

Stock Code : 4933

Ubright Optronics Corporation

Handbook for the 2023 Annual Meeting of Shareholders

(Translation)

Meeting Time : 10:00 a.m., June 7, 2023

**Venue : 1F., No. 80, Xinguang E. Rd., Daxi Dist.,
Taoyuan City, Taiwan**

Ubright Optronics Corporation

2023 Annual Shareholders Meeting

Meeting Agenda

Meeting Time : 10 a.m., Wednesday, June 7 ,2023

Venue : 1F., No. 80, Xinguang E. Rd., Daxi Dist., Taoyuan City, Taiwan

Type of Meeting : Physical Meeting

I. Report the number of shareholder' and proxies' shares present

II. Commencement of Meeting

III. Chairman's Address

IV.

Report Items 2

(I) 2022 Business Report2

(II) Audit Committee Review Report for the Year 20225

(III) Employees' and Directors' Remuneration for the Year 202214

(IV) Report of 2022 Cash Dividend Distribution.....15

(V) Report of Amendments to Part of the Clauses for the "Rules of Procedure for Board of Directors Meetings"16

Matter for Ratification 21

Subject: To ratify the 2022 Business Report and Financial Statements.....21

Subject: To ratify the 2022 Earnings Distribution Proposal.34

Matter for Discussion 33

Subject: To discuss the Amendment to the Articles of Incorporation.....33

Subject: To discuss the Amendment to the "Rules of Procedure for Shareholders Meetings"34

Subject: To discuss the Amendment to the " Operational Procedures for Loaning of Company Funds "58

Extempore Motions..... 61

Adjournment 61

Appendices..... 62

Appendix (I) Rules of Procedures for Shareholders' Meetings62

Appendix (II) Articles of Incorporation71

Appendix (III) Shareholdings of All Directors79

Report Items

(I) 2022 Business Report

UBRIGHT OPTRONICS CORPORATION Business Report

1. Business Results in 2022

i. Implementation Results of Business Plan in 2022 (Subject to the Consolidated Financial Statements)

Unit: NT\$ thousands

Item	2021	2022	Increase (Decrease)	Increase (Decrease)%
Operating revenue	2,962,247	2,292,251	(669,996)	(22.62)
Operating cost	2,231,750	1,775,365	(456,385)	(20.45)
Gross profit from operations	730,497	516,886	(213,611)	(29.24)
Operating expense	367,124	304,488	(62,636)	(17.06)
Net operating income	363,373	212,398	(150,975)	(41.55)
Profit before income tax	356,323	335,126	(21,197)	(5.95)
Net profit	291,699	287,452	(4,247)	(1.46)
EBITDA	518,936	469,456	(49,480)	(9.53)

ii. Budget execution status

The Company did not publish the financial forecast in 2022 and we only set up the internal management goal. The overall budget implementation conditions can be said to be consistent with the setup range of the Company's internal goal.

iii. Analysis of Financial Revenue & Expenditure and Profitability (Subject to the Consolidated Financial Report)

Item			2021	2022
Financial structure	Debt to assets ratio (%)		24.11	21.28
	Long-term capital to PP&E ratio (%)		743.74	913.39
Solvency	Current ratio (%)		479.66	590.20
	Quick ratio (%)		409.14	522.72
	Interest coverage ratio (%)		9,123.12	9,174.63
Profitability	ROA (%)		6.95	6.84
	ROE (%)		9.08	8.76
	Ratio to paid-in capital (%)	Operating profit	45.45	26.49
		Pre-tax net profit	44.57	41.80
	Net profit ratio (%)		9.85	12.54
	EPS		3.66	3.59

iv. Research and Development Status

The Company persists in concerning the industry tendency and technical development trends, planning the layout of the next-generation new product technology and actively developing the green-energy environmental protection, the new technology of lightweight, the new product and advanced process technology in order to meet the market demands. In 2022, combined with UBright's resin formula development and energy in the multiple coating technology, we successfully developed the optical film products, which met such requirements of "high color saturation" and "highlight and lightweight", etc. as needed by the LCD display, including:

1. The ultra-high luminance and high size-stability BEF in IT field.
2. The high size-stability and low shrinkage BEF in automotive products.
3. The cost-effective multi-laminated BEF in high adhesion and luminance.
4. The quantum dot film which thickness is below 100 um in IT field.
5. The high thermal-stability quantum dot film in automotive products.
6. The multifunctional composite film which combines BLT,BEF,QDF and anti-condense film.

