial statements, including balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, have been resolved to accept by the 17th board meeting of the 11th term, and have been examined by and determined to be correct and accurate by the Audit Committee of EMC. We thereby submit this report.
- ii. Please approve the aforesaid business report and financial statements

2. To approve the proposal for distribution of 2021 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2020 profits.

Explanatory Notes:

- i. Cash dividends to common share-holders: Totalling NT\$5,493,217,905. Each common share holder will be entitled to receive a cash dividend of NT\$ 10.0 per share. The fractional dollar amount which is less than one New Taiwan Dollar, if there is any, will not be distributed and will be recognized by the company as other income.
- ii. After being approved at the Annual General Shareholders' Meeting, it is proposed that the Chairman of EMC be authorized to determine the record date and the payment date that the cash dividends will be distributed to common share-holders.
- iii. Should EMC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the Security Act and other relevant regulations, the total number of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Chairman of EMC be authorized to adjust the cash to be distributed to each common share, based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.
- iv. Please approve the aforesaid proposal for the distribution of 2021 profits.

Elite Material Co., Ltd. Profit Allocation Proposal of Year 2021

Unit: NTD

Net income of 2021	5,493,217,905
Less:	
10% legal reserve	549,166,188
Special reserve of earnings	147,017,621
Plus:	
Unappropriated retained earnings of previous years	6,806,390,419
Other comprehensive loss (actuarial adjustment of defined benefit	(1,556,026)
Earnings available for distribution as of 31 December 2021	11,601,868,489
Distribution items:	
Cash dividends to common share holders (NT\$10 per share)	3,329,182,990
Stock dividends to common share holders (Cash dividend per common share is calculated based on a total number of shares outstanding of 332,918,299)	0
Total distribution	3,329,182,990
Unappropriated earnings	8,272,685,499

Note:

1. Pursuant to the Article 36 of Elite Material Co., Ltd. Articles of Incorporation, the distribution order of Year 2021 net income is prior to other distributable items.
2. The number of shares outstanding is decided based on the actual number of outstanding shares as of 23 Feb 2022.

Chairman: Dong Ding-Yu

President: Guan En-Xiang

Director of Accounting Department: Sara, Yen

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Discussion Items

1. To approve amending the company bylaw of “Articles of Incorporation of Elite Material Co., Ltd.”

1. In response to the company's operational needs and practical operations, it is proposed to amend some of the provisions of the Company's Articles of Association.
2. The list of provisions before and after the revision of the "Articles of Association" of this amendment is listed below.
3. Resolution

Article	Revised	Current	Illustration
Article 14	<p>The company's shareholders' meeting is divided into two types: ordinary and extraordinary meetings. The ordinary meeting is convened at least once every year in compliance with the regulation within six months after the end of every fiscal year. The extraordinary meeting shall be convened when necessary.</p> <p><u>While the company holds the shareholders' meeting, it may be carried out by video conference or other ways announced by the central authority.</u></p>	<p>The company's shareholders' meeting is divided into two types: ordinary and extraordinary meetings. The ordinary meeting is convened at least once every year in compliance with the regulation within six months after the end of every fiscal year. The extraordinary meeting shall be convened when necessary.</p>	<p>In conjunction with the revision of the Company Law, publicly issued companies may hold video meetings of shareholders' meetings.</p>
Article 36	<p>The distribution of dividends shall take into consideration the changes in the outlook for the company's businesses, the financial situation and the return on shareholders' equity that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends shall not be less than twenty per cent (20%) of the aggregate sum of dividends distributed in the same year. During the year losses occur, the company may choose not to pay dividends.</p> <p>Apart from paying all its income taxes in the case where there are profits at the end of the year, the company shall make up for accumulated losses in past years. Where there is still balance, ten per cent (10%) of which shall be set aside by the Company as legal reserve. The company shall also set aside certain portion of the profits as special reserve as required by Article 41 of the Securities and Stock Exchange Act, or by resolutions of Shareholders' Meetings. While the company distributes earnings to the shareholders, the paid-out amount shall be more than ten per cent (10%) but less than seventy per cent (70%) of the distributable earnings, which equals to</p>	<p>The distribution of dividends shall take into consideration the changes in the outlook for the company's businesses, the financial situation and the return on shareholders' equity that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends shall not be less than twenty per cent (20%) of the aggregate sum of dividends distributed in the same year. During the year losses occur, the company may choose not to pay dividends.</p> <p>Apart from paying all its income taxes in the case where there are profits at the end of the year, the company shall make up for accumulated losses in past years. Where there is still balance, ten per cent (10%) of which shall be set aside by the Company as legal reserve. The company shall also set aside certain portion of the profits as special reserve as required by Article 41 of the Securities and Stock Exchange Act, or by resolutions of shareholders' meetings. While the company distributes earnings to the shareholders, the paid-out amount shall be more than ten per cent (10%) but less than seventy per cent (70%) of the distributable earnings, which equals to</p>	<p>1. Item 3 of this Article shall be amended at the request of the Competent Authority, the FSC Securities Bureau, to specify a specific dividend policy in the Articles of Association.</p> <p>2. Paragraph 5 of this Article is updated in accordance with Article 240, Paragraph 5 of the Company Law, which simplifies the procedures for the company to pay dividends and dividends in cash.</p>

Article	Revised	Current	Illustration
	<p>earnings realized after deducting legal, special and all other required reserves, but together with undistributed profits from previous years. Depending on the business operating results, the earnings to be distributed to shareholders shall be proposed by the board of directors, and submitted to the shareholders' meeting and decided by the resolution from in the shareholder's meeting.</p> <p><u>Dividends distributed by the company, if paid in cash, are authorized by the board of directors to do so in the presence of more than two-thirds of the directors and with the consent of a majority of the directors, and to report at the shareholders' meeting.</u></p>	<p>earnings realized after deducting legal, special and all other required reserves, but together with undistributed profits from previous years. Depending on the business operating results, the earnings to be distributed to shareholders shall be proposed by the board of directors, and submitted to the shareholders' meeting and decided by the resolution from in the shareholder's meeting. Judging from the actual business circumstances, the board of directors may propose to adjust the amount of earnings to be distributed to shareholders, and submit to the shareholders' meetings for the resolution to distribute.</p>	
Article 38	<p>This charter was amended with the existing provisions (slightly) on February 25, 1992 by unanimous agreement of all the promoters. The 1st to 23rd amendments as current clause (Omitted), <u>the 25th amendment was made on May 26th, 2022</u></p>	<p>This charter was amended with the existing provisions (slightly) on February 25th, 1992 by unanimous agreement of all the promoters. The 1st to 24th amendments as current clause (Omitted)</p>	<p>Add the date and number of revisions.</p>

2. To approve amending the company bylaw of “Procedures of Acquisition and Disposition of Assets of Elite Material Co., Ltd.”

1. In accordance with order No. 1110380465 issued by the FSC and comply with the adjustment of the organizational departments, needs of operational and investment transactions, it is proposed to amend the provisions of the Company's "Procedures for Handling The Acquisition or Disposal of Assets".
2. 二、The list of provisions before and after the revision of the "Procedures of Acquisition and Disposition of Assets" is listed below.
3. 三、Resolution

Article	Revised	Current	Illustration
Article 5	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>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 three 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.</p> <p>2) May not be a related party or de facto related party of any party to the transaction.</p> <p>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.</p> <p>When issuing an appraisal report or opinion, <u>the person referred to in the preceding paragraph shall handle the following matters in accordance with the self-discipline norms</u> of each trade association to which he belongs:</p> <p>1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2) When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3) They shall undertake an item-by-item evaluation of the comprehensiveness,</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>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 three 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.</p> <p>2) May not be a related party or de facto related party of any party to the transaction.</p> <p>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.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the</p>	Cooperate with the amendment of the decree.