The Company input NT\$ one hundred and thirty-three million into research and development in 2022. It is expected to re-input NT\$ one hundred and fifty-eight million or more as the research and development expenditure with a view to upgrading the Company's core technical energy and the overall competitiveness.

2. Business Plan Overview in Current Year

i. The Company's Business Objectives

Looking forward to 2023, the Company, in addition to persisting in research and development and refining the existing core products, continues to actively recruit the professionals, accelerate the development and mass production of niche products, draw up and carry out the business objectives which put concurrent emphasis on efficiency and effect in order to create maximum value for the shareholders.

ii. Expected Sales Volume and its Basis

In 2023, the Company will continue to adjust the product portfolio and the sales strategy. It is estimated that the target sales volume will be about twenty-five million seven hundred and sixty thousand square meters or more, which is based on the estimated demand volume offered by the customers and their new product verification import schedule.

iii. The Company's Important Production and Marketing Policy

- a) Put UBright's advantages into full play, provide the customers with the products of the best cost-performance ratio and consolidate the market

position.

- b) Be customer-oriented to satisfy the customers with their required products and incessantly develop new niche product items.
- c) Strengthen the production and marketing planning system, increase the first pass yield of products and enhance the operation efficiency and effect.

3. Future Development Strategy of the Company

i. External Competitive Environment

Affected by impact of the sluggish demand for large-size panels and overcapacity, on top of the continued vicious price-cutting competition from mainland Chinese prism manufacturers, the price of large-size panel products has almost no marginal contribution, while the small and medium-sized panels also shrink slightly under the erosion of AMOLED.

We will create niche products such as super-high luminance products, double-stick products, quantum dot films, etc., and do a good job in controlling costs and improving yields in anticipation for improving the Company's profit with technological leadership and product differentiation.

ii. Regulatory Environment

Because the products are restricted by the patent regulations, special attention will be put on the related intellectual property right issues when we develop the products.

iii. Overall Operation Environment

In addition to complying with the statutory regulations, protecting and caring the environment, implementing the corporate governance and doing our best in the social responsibilities, we also emphasize the cultivation and inheritance of talents. Besides we will dedicate ourselves to the technical development on an ongoing basis, have a more complete control of the materials and import the new products speedily so that Ubright will have more capability to face the rigid challenges.

Chairman of the Board: WU, TUNG-SHENG

General Manager: WU, HSIN-CHIEH

Accounting Officer: YANG, YEN-JU

(II) Audit Committee Review Report for the Year 2022

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of Deloitte & Touche was retained to audit Ubright Optronics Corporation's financial statements and has issued an audit report relating to the earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Ubright Optronics Corporation. According to relevant requirements of the Article 14-4 of Securities and Exchange Act and the Article 219 of Company Law, we hereby submit this report.

Regular Shareholders Meeting 2023 of Ubright Optronics Corporation

Members of Audit Committee

LIN, TSUNG-SHENG

LIN, CHIH-LUNG

CHI, KUO-CHUNG

March 09, 2023

INDEPENDENT AUDITOR’S REPORT

The Board of Directors and Shareholders
UBright Optronics Corporation

Opinion

We have audited the accompanying consolidated financial statements of UBright Optronics Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

Provisions - sales returns and discounts

As of December 31, 2022, the balance of provisions - sales returns and discounts amounted to \$249,437 thousand. The Group estimated provisions - sales returns and discounts based on historical data and the overall market conditions of the previous year. Since the the Group is facing fierce price cutting competition, and the setting of prices is subject to management's judgment, the estimation of provisions – sales returns and discounts has been identified as the key audit matter for the year ended December 31, 2022.

The Group's provisions - sales returns and discounts are estimated according to the monthly sales specifications and sales amounts of the goods.

We understood the effectiveness of internal controls as follows:

1. Whether provisions - sales returns and discounts were regularly recognized based on the Company's policy.
2. Whether the assessment of provisions - sales returns and discounts was reviewed by responsible personnel.