Article	Revised	Current	Illustration
	<p>accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>appropriate</u>, and that they have complied with applicable laws and regulations.</p>	<p>information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	
Article 7	<p>1) 1) The acquisition of real estate, equipment or its right-to-use assets shall be handled by <u>group procurement, group finance and accounting</u> and other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after assessing the reasons for the proposed acquisition of the assets, the underlying objects, the relatives of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>2) The disposition of real estate, equipment or its right-to-use assets shall be handled by <u>group finance and accounting</u> or other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after the administrative department or other relevant units have assessed the subject matter, the relative of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>3) The procedure for acquiring or disposing of non-operational property, equipment or assets of their right to use which is not for business purposes shall be the same as those provided for in paragraphs 1 and 2 of this Article, provided that transactions are made within the amount specified in paragraph 1 of Article 28 of these Procedures</p> <p>4) In the case of acquiring or disposing securities held for long-term purpose, the <u>group finance and accounting</u> or other responsible units shall undertake the relevant financial analysis and projection of potential returns as well as evaluation of potential investment risks in relation to the said investment. In addition, prior to the date of transaction occurred, the finance/accounting units or other responsible units shall obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and submit all relevant information to the Board of Directors for approval.</p> <p>5) The procedure for obtaining or disposing of short-term marketable securities shall be handled in accordance with the provisions of</p>	<p>– 1) The acquisition of real estate, equipment or its right-to-use assets shall be handled by <u>procurement division, finance and accounting division</u> and other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after assessing the reasons for the proposed acquisition of the assets, the underlying objects, the relatives of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>2) The disposition of real estate, equipment or its right-to-use assets shall be handled by <u>finance and accounting division</u> or other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after the administrative department or other relevant units have assessed the subject matter, the relative of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>3) The procedure for acquiring or disposing of non-operational property, equipment or assets of their right to use which is not for business purposes shall be the same as those provided for in paragraphs 1 and 2 of this Article, provided that transactions are made within the amount specified in paragraph 1 of Article 28 of these Procedures</p> <p>4) In the case of acquiring or disposing securities held for long-term purpose, the <u>finance/Accounting Department</u> or other responsible units shall undertake the relevant financial analysis and projection of potential returns as well as evaluation of potential investment risks in relation to the said investment. In addition, prior to the date of transaction occurred, the finance/accounting units or other responsible units shall obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and submit all relevant information to the Board</p>	Align with departmental adjustment

Article	Revised	Current	Illustration
	paragraph 4 of this Article, however, the board of directors may authorize the subject of the investment and the amount of investment in accordance with the provisions of the internal authorization within the limits set out in Article 28, paragraphs 2 to 5, of this Procedure	of Directors for approval. 5) The procedure for obtaining or disposing of short-term marketable securities shall be handled in accordance with the provisions of paragraph 4 of this Article, however, the board of directors may authorize the subject of the investment and the amount of investment in accordance with the provisions of the internal authorization within the limits set out in Article 28, paragraphs 2 to 5, of this Procedure	
Article 9	<p>In the case of real property, equipment, or right-of-use assets acquired or disposed by the Company other than as a result of transactions with the domestic government, government agencies, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipment or right-of-use assets for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report; furthermore, the following provisions shall be complied with:</p> <p>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 submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2) Where the transaction amount is NT\$ 1 billion or more, two (2) or more professional appraisers shall be engaged to provide their appraisals.</p> <p>3) Where the appraisal prices from professional appraiser come under one of the following, unless the appraisal prices of acquired assets are higher than the transaction price, or the appraisal prices of assets being disposed are lower than the transaction price, certified public accountants shall be required to provide their opinions in respect of the reasons for such discrepancy and the fairness of the transaction price:</p> <p>i) The appraisal results differ from the transaction amount by twenty per cent (20%) or greater;</p> <p>ii) The difference between the appraisal result provided by two or more professional appraisers and the transaction price is ten per cent (10%) or greater.</p> <p>4) Report made by the professional appraiser shall not be dated beyond three (3) months prior to the date of the contract; however where an appropriate value published during the same period but not exceeding six (6) months, the original professional appraiser</p>	<p>In the case of real property, equipment, or right-of-use assets acquired or disposed by the Company other than as a result of transactions with the domestic government, government agencies, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipment or right-of-use assets for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report; furthermore, the following provisions shall be complied with:</p> <p>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 submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2) Where the transaction amount is NT\$ 1 billion or more, two (2) or more professional appraisers shall be engaged to provide their appraisals.</p> <p>3) Where the appraisal prices from professional appraiser come under one of the following, unless the appraisal prices of acquired assets are higher than the transaction price, or the appraisal prices of assets being disposed are lower than the transaction price, accountants shall be <u>engaged to handle the matter pursuant to the provisions of Auditing Standards No. 20 promulgated by R.O.C. Accounting Research and Development Foundation (hereinafter as ARDF); furthermore the said accountants shall be</u> required to provide their opinions in respect of the reasons for such discrepancy and the fairness of the transaction price:</p> <p>i) The appraisal results differ from the transaction amount by twenty per cent (20%) or greater;</p> <p>ii) The difference between the appraisal result provided by two or more professional appraisers and the transaction price is ten per cent (10%) or greater.</p> <p>4) Report made by the professional</p>	Align with departmental adjustment

Article	Revised	Current	Illustration
	may issue its opinion in respect of the said value.	appraiser shall not be dated beyond three (3) months prior to the date of the contract; however where an appropriate value published during the same period but not exceeding six (6) months, the original professional appraiser may issue its opinion in respect of the said value.	
Article 10	<p>The Company acquiring or disposing of securities shall, prior to the date of the transaction occurred, 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 twenty per cent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of the transaction occurred, also engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. Should the aforesaid accountant needs to refer to experts' opinions. However, it is no limit to publicly quoted price of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>Where a public company acquires or disposes of intangible assets or its right of use assets or membership card transaction amount of 20% of the company's paid-in capital or more than NT\$300 million, in addition to transactions with government agencies on the island, it shall consult with an accountant on the reasonableness of the transaction price before the occurrence of the facts.</p> <p>"Within one (1) year" as used in Paragraph 2 of Article 26 refers to the year preceding the date of occurrence of the current transaction. Items that the Company has obtained the appraisal reports of professional appraisers or accountants' opinions in accordance with the Procedures need not be counted toward the transaction amount.</p>	<p>The Company acquiring or disposing of securities shall, prior to the date of the transaction occurred, 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 twenty per cent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of the transaction occurred, also engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. Should the aforesaid accountant needs to refer to experts' opinions, <u>Auditing Standards No. 20 published by the ARDF shall be abided by.</u> <u>This requirement does not apply,</u> however, to publicly quoted price of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>"Within one (1) year" as used in Paragraph 2 of Article 26 refers to the year preceding the date of occurrence of the current transaction. Items that the Company has obtained the appraisal reports of professional appraisers or accountants' opinions in accordance with the Procedures need not be counted toward the transaction amount.</p>	Cooperate with the amendment of the decree.
Article 13	The Company shall, if it acquires or disposes real property or right-of-use assets from or to related parties, or if it acquires or disposes other assets except real property or right-of-use assets from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of domestic government bonds, or bonds under repurchase and resale agreements, or subscription or redemption of money market funds offered by domestic investment trust companies, submit to the Audit Committee and the Board of Directors for approval of the following information prior to the signing of the transaction contract and making payments: 1 · Purpose of acquiring or disposing the said	The Company shall, if it acquires or disposes real property or right-of-use assets from or to related parties, or if it acquires or disposes other assets except real property or right-of-use assets from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of domestic government bonds, or bonds under repurchase and resale agreements, or subscription or redemption of money market funds offered by domestic investment trust companies, submit to the Audit Committee and the Board of Directors for approval of the following information prior to the signing of the transaction contract and making payments: 1. Purpose of acquiring or disposing the said	Cooperate with the amendment of the decree.

Article	Revised	Current	Illustration
	<p>assets, its necessity and projected benefits; 2 · Reasons for transacting with related parties; 3 · Information relating to the appraisal of the fairness of the proposed transaction conditions pursuant to Article 14 and Article 15 herein, when acquiring real property or right-of-use assets from related parties; 4 · Date and price of acquisition by the related party, party to the transaction and relationship between the said party and the Company and related party; 5 · Forecast of monthly cash income within one year from the date of the contract; furthermore evaluation shall be conducted in respect of the necessity of the transaction and the fairness of the use of fund; 6 · Valuation report issued by a professional appraiser obtained in accordance with the preceding provisions, or the opinion of an accountant. 7 · Restrictions and other important contractual matters of the transaction</p> <p>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Item 2 of Article 26, and the so-called one year shall be calculated retroactively within one year based on the date of occurrence of the transaction facts, and shall be submitted to the Audit Committee for approval in accordance with the provisions of this Standard, and then partially exempted from re-counting by the Board of Directors</p> <p>In the case that real property, equipment, or right-of-use assets for operational purpose is acquired or disposed between the Company or Subsidiaries, or between subsidiaries in which it directly or indirectly holds 100 per cent (100%) of the issued shares or authorized capital, the Board of Directors may authorize the Chairman to approve or disapprove the transaction with a total amount not exceeding Three Hundred Million New Taiwan Dollars (NT\$300 million), comply with the internal authorization regulations.</p> <p>If a public offering company or its subsidiaries that are not domestic public offering companies have the first transaction, and the transaction amount reaches more than 10% of the assets of the public offering company, the public offering company shall submit the information listed in the first paragraph to the shareholders' meeting for approval before signing the transaction contract and making payments. However, this does not apply to transactions between a publicly issued company and its parent company, subsidiaries, or its subsidiaries.</p>	<p>assets, its necessity and projected benefits; 2.Reasons for transacting with related parties; 3.Information relating to the appraisal of the fairness of the proposed transaction conditions pursuant to Article 14 and Article 15 herein, when acquiring real property or right-of-use assets from related parties; 4.Date and price of acquisition by the related party, party to the transaction and relationship between the said party and the Company and related party; 5.Forecast of monthly cash income within one year from the date of the contract; furthermore evaluation shall be conducted in respect of the necessity of the transaction and the fairness of the use of fund; 6.Valuation report issued by a professional appraiser obtained in accordance with the preceding provisions, or the opinion of an accountant. 7.Restrictions and other important contractual matters of the transaction</p> <p><u>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Item 2 of Article 26, and the so-called one year shall be calculated retroactively within one year based on the date of occurrence of the transaction facts, and shall be submitted to the Audit Committee for approval in accordance with the provisions of this Standard, and then partially exempted from re-counting by the Board of Directors</u></p> <p>In the case that real property, equipment, or right-of-use assets for operational purpose is acquired or disposed between the Company or Subsidiaries, or between subsidiaries in which it directly or indirectly holds 100 per cent (100%) of the issued shares or authorized capital, the Board of Directors may authorize the Chairman to approve or disapprove the transaction with a total amount not exceeding Three Hundred Million New Taiwan Dollars (NT\$300 million). The said transactions shall be submitted to latest upcoming meeting of the Board of Directors for ratification.</p>	

Article	Revised	Current	Illustration
	The calculation of the transaction amount in item 1 and the preceding paragraph shall be handled in accordance with the provisions of Item 2 of Article 26, and the so-called one year shall be calculated retroactively within one year on the basis of the date of occurrence of the transaction, and shall be submitted to the shareholders' meeting for approval in accordance with the provisions of this standard, approved by the audit committee, and then partially exempted from re-crediting by the board of directors.		
Article 26	<p>Under any of the following circumstances, the Company when acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by FSC designated in the appropriate format (in the prescribed format and via the Internet-based information system) within two days commencing immediately from the date of occurrence of the event:</p> <p>一~五、unchanged (Omission)</p> <p>六、Except for the preceding five paragraphs, the transaction amount of asset transactions, the disposal of creditor's rights by financial institutions, or the investment in mainland China shall reach 20% of the company's paid-up capital or more than NT\$300 million. However, this does not apply in the following cases:</p> <p>1 · Purchase of domestic government bond <u>or the foreign government bond which credit rating is not lower than the ROC sovereign rating.</u></p> <p>2. Buying and selling bonds with buy-back and sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trusts.</p> <p>Below is unchanged. (Omission)</p>	<p>Under any of the following circumstances, the Company when acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by FSC designated in the appropriate format (in the prescribed format and via the Internet-based information system) within two days commencing immediately from the date of occurrence of the event:</p> <p>一~五、unchanged (Omission)</p> <p>六、Except for the preceding five paragraphs, the transaction amount of asset transactions, the disposal of creditor's rights by financial institutions, or the investment in mainland China shall reach 20% of the company's paid-up capital or more than NT\$300 million. However, this does not apply in the following cases:</p> <p>1 · Purchase of domestic government bond.</p> <p>2. Buying and selling bonds with buy-back and sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trusts.</p> <p>Below is unchanged. (Omission)</p>	Cooperate with the amendment of the decree.
Article 28	<p>The limits of the company's acquisition of real estate, other fixed assets, other assets and marketable securities for business use are as follows:</p> <p>1) The total amount of real estate, other fixed assets and other assets not for business use shall not exceed 50% of the equity attributable to the owners of parent company in the company's recent financial statements.</p> <p>2) The total amount of investment in marketable securities shall not exceed <u>300%</u> of the equity attributable to the owners of parent company in the company's recent financial statements. The total amount of short-term investment in marketable securities shall not exceed 10% of the equity attributable to the owners of parent company in the company's recent financial statements.</p> <p>3) The total amount invested in individual marketable securities shall not exceed <u>250%</u> of the equity attributable to the owners of parent company in the company's recent financial statements. The total amount invested in</p>	<p>The limits of the company's acquisition of real estate, other fixed assets, other assets and marketable securities for business use are as follows:</p> <p>1) The total amount of real estate, other fixed assets and other assets not for business use shall not exceed 50% of the equity attributable to the owners of parent company in the company's recent financial statements.</p> <p>2) The total amount of investment in marketable securities shall not exceed <u>200%</u> of the equity attributable to the owners of parent company in the company's recent financial statements. The total amount of short-term investment in marketable securities shall not exceed 10% of the equity attributable to the owners of parent company in the company's recent financial statements.</p> <p>3) The total amount invested in individual marketable securities shall not exceed <u>100%</u> of the equity attributable to the owners of parent company in the company's recent financial statements. The total amount invested in</p>	In response to investment needs, increase the total amount of investment in securities and the total amount of individual securities.

Article	Revised	Current	Illustration
	<p>short-term individual marketable securities shall not exceed 5% of the equity attributable to the owners of parent company in the company's recent financial statements.</p> <p>4) The total amount of securities invested by the company and its subsidiaries shall not exceed <u>300%</u> of the equity attributable to the owners of the parent company in the company's most recent financial statements. The total amount of short-term securities invested by the company and its subsidiaries shall not exceed 10% of the equity attributable to the owners of the parent company in the Company's most recent financial statements.</p> <p>5) The individual total amount of securities invested by the company's subsidiaries shall not exceed <u>250%</u> of the equity attributable to the owners of the parent company in the company's most recent financial statements. The short-term individual total amount of securities invested by the company's subsidiaries shall not exceed 5% of the equity attributable to the owners of the parent company in the Company's most recent financial statements.</p>	<p>short-term individual marketable securities shall not exceed 5% of the equity attributable to the owners of parent company in the company's recent financial statements.</p> <p>4) The total amount of securities invested by the company and its subsidiaries shall not exceed <u>200%</u> of the equity attributable to the owners of the parent company in the company's most recent financial statements. The total amount of short-term securities invested by the company and its subsidiaries shall not exceed 10% of the equity attributable to the owners of the parent company in the company's most recent financial statements.</p> <p>5) The individual total amount of securities invested by the Company's subsidiaries shall not exceed <u>100%</u> of the equity attributable to the owners of the parent company in the company's most recent financial statements. The short-term individual total amount of securities invested by the company's subsidiaries shall not exceed 5% of the equity attributable to the owners of the parent company in the company's most recent financial statements.</p>	
Article 31	<p>The amendment of these procedures shall be approved by the audit committee and the board of directors, and shall furthermore be submitted for approval at the shareholders' meeting. The company shall also forward the directors' dissents recorded in the meeting minutes or written statements to the audit committee. The subsidiaries shall also formulate their respective "Procedures for Acquisition and Disposition of Assets" in accordance with the provisions of "Regulations Governing Acquisition and Disposition of Assets by Public Companies" and submit to their respective board of directors meeting for approval, and shall thereafter submit their respective procedures to the <u>group finance and accounting</u> of the Company for review. The aforesaid shall also apply to amendments to the said Procedures.</p>	<p>The amendment of these procedures shall be approved by the audit committee and the board of directors, and shall furthermore be submitted for approval at the shareholders' meeting. The company shall also forward the directors' dissents recorded in the meeting minutes or written statements to the audit committee. The subsidiaries shall also formulate their respective "Procedures for Acquisition and Disposition of Assets" in accordance with the provisions of "Regulations Governing Acquisition and Disposition of Assets by Public Companies" and submit to their respective board of directors meeting for approval, and shall thereafter submit their respective procedures to the <u>finance department</u> of the company for review. The aforesaid shall also apply to amendments to the said Procedures.</p>	Align with department adjustment
Procedure to Engage in the Transactions of Financial Derivative Products			
Article 7	<p>Responsibilities</p> <p><u>Group finance and accounting</u> personnel shall, on a monthly basis, submit future operational strategies according to the foreign currency location statistics table and credit certificate to the single schedule, and act according to the strategy after submitting the approval of the competent authority and responsibility in accordance with the internal authorization provisions. If there is a foreign exchange operation different from the predetermined strategy, the <u>group finance and accounting</u> personnel shall again submit to the head of authority and responsibility for approval in accordance with the internal authorization provisions, and then proceed with the relevant transactions.</p>	<p>Responsibilities</p> <p><u>Finance</u> personnel shall, on a monthly basis, submit future operational strategies according to the foreign currency location statistics table and credit certificate to the single schedule, and act according to the strategy after submitting the approval of the competent authority and responsibility in accordance with the internal authorization provisions. If there is a foreign exchange operation different from the predetermined strategy, the <u>finance</u> personnel shall again submit to the head of authority and responsibility for approval in accordance with the internal authorization provisions, and then proceed with the relevant transactions.</p>	Align with department adjustment