The Group evaluated provisions - sales returns and discounts with reference to the ratio of historical sales returns and discounts on the balance sheet date, verified the data used to calculate the net realizable value, and recalculated the amount of provisions - sales returns and discounts and compared it to the recognized amount based on the data.

Other Matter

We have also audited the parent company only financial statements of UBright Optronics Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wen-Hsiang Chen and Wen-Yea Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

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

INDEPENDENT AUDITOR’S REPORT

The Board of Directors and Shareholders
UBright Optronics Corporation

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter of the Company's financial statements for the year ended December 31, 2022 is as follows:

Provisions - sales returns and discounts

As of December 31, 2022, the balance of provisions - sales returns and discounts amounted to \$249,437 thousand. The Company estimated provisions - sales returns and discounts based on historical data and the overall market conditions of the previous year. Since the Company is facing fierce price cutting competition, and the setting of prices is subject to management's judgment, the estimation of provisions – sales returns and discounts has been identified as the key audit matter for the year ended December 31, 2022.

The Company's provisions - sales returns and discounts are estimated according to the monthly sales specifications and sales amounts of the goods.

We understood the effectiveness of internal controls as follows:

1. Whether provisions - sales returns and discounts were regularly recognized based on the Company's policy.
2. Whether the assessment of provisions - sales returns and discounts was reviewed by responsible personnel.

The Company evaluated provisions - sales returns and discounts with reference to the ratio of historical sales returns and discounts on the balance sheet date, verified the data used to calculate the net realizable value, and recalculated the amount of provisions - sales returns and discounts and compared it to the recognized amount based on the data.

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wen-Hsiang Chen and Wen-Yea Shyu.

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(III) Employees' and Directors' Remuneration for the Year 2022

Explanation:

1. In accordance with the Articles of Incorporation of the Company, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and directors, shall be distributed to employees as compensation in an amount of not less than one percent (1%) thereof and to directors as compensation in an amount of not more than five percent (5%) of such profits. Notwithstanding the foregoing, in the event that the Company has accumulated losses, the Company shall first reserve an amount to offset such accumulated losses.
2. The distribution of compensation to employees and directors for the year 2022, as approved by the Remuneration Committee and the Board of Directors, are NT\$3,385,111 and NT\$180,000 respectively. The compensations shall be distributed in the form of cash.

(IV) Report of 2022 Cash Dividend Distribution

Explanation:

1. This matter is according to Article 29 of the Articles of Incorporation, which authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by the Board of Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
2. The cash dividend distributed to shareholders amounts to NT\$ 233,918,367, NT\$ 2.9175 per share, which shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to Other Revenue by the Corporation.
3. The matter is approved by the Board of Directors, and the chairperson was authorized to decide the ex-dividend date, date of issuance, and other relevant issues. If there is a change in the total amount of outstanding shares after the dividend distribution, which affects the distributable amount per share, the chairperson is authorized to make adjustment to such distribution at his/her discretion.

(V) Report of Amendments to Part of the Clauses for the “Rules of Procedure for Board of Directors Meetings”

Explanation

1. In response to the Official Letter Jin-Guan-Zheng-Fa-Zi No. 1110383263, the Corporation proposed to amend the Rules of Procedure for Board of Directors Meetings.
2. The comparison table of the Rules of Procedure for Board of Directors Meetings before and after amendment is as follows.

UBRIGHT OPTRONICS CORPORATION

Comparison Table of the Rules of Procedure for Board of Directors Meetings Before and After Amendment

Articles after Amendment	Current Articles	Descriptions
Article 3: The Corporation’s Board of Directors meetings shall be convened at least quarterly. <u>The reasons for calling a Board of Directors meeting</u> shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof. All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a Board of Directors meeting; none of them may be raised by an extraordinary motion, except in an emergency or for good reason.	Article 3: The Corporation’s Board of Directors meetings shall be convened at least quarterly. The reasons shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof. All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a Board of Directors meeting; none of them may be raised by an extraordinary motion, except in an emergency or for good reason.	In response to the Official Letter Jin-Guan-Zheng-Fa-Zi No.1110383263