Article	Revised	Current	Illustration
Article 9	<p>Performance evaluation</p> <p>1) Hedging transaction: <u>Group finance and accounting</u> personnel should assess and review operational performance at market prices on a weekly basis, and assess the two times a month to regularly report operational performance to the head of authority and responsibility, in order to review and improve the operation strategy of hedging strategy.</p> <p>2) Other specific purpose transactions: The area held should be evaluated at least once a week, and its assessment report shall be submitted to the Head of Authority and Responsibility.</p>	<p>Performance evaluation</p> <p>1) Hedging transaction: <u>Finance</u> personnel should assess and review operational performance at market prices on a weekly basis, and assess the two times a month to regularly report operational performance to the head of authority and responsibility, in order to review and improve the operation strategy of hedging strategy.</p> <p>2) Other specific purpose transactions: The area held should be evaluated at least once a week, and its assessment report shall be submitted to the Head of Authority and Responsibility.</p>	
Article 21	<p><u>The head of group finance and accounting</u> shall pay attention to the supervision and control of the risks of derivative commodity transactions at all times, and shall regularly assess whether the performance of engaging in derivative commodity transactions is in accordance with established business strategies, whether the risks assumed are within the limits of the Company's tolerance, and shall regularly assess the appropriateness of the risk management procedures currently in use and indeed in accordance with the relevant provisions of this procedure.</p>	<p>The <u>Treasurer</u> shall pay attention to the supervision and control of the risks of derivative commodity transactions at all times, and shall regularly assess whether the performance of engaging in derivative commodity transactions is in accordance with established business strategies, whether the risks assumed are within the limits of the Company's tolerance, and shall regularly assess the appropriateness of the risk management procedures currently in use and indeed in accordance with the relevant provisions of this procedure.</p>	Align with department adjustment
Article 26	<p>Internal auditors shall regularly understand the perverse nature of internal controls in derivative commodity transactions and check the compliance of <u>group finance and accounting</u> personnel with the 'handling procedures for dealing with derivative commodities' on a monthly basis and analyze the transaction cycle, which shall be submitted to the Board of Directors as an audit report. If a material violation is found, the Audit Committee shall be notified in writing.</p>	<p>Internal auditors shall regularly understand the perverse nature of internal controls in derivative commodity transactions and check the compliance of <u>finance</u> personnel with the 'handling procedures for dealing with derivative commodities' on a monthly basis and analyze the transaction cycle, which shall be submitted to the Board of Directors as an audit report. If a material violation is found, the Audit Committee shall be notified in writing.</p>	

3. To approve meeting rules of stockholders of Elite Material Co., Ltd

1. In response to the need for the use of funds between groups, it is proposed to amend some provisions of the Company's procedures for lending funds to others.
2. The list of provisions before and after the revision of the " Procedures of Capital Lending to Others of Elite Material Co., Ltd " is listed below.
3. Resolution

Article	Revised	Current	Illustration
Article 1	The company's shareholders' meeting shall follow these "Rules" unless it is otherwise regulated by law and regulations. <u>Changes to the ways of shareholders' meeting of the company shall be resolved by the Board of Directors and no later than the submit of shareholder's notice.</u>	The company's shareholders' meeting shall follow these "Rules" unless it is otherwise regulated by law and regulations.	In order to cooperate with the Company Law and the Guidelines for the Handling of Shares of Publicly Issued
Article 2	Shareholders' who attend the shareholders meeting shall hand in signed attendance cards in replacement of the signature. The number of attending shares shall be calculated the attendance cards. When Shareholders' Meeting is convened, the voting power of a shareholder may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission. <u>Attendance and voting at shareholders' meetings shall be based on shares. The number of shares is calculated based on the number of shares showed in the sign-in card and the number of shares registered on the video conferencing platform, plus the number of shares that exercise their voting rights electronically or in writing.</u>	<u>A signature book shall be provided for the shareholders who attend the</u> shareholders' meeting for signature, or the shareholders who attend the Shareholders Meeting shall hand in signed attendance cards in replacement of the signature. The number of attending shares shall be calculated <u>with the signature book or</u> the attendance cards. When Shareholders' Meeting is convened, the voting power of a shareholder may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission.	Stock Companies to amend the Company Law to allow public offering companies to hold shareholders' meetings by video, the Company amended the relevant provisions with reference to the "Rules of Procedure for the Shareholders' Meeting of ○○ Co., Ltd." promulgated by the Taiwan
Article 3	<u>The company shall convene a video meeting of the shareholders' meeting and shall specify the following matters in the Notice of Convocation of the Shareholders' Meeting:</u> <u>1. Methods for shareholders to participate in video meetings and exercise their rights.</u> <u>2. The handling of obstacles arising from the video conference platform or the participation of video parties due to natural disasters, incidents or other force majeure circumstances includes at least the following matters:</u> <u>(a) The continuation of the aforementioned obstacle does not preclude the time of postponement or renewal of the meeting, and the date on which the assembly is postponed or renewed if it is necessary.</u>	<u>The shareholder's presence and voting shall be calculated with the number of shares. The total number of attending shares shall be calculated with the number of shares represented by attendance cards together with the number of shares of which shareholders exercising voting power via the electronic transmission.</u>	Stock Exchange on March 8, 2011.

	<p><u>(2) Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponement or renewal of the meeting.</u></p> <p><u>(3) If the video-assisted shareholders' meeting cannot be renewed, after deducting the number of shares participating in the shareholders' meeting by video, and the total number of shares present at the shareholders' meeting reaches the statutory quota of the shareholders' meeting, the shareholders' meeting shall continue, and the shareholders participating in the shareholders by video shall be included in the total number of shareholders' shares present, and all the proposals of the shareholders' meeting shall be regarded as abstention.</u></p> <p><u>(4) In the event that the results of all motions have been announced, but no provisional motions have been made, the manner of handling them shall be handled.</u></p> <p><u>3. A video shareholders' meeting shall be convened and shall specify the appropriate alternative measures provided to shareholders who may have difficulties participating in the shareholders by video.</u></p>	
Article 3-1	<p><u>Shareholders who wish to participate in the meeting by video should register with the company two days before the meeting of shareholders.</u></p> <p><u>If the shareholders' meeting is convened by video conference, the company shall upload the meeting manual, annual report and other relevant materials to the video meeting platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.</u></p> <p><u>Shareholders, solicitors and entrusted agents (hereinafter referred to as shareholders) who wish to attend by video shall accept the registration on the video meeting platform of the shareholders' meeting 30 minutes before the start of the meeting, and the shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.</u></p>	New addition
Article 4	<p>The location for Stockholders' Meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.</p> <p><u>When the company convenes a video shareholders' meeting, it shall not be restricted by the place mentioned in the preceding paragraph.</u></p> <p>For a shareholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of</p>	<p>The location for stockholders' meeting shall be the company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.</p> <p>For a shareholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of directors is on leave or unable to exert the rights, the vice chairman of the board of directors shall preside instead. If the position of vice chairman is vacant or the vice chairman is on leave or unable to exert the rights, the chairman of the board of directors shall designate a managing director to preside</p>