Articles after Amendment	Current Articles	Descriptions
Article 12: The Corporation shall submit the following items for discussion by the Board of Directors: 1. Corporate business plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA). 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. <u>6. If the Board of Directors does not have managing directors, the election or discharge of the chairman of the Board of Directors.</u> <u>7.</u> The appointment or discharge of a financial, accounting, or internal audit officer. <u>8.</u> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be	Article 12: The Corporation shall submit the following items for discussion by the Board of Directors: 1. Corporate business plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA). 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition. 8. Any matter required by Article 14-3 of the Securities	In response to the Official Letter Jin-Guan-Zheng-Fa-Zi No.1110383263

Articles after Amendment	Current Articles	Descriptions
submitted to the following Board of Directors meeting for retroactive recognition. 9. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority. The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the Board of Directors under	and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority. The term "related party" in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the Board of Directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another	

Articles after Amendment	Current Articles	Descriptions
paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	
<u>Article 17</u> <u>If the Board of Directors has managing directors, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 9, and Articles 11 to the preceding article shall apply mutatis mutandis to the procedure for meetings of the managing directors and the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the Board of Directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing</u>	None	New addition

Articles after Amendment	Current Articles	Descriptions
<u>director may be made two days in advance.</u>		
Article 18: These rules shall be adopted after being approved by the Board of Directors of the Corporation, and reported to Shareholders' meetings. The Board of Directors is authorized to approve any amendment thereto.	Article 17: These rules shall be adopted after being approved by the Board of Directors of the Corporation, and reported to Shareholders' meetings. The Board of Directors is authorized to approve any amendment thereto.	In response to an additional article, adjust the number of the article.

Matter for Ratification

Proposal 1

proposed by the Board of Directors

Subject: To ratify the 2022 Business Report and Financial Statements.

Explanation:

1. The 2022 financial statements (including Balance Sheet, Statements of Comprehensive Income, Statements for Changes in Equity, Statements of Cash Flows) for the Corporation were approved by the Board of Directors, audited by Deloitte Touch Tohmatsu Limited, and reviewed by the Audit Committee of the Corporation. (pages 5 ~ 13)
2. Please refer to and ratify the business report (pages 2 ~ 4) and the financial statements mentioned in preceding paragraph (pages 22 ~ 33).

Resolution:

UBRIGHT OPTRONICS CORPORATION AND SUBSIDIARIES

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

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 27)	\$ 2,088,382	50	\$ 1,895,730	44
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	283,005	7	297,462	7
Financial assets at amortized cost - current (Notes 4, 9 and 26)	110,000	3	110,000	2
Notes receivable, net (Notes 4, 10, 20 and 26)	-	-	17	-
Trade receivables, net (Notes 4, 10, 20 and 26)	372,227	9	452,826	10
Inventories (Notes 4 and 11)	371,067	9	465,424	11
Other current assets (Note 28)	23,897	-	23,697	1
Total current assets	3,248,578	78	3,245,156	75
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	116,705	3	129,296	3
Property, plant and equipment (Notes 4, 13 and 27)	397,033	9	489,795	11
Right-of-use assets (Notes 4, 14 and 27)	335,994	8	365,328	9
Other intangible assets (Notes 4 and 15)	1,468	-	1,311	-
Deferred tax assets (Notes 4 and 22)	70,027	2	80,821	2
Refundable deposits (Note 27)	4,251	-	5,490	-
Other non-current assets (Notes 4 and 18)	2,811	-	2,145	-
Total non-current assets	928,289	22	1,074,186	25
TOTAL	\$ 4,176,867	100	\$ 4,319,342	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables to unrelated parties (Notes 16 and 26)	\$ 77,570	2	\$ 167,633	4
Trade payables to related parties (Notes 16, 26 and 27)	6,017	-	5,699	-
Other payables (Notes 26 and 27)	157,490	4	173,727	4
Current tax liabilities (Notes 4 and 22)	29,875	1	68,041	2
Lease liabilities - current (Notes 4, 14, 26 and 27)	25,742	-	26,396	1
Current refund liabilities (Notes 4, 17 and 20)	249,437	6	230,909	5
Other current liabilities (Note 17)	4,292	-	4,147	-
Total current liabilities	550,423	13	676,552	16
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4, 14, 26 and 27)	329,859	8	354,742	8
Deferred tax liabilities (Notes 4 and 22)	8,671	-	36	-
Other non-current liabilities	-	-	10,225	-
Total non-current liabilities	338,530	8	365,003	8
Total liabilities	888,953	21	1,041,555	24
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 19 and 24)				
Share capital				
Ordinary shares	801,777	19	799,447	19
Capital surplus	1,004,384	24	993,529	23
Retained earnings				
Legal reserve	322,774	8	293,591	7
Special reserve	2,477	-	5,514	-
Unappropriated earnings	1,183,924	28	1,188,183	27
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(352)	-	(443)	-
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(27,070)	-	(2,034)	-
Total equity	3,287,914	79	3,277,787	76
TOTAL	\$ 4,176,867	100	\$ 4,319,342	100