	<p>directors is on leave or unable to exert the rights, the vice chairman of the board of directors shall preside instead. If the position of vice chairman is vacant or the vice chairman is on leave or unable to exert the rights, the chairman of the board of directors shall designate a managing director to preside at the meeting. If the position of managing director is vacant, the chairman shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves.</p>	<p>at the meeting. If the position of managing director is vacant, the chairman shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves.</p>	
Article 6	<p>The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year.</p> <p><u>If the shareholders' meeting is convened by video conference, the company shall record and keep the shareholders' registration, questioning, voting and the results of the company's vote count, and the video conference continuously and uninterruptedly. The information and audio and video recordings mentioned in the preceding paragraph shall be properly preserved by the company during the period of existence, and the audio and video recordings shall be provided to the person entrusted with the affairs of the video conference for preservation.</u></p>	<p>The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year.</p>	
Article 7	<p>The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, <u>the Chairman shall announce the meeting is failed to convene; if the shareholders' meeting is convened by video meeting, the company shall also announce the meeting is failed to convened on the video meeting platform of the shareholders' meeting.</u></p> <p><u>When there is a shareholder representing more than one-third of the total number of issued shares in the preceding paragraph, a false resolution may be made in accordance with the provisions of Article 175, Paragraph 1 of the Company Law, and the false resolution shall be notified to the shareholders to convene another shareholders' meeting within one month; if the shareholders' meeting is convened by</u></p>	<p>The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present, according to Paragraph 1 of Article 175 of the Company Act. According to Article 174 of the Company Act, after proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.</p> <p>Before the conclusion of the <u>ordinary meeting</u>, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the false resolution to the general meeting for voting in accordance with Article 174 of the Company Law.</p>	

	<p><u>video meeting, the shareholders who wish to attend by video shall re-register with the company in accordance with Article 3-1.</u></p> <p>Before the conclusion of <u>the meeting</u>, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the Chairman may re-submit the false resolution to the general meeting for voting in accordance with article 174 of the Company Law.</p>		
Article 10	<p>For the same proposal, each person shall not speak more than two (2) times. The lasting period for the said person to speak each time shall be limited to 5 minutes. The chairperson may restrain stockholders (or proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal.</p> <p><u>When a person who is entrusted with attending a meeting of shareholders, the person may appoint only one person to represent him. When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.</u></p> <p><u>Shareholders who convene a video conference at a meeting of shareholders and who participate by video may ask questions in writing on the video meeting platform of the shareholders' meeting after the chairman announces the meeting and before the announcement of the adjournment of the meeting, and the number of questions asked on each proposal shall not exceed twice, limited to 200 words at a time. If the questions asked in the preceding paragraph do not violate the provisions or do not exceed the scope of the proposal, it is advisable to disclose the questions on the video meeting platform of the shareholders' meeting for the sake of understanding.</u></p>	<p>For the same proposal, each person shall not speak more than two (2) times. The lasting period for the said person to speak each time shall be limited to 5 minutes. The chairperson may restrain stockholders (or proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal.</p>	<p>1.Consolidated in Article 11. 2. Revise the relevant provisions in accordance with the "Rules of Procedure of the Shareholders' Meeting of ○○ Co., Ltd."</p>
Article 11	Article 11	Article 12	Article modifications.
Article 12	Article 12	Article 13	
Article 13	<p>The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson. The person responsible for vote overseeing shall be of the stockholder status. The results of voting shall be reported on the spot and kept for records.</p> <p><u>Shareholders who participate in the video meeting of the company shall vote on various proposals and election proposals through the video meeting platform after the chairman announces the meeting, and shall complete the voting on the proposals and election proposals before the chairman</u></p>	<p>Article 14: The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson. The person responsible for vote overseeing shall be of the stockholder status. The results of voting shall be reported on the spot and kept for records.</p>	<p>1. Article modifications. 2. Revise the relevant provisions in accordance with the "Rules of Procedure of the Shareholders' Meeting of ○○ Co., Ltd."</p>

	<p><u>announces the end of the voting, and shall be deemed to abstain if the meeting is overdue.</u></p> <p><u>The shareholders' meeting shall be held by video meeting, and the voting and election results shall be counted in one lump sum after the chairman announces the end of the voting.</u></p> <p><u>When the Company convenes a video-assisted shareholders' meeting, a shareholder who has registered to attend the shareholders' meeting by video in accordance with Article 3 shall deregister the shareholders' meeting in person in the same manner as the registration two days before the meeting of the shareholders' meeting;</u></p> <p><u>A person who exercises the right to vote in writing or electronically, without revoking his expression of intent, and participates in the shareholders' meeting by video, shall not exercise the right to vote on the original proposal or propose amendments to the original proposal or to exercise the right to exercise the right to vote on the original proposal, except for provisional motions.</u></p>		
Article 14 Article 15 Article 16 Article 17	Article 14 Article 15 Article 16 Article 17	Article 15 Article 16 Article 17 Article 18	Article modifications.
Article 18	<u>If the shareholders' meeting is convened by video meeting, the company shall immediately disclose the voting results of each proposal and the election results on the video meeting platform of the shareholders' meeting in accordance with the regulations after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairman announces the adjournment of the meeting.</u>	New addition	1. Article modifications. 2. Revise the relevant provisions in accordance with the "Rules of Procedure of the Shareholders' Meeting of ○○ Co., Ltd."
Article 19	<u>When the company convenes a video shareholders' meeting, the chairman and the record-keeper shall be at the same place, and the chairman shall announce the address of that place at the time of the meeting.</u>	New addition	Revise the relevant provisions in accordance with the "Rules of Procedure of the Shareholders' Meeting of ○○ Co., Ltd."
Article 20	<u>If the shareholders' meeting is convened by video meeting, the chairman shall, at the time of announcing the meeting, separately announce that, except for the matter stipulated in Article 44-24(4) of the Standard for the Handling of Shares of Publicly Issued Companies, which does not require an extension or renewal of the meeting, the provisions of Article 182 of the Company Law</u>	New addition	Revise the relevant provisions in accordance with the "Rules of Procedure of the Shareholders' Meeting of ○○

<p><u>shall not apply to the date of postponement or renewal of the meeting within five days before the chairman announces the adjournment of the meeting due to natural disasters, events or other force majeure circumstances.</u></p> <p><u>The meeting shall be postponed or renewed in the event of the preceding paragraph, and shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponement or renewal of the meeting. The number of shares, exercised voting rights and voting rights of shareholders who have registered to participate in the original shareholders' meeting by video and completed their registration in accordance with the provisions of paragraph 1 shall be included in the total number of shares, voting rights and voting rights of the shareholders present at the original shareholders' meeting.</u></p> <p><u>When postponing or renewing the meeting of shareholders in accordance with the provisions of paragraph 1, there is no need to re-discuss and resolve the proposal that has completed the voting and counting, and announces the voting results or the list of directors and supervisors elected. If the Company convenes a video-assisted shareholders' meeting and the first video meeting cannot be renewed, if the total number of shares present at the shareholders' meeting by video is deducted, and the total number of shares present at the shareholders' meeting still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue without the need to postpone or continue the meeting in accordance with the provisions of paragraph 1.</u></p> <p><u>In the event of the continuation of the meeting in the preceding paragraph, the number of shares present at the shareholders' meeting shall be included in the total number of shares of the shareholders present, but shall be deemed to be abstaining from all the proposals of the shareholders' meeting.</u></p> <p><u>The Company shall postpone or renew the assembly in accordance with the provisions of item 1, and shall handle the relevant pre-operations in accordance with the provisions of Item 7 of Article 44-20 of the Standard for the Handling of Shares of Publicly Issued Stock Companies, in accordance with the date of the original shareholders' meeting and the provisions of each of these Articles.</u></p> <p><u>The period specified in the second paragraph of Article 12 and The third paragraph of Article 13 of the Rules for the Use of Power of Attorney by a PublicLy</u></p>		Co., Ltd."
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	<u>Issued Company Attending a Shareholders' Meeting, and Item 2 of Article 44-5, Article 44-15 and Article 44-17, Item 1 of the Guidelines for the Handling of Shares of Publicly Issued Stock Companies shall be postponed or renewed in accordance with the date of the shareholders' meeting stipulated in Paragraph 1.</u>		
Article 21	Article 21: The Rules herein take effect after approval at the Shareholders' Meeting, the same applies for any amendments.	Article 19: The Rules herein take effect after approval at the Shareholders' Meeting, the same applies for any amendments.	Article modifications.

4. To approve election of the 12th Directors of the Company The Board of Directors proposes

1. The 11th term of board of directors of the company expires on June 9, 2022, and it is proposed to be re-elected at the year of 2022 general shareholders meeting
2. In accordance with the Articles of Association of the Company, the proposed directors shall be elected for 7 seats (including 3 seats of independent directors) and the term of board of the new directors shall be 3 years, counting from the date of election.
3. The election of directors and independent directors of the Company shall be based on a candidate nomination system, and candidates may be nominated by the board of directors or shareholders holding more than 1% of the shares. The nomination period for directors and independent directors is from March 28, 2022 to April 6, 2022, during which the Company received the list of 4 directors and 3 independent director candidates nominated by the shareholder Yu-Chang Investment Co., Ltd. It shall be approved by the 18th Board of Directors of the 11th term of the Company on April 15, 2022 and announced in accordance with the regulations. The list of candidates for the 12th term of directors and independent directors is as follows.
4. Resolution

Position	Candidate	Major academic experience	Current position	Holdings (Unit:share)	Name of the representative entity
Director	Dong, Ding Yu	Ph.D. in Engineering, Stanford University	Chairman, EMC Co., Ltd.	5,265,766	None
Director	Tsai, Fei Lian	Master of Chemical Engineering, National Tsing Hua University President, Taiwan Union Technology Corporation	Vice Chairman, EMC Co., Ltd.	25,471,477	Yu Chang Investment Co., Ltd.
Director	Lee, Wen Shiung	Bachelor of Chemical Engineering, Tamkung University Director, Unimicron Corporation President, Isola Asia Pacific (Taiwan) Inc.	Consultant, Taiwan Printed Circuit Association	25,471,477	Yu Chang Investment Co., Ltd.
Director	Hsieh, Mon Chong	Master in International Affairs, Columbia University, USA Chairman, Food Industry Research and Development Institute Director, The Eisenhower Exchange Fellowships, Inc.	Chairman, Synmax Biochemical Co., Ltd. Vice Chairman, Royal Chef Co., Ltd.	0	None
Independent Director	Shen, Bing	MBA, Harvard University Financial Analyst, World Bank Chief Investment Officer, International Bank Corp. Executive Director, Morgan Stanley & Co. Vice President, China Development Industrial Bank President, CDIB Partners Investment Holding Corporation	Director, OUC Corporation Director, ECOVE	0	None
Independent Director	Cheng, Duen-Chian	MBA, Columbia University, USA President, Director, Appier Holdings Inc. Independent Director, TA YA ELECTRIC WIRE & CABLE CO., LTD Chairman, LuxNet Corp Chairman, Clientron President, UMC Capital Corporation	Chairman, TG Vest Capital Co., Ltd. Chairman, TriKnight Capital Corporation Vice Chairman, LuxNet Corp	0	None
Independent Director	Chen, Hsi-Chia	Ph.D. in Law, National Taiwan University Ph.D. in Law, Peking University Partner, Chief Representative of Beijing Office, Joint Head of Office-China & Member of Asia Pacific Operating Committed (APOC), Pinsent Masons LLP Trainee, King & Wood Mallesons (previously known as King & Wood) Associate & Partner, Formosan Brothers, Attorneys-at-Law	Managing Partner, Chen & Chang, Attorneys-at-Law. Member, Standing Committee of ICC International Centre for ADR Convenor, Taiwan Chapter of the Chartered Institute of Arbitrators (CIArb) East Asia Branch. Independent Director, Asia Renewable Energy (Cayman) Ltd.	0	None

5. To approve exemption of a non-compete case against directors of the Company

1. In accordance with Article 219 of the Company Act, Directors who act for themselves or others that fall within the scope of the company's business shall explain the important contents of their acts to the shareholders' meeting and obtain their permission.
2. As a result of the new directors of the Company investing in or operating other companies with the same or similar business scope as the Company and acting as directors or managers, it is proposed to request the shareholders' meeting to grant permission to lift the restrictions on the non-compete of the new directors and their representatives of the Company in accordance with Article 209 of the Company Law.
3. The circumstances in which a new director of the Company and his or her legal representative concurrently hold a position in a company with the same or similar business scope are as follows:

Name	Company name	Position
Dong, Ding Yu	Elite Electronic Material (Kuanshan) Co., Ltd.	Director
Yu Chang Investment Co., Ltd. Representative: Tsai, Fei Liang		

4. Resolution

Extemporaneous motion:

APPENDIX

I. Articles of Incorporation of Elite Material Co., Ltd.

As last amended on 13 June 2016

Chapter 1. General Provisions

Article 1 The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called “台光電子材料股份有限公司” and “ELITE MATERIAL CO., LTD.” In English.

Article 2 The Company's businesses are as follows:

- 1) CC01080 Manufacturing of electronic components
- 2) CB01020 Manufacturing of business machines
- 3) CC01110 Manufacturing of computers and the peripherals
- 4) C801010 Basic chemical industry
- 5) C801990 Manufacturing of other chemical materials
- 6) C901990 Manufacturing of other non-metallic mineral products
- 7) F401010 International commerce
- 8) ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations

Article 3 The Company may, where its businesses require, provide guarantee subject to approval of the Board of Directors.

Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability; its total investment may exceed 40% of its paid-up capital as stipulated under Article 13 of the Company Law, subject to approval of the Board of Directors.

Article 5 The Company is incorporated in Taoyuan City, Taiwan, the Republic of China. Other domestic and international branches may be established where it deems necessary.

Article 6 Deleted.

Chapter 2. Shares

Article 7 The Company's total capital shall be Four Billion New Taiwan Dollar (NT\$4,000,000,000) divided into 400,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue the un-issued shares in separate tranches.

Out of the above total capital amount, One Hundred and Fifty Million New Taiwan Dollar (NT\$150,000,000) shall be divided into 15,000,000 shares of NT\$10 each, to be issued as stock options for employees to subscribe.

Article 7-1 The Company may issue employees' stock options with an exercise price lower than the prevailing market price of the ordinary shares, provided such issue is approved by a resolution of the Shareholders' Meeting, and the resolution shall be made with more than half of the total amount of shareholders with issued share present, and

with the agreement of more than two third of the agreement of the shareholders present. The issue of the employees' stock options can be carried out at different stages within one year effective from the day proposal resolved by the Shareholders' Meeting.

Article 7-2 Should the Company buy back shares, it may resell those shares to employees at an price lower than the average buy-back price, provided, the resell shall be approved by a resolution at the upcoming Shareholders' Meeting, and the resolution shall be made with more than half of the total amount of shareholders with issued share presented, and with the agreement of more than two third of the agreement of the shareholders presented.

Article 8 The Company's share certificates shall be assigned with serial numbers, and shall be issued following the signatures or seals by three (3) Directors or more and the authentication by the relevant authorities or the registration organizations as approved by the authorities in compliance with law.

Article 8-1 Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.

Article 9 The shareholders shall register the real name/title and address/domicile at the shareholders' roster with the sample of the seal at the Company as the seal shall be considered as a certificate. If the shareholder's seal is lost or destroyed, the shareholder shall immediately notify the Company in written notification, and thereafter, the shareholder shall publicly announce the invalidation of the seal at newspapers circulating the location of the Company headquarters, and apply for the renewal of the seal to the Company.

Article 10 In terms of the stock certificates assignment/transfer of the Company, the assignor/transferor shall endorse at the stock certificates and register the name of the assignee at the certificates, and fill the stock transfer application form. After the Company registers the assignee's name and residential address at the shareholders' roster, the transfer shall be considered as accomplished. Assignment/transfer of shares shall not be set up as a defense against the Company, unless name/title and residence/domicile of the assignee/transferee have been recorded in the shareholders' roster.

Article 11 In case that the stock certificate is lost, destroyed or not being able to identify, matters about renewal or re-issuance of a new stock certificate shall be dealt with according to the provisions of "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 12 The Company may charge a fee depending on the costs for matters such as the change the owner's name, the transfer of ownership, the re-issuance, or the replacement of a stock certificate.

Article 13 Registration of share transfer shall be closed within sixty (60) days prior to General Shareholders' Meeting, or within thirty (30) days prior to Extraordinary Shareholders' Meeting or within five (5) days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3. Shareholders' Meeting

Article 14 The Company's Shareholders' Meeting is divided into two types: ordinary and extraordinary meetings. The ordinary meeting is convened at least once every year in compliance with the regulation within six months after the end of the every fiscal year. The extraordinary meeting shall be convened when necessary.

Article 15 The procedure and execution matters at the Shareholders' Meeting are the following:

- 1) Formulation and amendment of the Articles of Incorporation.
- 2) Election of Directors.
- 3) The review and examination of the reports prepared by the Board of Directors and the auditing report prepared by the Audit Committee.
- 4) The decision to increase or decrease capital.
- 5) Resolution to allocate earnings and dividends.
- 6) Resolution of other important matters.

Article 16 Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice thirty (30) days before the General Shareholders' Meeting and fifteen (15) days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the Shareholders' Meeting.

Article 17 Unless otherwise stipulated by the Company Act, a quorum shall be present at the Shareholders' Meeting if shareholders representing more than half of the shares issued by the Company are in attendance, and resolutions at the said assembly shall be passed if approved by a majority of the shareholders in attendance. Pursuant to the regulations of the competent authority, the Company's shareholders may exercise the voting right via electronic transmission, and shall be deemed to have attended the said shareholders' meeting in person. Matters about electronic voting shall comply with all relevant laws and regulations. When the number of shareholders present does not constitute the quorum prescribed in this article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' Meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be an officially approved resolution.

Article 18 Except in the circumstances set forth in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 19 Shareholders may by way of power of attorney stamped with the seal of the Company appoint proxies to attend the said Shareholders' Meeting. A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than five (5) days prior to the meeting date of the Shareholders' Meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included. The person who acts as the proxy need not to be a shareholder of the Company.

Article 20 The Chairman of Board shall be the Chairman of the meeting in Shareholders Meeting convened by the Board of Directors. In case the Chairman is absent or cannot exercise the powers, the Vice Chairman shall act in behalf of it. In case the Chairman and the Vice Chairman are absent and cannot exercise the powers, the Chairman shall assign a Director to act in behalf of it. If the Chairman does not assign any agent, the Directors

shall assign one person to act in behalf of it.

Article 21 Resolutions adopted at a Shareholders' Meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of Shareholders' Meeting as aforesaid may be effected by means of public notice. The minutes of Shareholders' Meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the register of shareholders' attendance and the proxies' powers of attorney, shall be kept persistently throughout the life of the company.

Chapter 4. Directors

Article 22 There shall be seven (7) to nine (9) Directors of the Company, who are elected and appointed from the persons with disposing capacity at the Shareholders' Meeting.

There shall be three (3) Independent Directors among the total number of Directors in the preceding paragraph.

Directors shall be elected from among the nominees listed in the roster of director candidates by adopting the candidate nomination system specified in Article 192-1 of Company Act. The election of Directors and Independent Directors shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent and non-Independent Directors elected shall be calculated separately.

Article 22-1 In compliance with Article 14-4 of Securities and Exchange Act, the Company shall establish the Audit Committee comprising of all Independent Directors. The Committee, to substitute Supervisors, shall perform the duties specified in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Matters about members, powers and authorities, and other relevant functional procedures of the Audit Committee shall comply with relevant laws, regulations, and the Company's Articles and Procedures. The rules of organization of the Audit Committee shall be established otherwise by the Board of Directors.

Article 23 The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election. In case no election of new Directors is effected after expiration of the term of office of existing directors, the term of office of out-going Directors shall be extended until the time new Directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 24 The authorities that the Board of Directors may exercise and the business it may conduct are as follows:

- 1) Resolve to propose amendment of the Articles of Incorporation and to approve important procedures and rules.
- 2) To approve the establishment and abolition of business branch(es).
- 3) The approval of annual financial budget, the examination of financial statements, and the review, supervision and implementation of the annual business plan.
- 4) Resolve to propose earnings distribution, loss make-up, capital increase, or capital reduction.
- 5) Resolve to approve the investment on other businesses by the Company, and the acquisition of equity shares of others.
- 6) To appoint and discharge the certified public accountants of the Company.

- 7) To propose the transfer of the right of dien, selling, rental, pledge, mortgage or any other action to the whole or material parts of the Company's property or business.
- 8) To approve the financing application from, providing guarantee to, make acceptance payment to, make capital lending to or borrowing from financial institutions and any other third parties with a total amount of NT\$ Twenty Million or more. When the total dollar amount is less than NT\$ Twenty Million for the aforesaid business activities, the person-in-charge may execute in advance; however, shall report to the most upcoming meeting of the Board of Directors. Any monetary payment for a single purpose shall not be divided and made directly to avoid the examination of the Board of Directors.
- 9) To approve the capital expenditure, being included in the annual budget, of which the total amount is NT\$ Fifty Million or more and the capital expenditure, not being included in the annual budget, of which the total amount is NT\$ Ten Million or more. For capital expenditure of which the total amount is more than NT\$ Five Million and less than NT\$ Ten Million, the person-in-charge may make the payment in advance; however, shall report to the most upcoming meeting of the Board of Directors. Any capital expenditure payment made for a single purpose shall not be divided and made directly to avoid the examination of the Board of Directors.
- 10) To approve the endorsement/guarantee provided and make acceptance payment in the name of the Company, of which the total amount is NT\$ Ten Million or more.
- 11) To approve the signing of contracts of which the validness will sustain for one year or more and of which the total contemplated amount is NT\$ Fifty Million or more.
- 12) To approve major transactions between the Company and the related parties including affiliated enterprises.
- 13) To hire and dismiss the managerial personal with a level of Vice General Manager or higher for the Company.
- 14) To approve the acquisition, transfer, and authorization of the proprietary technologies, patents, trademarks, and copyrights, and to approve, amend, and terminate the contracts for technology cooperation.
- 15) Other powers and duties being authorized by laws, the Articles of Incorporation, and resolutions of the Shareholders' Meetings.

Article 25 The Board of Directors of the Company shall comprise all directors. A Chairman and a Vice Chairman to externally represent the Company shall be elected from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The duties and powers of Chairman and Vice Chairman shall comply with laws, the Articles of Incorporation, and resolutions of Board of Directors meetings and Shareholders' Meetings.

Article 26 Meetings of the Board of Directors shall be convened in compliance with the Company Act. A written notice of convening meetings shall be given to each Director by mail, fax, or electronic transmission.

The Chairman of the Board of Directors shall internally preside the meeting of the Board of Directors. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. Where the Vice Chairman is also unavailable, the Chairman shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.

Article 27 Unless otherwise stipulated by the Company Act, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance.

When the number of vacancies in the Board of Directors of a company equals to one third of the total number of Directors, the Board of Directors shall call, within sixty (60) days, a special meeting of shareholders to elect succeeding Directors to fill the vacancies.

Article 28 When a Director is unable to personally attend the meeting of the Board of Directors, s/he may entrust another Director to represent her/him with a written proxy and therein the scope of authority with reference to the subjects to be discussed at the meeting is stated. A Director may accept the appointment to act as the proxy referred to in the 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.

Article 29 Deleted.

Article 30 Deleted.

Article 31 The remunerations of Chairman, Vice Chairman, and Directors who conduct the Company businesses are authorized the Board of Directors to determine, with reference to the levels of similar domestic and international industries.

Article 32 Upon the request of the Board of Directors, managerial personnel may attend meetings of the Board of Directors. Except Directors, attendees of meetings of the Board of Directors may not have voting rights.

Article 32-1 Liability insurance programs covering the Chairman, the Vice Chairman, and each Director may be purchased by the Company.

Chapter 5. Managers

Article 33 The Company may have managerial personnel. The appointment, dismissal, and compensation of managerial personnel shall comply with Article 29 of the Company Act.

Article 34 The President and General Managers of the Company shall not do anything for himself/herself/themselves or on behalf of another person that is within the scope of the company's business.

Chapter 6. Accounting

Article 35 At the end of fiscal year of the Company, the Board of Directors shall in accordance with law furnish 1) business reports; 2) financial statements; 3) profits distribution or loss makeup proposal and various documents and statements, and the same shall be submitted for approval at the General Shareholders' Meeting.

Article 36 The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the financial situation and the return on shareholders' equity that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends shall not be less than twenty per cent (20%) of the aggregate sum of

dividends distributed in the same year. During the year losses occur, the Company may choose not to pay dividends.

Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, ten per cent (10%) of which shall be set aside by the Company as legal reserve. The Company shall also set aside certain portion of the profits as special reserve as required by Article 41 of the Securities and Stock Exchange Act, or by resolutions of Shareholders' Meetings.

While the Company distributes earnings to the shareholders, the paid-out amount shall be more than ten per cent (10%) but less than seventy per cent (70%) of the distributable earnings, which equals to earnings realized after deducting legal, special and all other required reserves, but together with undistributed profits from previous years.

Depending on the business operating results, the earnings to be distributed to shareholders shall be proposed by the Board of Directors, and submitted to the Shareholders' Meeting and decided by the resolution from in the Shareholder's Meeting.

Judging from the actual business circumstances, the Board of Directors may propose to adjust the amount of earnings to be distributed to shareholders, and submit to the Shareholders' Meetings for the resolution to distribute.

Article 36-1 In case the Company makes profits for the year, three per cent (3%) shall be allocated for the employees compensation, and no more than one point two per cent (1.2%) for the remuneration of Directors. However, in case there are accumulated losses carried on the accounting book of the Company, profits shall be reserved for the make-up of accumulated losses before distribution.

In case shares or cash is distributed as employees' compensation, those employees can be distributed shall include the employees of affiliated enterprises meeting certain criteria. The distribution method shall otherwise be formed by the Board of Directors.

Chapter 7. Supplementary

Article 37 All matters not covered herein shall be undertaken in accordance with the Company Act of the Republic of China and the other relevant law and regulations.

Article 38 These Articles of Incorporation were drafted on February 25th 1992, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.

First amendment on March 12th, 1992,
Second amendment on January 5th, 1993,
Third amendment on July 7th, 1993,
Fourth amendment on January 23rd, 1995,
Fifth amendment on December 15th, 1995,
Sixth amendment on May 17th, 1996,
Seventh amendment on May 30th, 1997,
Eighth amendment on July 30th, 1997,
Ninth amendment on May 28th, 1999,
Tenth amendment on May 16th, 2000,

Eleventh amendment on May 25th, 2001,
Twelfth amendment on June 11th, 2002,
Thirteenth amendment on November 12th, 2003,
Fourteenth amendment on November 12th, 2004,
Fifteenth amendment on June 29th, 2005,
Sixteenth amendment on June 15th, 2006,
Seventeenth amendment on June 13th, 2007,
Eighteenth amendment on June 13th, 2008,
Nineteenth amendment on June 16th, 2009,
Twentieth amendment on June 14th, 2010,
Twenty-first amendment on June 13th, 2012
Twenty-second amendment on June 15th, 2015, and
Twenty-third amendment on June 13th, 2016.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

II. Meeting Rules of Stockholders of Elite Material Co., Ltd.

As last amended on 13 June 2016

1. Purpose: The meeting rules of stockholders (hereinafter as “Rules”) is to specify related matters for the Annual General Shareholders’ Meetings and the Extraordinary Shareholders’ Meetings.
2. Scope of application: General Shareholders’ Meeting and Extraordinary Shareholders’ Meetings.
3. Rules of Procedure:
 - 1) The Company’s Shareholders’ Meeting shall follow these “Rules” unless it is otherwise regulated by law and regulations.
 - 2) A signature book shall be provided for the shareholders who attend the Shareholders’ Meeting for signature, or the shareholders who attend the Shareholders Meeting shall hand in signed attendance cards in replacement of the signature. The number of attending shares shall be calculated with the signature book or the attendance cards. When Shareholders’ Meeting is convened, the voting power of a shareholder may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting power shall be described in the shareholders’ meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a Shareholders Meeting in writing or by way of electronic transmission as set forth in this Paragraph shall be deemed to have attended the said Shareholders’ Meeting in person, but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Shareholders’ Meeting.

The attendance of the shareholders at the meeting shall be calculated on the basis of shares. The total number of attending shares shall be calculated with the number of shares represented by attendance cards together with the number of shares of which shareholders exercising voting power via the electronic transmission.
 - 3) The shareholder’s presence and voting shall be calculated with the number of shares. The total number of attending shares shall be calculated with the number of shares represented by attendance cards together with the number of shares of which shareholders exercising voting power via the electronic transmission.
 - 4) The location for Stockholders’ Meeting shall be the Company’s place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

For a Shareholders’ Meeting convened by the Board of Directors, the Chairman of the Board of Directors shall preside at the meeting. If the Chairman of the Board of Directors is on leave or unable to exert the rights, the Vice Chairman of the Board of Directors shall preside instead. If the position of Vice Chairman is vacant or the Vice Chairman is on leave or unable to exert the rights, the Chairman of the Board of Directors shall designate a Managing Director to preside at the meeting. If the position of Managing Director is vacant, the Chairman shall designate a Director to preside at the meeting. If no director is so designated, the Chairman of the meeting shall be elected by the Board of Directors from among themselves.

For a Shareholders' Meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting.

- 5) The Company may appoint lawyers, accountants or related personnel to attend the Shareholders' Meeting.
The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.
- 6) The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year.
- 7) The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present, according to Paragraph 1 of Article 175 of the Company Act.

According to Article 174 of the Company Act, after proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.

- 8) If the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be designated by the Board of Directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.

If the meeting is convened by person, other than the Board of Directors, having the convening right, the provision set out in the preceding paragraph shall apply *mutatis mutandis*.

Except with stockholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded.

When the meeting is adjourned by resolution, the stockholders shall not elect another chairperson to continue the meeting at the same location or another venue. During the meeting, if the chairperson declares adjournment of the meeting in violation of the Rules, a new chairperson may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

- 9) The stockholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session.

No statement will be considered to have been made if the stockholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.

When a stockholder (or proxy) is speaking, other stockholder (or proxy) shall not interrupt without consent of the chairperson and the speaking stockholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson.

- 10) For the same proposal, each person shall not speak more than two (2) times. The lasting period for the said person to speak each time shall be limited to 5 minutes. The chairperson may restrain stockholders (or

proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal.

- 11) When a juristic person is a stockholder, only one representative shall be appointed to attend the meeting. If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak for the same proposal.
- 12) After speaking by the attending stockholder (or proxy), the chairperson may reply in person or assign relevant officer to reply.
- 13) Over the proposal discussion, the chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed. For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting.
- 14) The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson. The person responsible for vote overseeing shall be of the stockholder status. The results of voting shall be reported on the spot and kept for records.
- 15) During the meeting, the chairperson may at his/her discretion declare time for break.
- 16) In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's Articles of Incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.

When proposals are put to vote, the Chairman may decide to adopt to vote-by-case, or vote at one or different stages and counted respectively for each of the items (including the election).
- 17) If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.
- 18) The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.
- 19) The Rules herein take effect after approval at the Shareholders' Meeting, the same applies for any amendments.

III. Elections Procedures of Directors and Independent Directors of Elite Material Co., Ltd.

As last amended on 13 June 2016

1. The election of Directors (including Independent Directors) shall be pursued in accordance with the procedures herein.
2. The cumulative voting method shall be used for election of the Directors. Each share will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.
3. The ballots shall be prepared by the Board of Directors, numbered according to the attendance card numbers and noted with share number represented for voting.
4. Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
5. The ballot box is prepared by the Company, and examined publicly by the vote monitoring personnel before voting.
6. If the candidate is a natural person with the stockholder status, the voters shall fill out the ballot with the name and stockholder number of the candidate. If the candidate is not of the stockholder status, the ballot shall be filled out with the name and the number of identity document of the candidate. If the candidate is the government or juristic stockholder, the ballot shall be filled out with the number, the name of government or juristic person and the representative name. If there are more than one representative, all the representative names shall be listed.
7. The ballot shall be considered invalid in any of the following situations:
 - 1) The ballot is not provided under the rules herein;
 - 2) A blank ballot is placed in the ballot box;
 - 3) The writing is unclear and indecipherable or has been altered;
 - 4) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match;
 - 5) Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted;
 - 6) Ballot not filled out according to article 6; or
 - 7) One ballot with more than two candidate names listed.
8. The election of Directors and Independent Directors shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent and non-Independent Directors elected shall be calculated separately. The candidates that obtain more number of votes shall be elected. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.

Directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of Company Act. Moreover, the professional qualifications, the assessment of independence and other matters of the Independent

Directors shall be in compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” or other relevant regulations.

- 8-1 More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other Director.
9. For the results of ballot counting, the vote-overseeing personnel shall make sure of correctness of the total ballot number after combining the numbers of the valid and invalid ballots. The numbers of the valid and invalid ballots shall be recorded separately and the chairperson shall announce the elected on the site.
10. The Board of Directors shall issue notifications to the persons elected as Directors or Independent Directors.
11. Matters not specified in the procedures shall be conducted in accordance with the Company Act, the Article of Incorporation, and other relevant regulations.
12. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

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IV. Current shareholding of Directors and Independent Directors

Book closure date: 28 March 2022

Position	Name of persons or companies	Date elected	Term (Years)	Shareholding when elected		Current shareholding	
				Share	%	Share	%
Chairman	Dong, Ding-Yu	10 June 2019	3	5,265,766	1.65	5,265,766	1.58
Vice Chairman	Yu Chang Investment Co., Ltd. Representative appointed: Tsai, Fei Liang	10 June 2019	3	25,471,477	7.97	25,471,477	7.65
				376,244	0.12	447,244	0.13
Director	Yu Chang Investment Co., Ltd. Representative appointed: Lee, Wen Shiung	10 June 2019	3	25,471,477	7.97	25,471,477	7.65
				0	0.00	0	0
Director	Hsieh, Mon Chong	10 June 2019	3	0	0.00	0	0.00
Independent Director	Shen, Bing	10 June 2019	3	0	0.00	0	0.00
Independent Director	Cheng, Duen-Chian	10 June 2019	3	0	0.00	0	0.00
Independent Director	Tsai, Rong Dong	10 June 2019	3	0	0.00	0	0.00