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

UBRIGHT OPTRONICS CORPORATION AND SUBSIDIARIES

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4,20 and 27)	\$ 2,292,251	100	\$ 2,962,247	100
OPERATING COSTS (Notes 11, 21 and 27)	<u>1,775,365</u>	<u>78</u>	<u>2,231,750</u>	<u>75</u>
GROSS PROFIT	<u>516,886</u>	<u>22</u>	<u>730,497</u>	<u>25</u>
OPERATING EXPENSES (Notes 4, 18, 21 and 27)				
Selling and marketing expenses	75,938	3	86,242	3
General and administrative expenses	94,772	4	111,527	4
Research and development expenses	<u>133,778</u>	<u>6</u>	<u>169,355</u>	<u>6</u>
Total operating expenses	<u>304,488</u>	<u>13</u>	<u>367,124</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>212,398</u>	<u>9</u>	<u>363,373</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 21 and 27)				
Interest income	26,332	1	11,614	1
Other income	7,249	-	6,318	-
Finance costs	(3,693)	-	(3,949)	-
Other gains and losses	<u>92,840</u>	<u>4</u>	<u>(21,033)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>122,728</u>	<u>5</u>	<u>(7,050)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	335,126	14	356,323	12
INCOME TAX EXPENSE (Notes 4 and 22)	<u>47,674</u>	<u>2</u>	<u>64,624</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>287,452</u>	<u>12</u>	<u>291,699</u>	<u>10</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	214	-	-	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(25,036)	(1)	3,395	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	<u>(43)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(24,865)</u>	<u>(1)</u>	<u>3,395</u>	<u>-</u>

(Continued)

UBRIGHT OPTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>91</u>	<u>-</u>	<u>(229)</u>	<u>-</u>
	<u>91</u>	<u>-</u>	<u>(229)</u>	<u>-</u>
	<u>(24,774)</u>	<u>(1)</u>	<u>3,166</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 262,678</u>	<u>11</u>	<u>\$ 294,865</u>	<u>10</u>
EARNINGS PER SHARE (Note 28)				
From continuing operations				
Basic	<u>\$ 3.59</u>		<u>\$ 3.66</u>	
Diluted	<u>\$ 3.57</u>		<u>\$ 3.63</u>	

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

UBRIGHT OPTRONICS CORPORATION AND SUBSIDIARIES

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

	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2021	\$ 794,577	\$ 986,417	\$ 273,633	\$ -	\$ 1,096,634	\$ (214)	\$ (5,300)	\$ 3,145,747
Appropriation of 2020 earnings								
Legal reserve	-	-	19,958	-	(19,958)	-	-	-
Special reserve	-	-	-	5,514	(5,514)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(174,807)	-	-	(174,807)
Other changes in capital surplus								
Donations from shareholders	-	1	-	-	-	-	-	1
Employee share options issued by the Company	-	3,052	-	-	-	-	-	3,052
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	129	-	(129)	-
Net profit for the year ended December 31, 2021	-	-	-	-	291,699	-	-	291,699
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229)</u>	<u>3,395</u>	<u>3,166</u>
Total comprehensive income (loss) for the year ended December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,699</u>	<u>(229)</u>	<u>3,395</u>	<u>294,865</u>
Issuance of ordinary shares under employee share options	<u>4,870</u>	<u>4,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,929</u>
BALANCE AT DECEMBER 31, 2021	799,447	993,529	293,591	5,514	1,188,183	(443)	(2,034)	3,277,787
Appropriation of 2021 earnings								
Legal reserve	-	-	29,183	-	(29,183)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(265,736)	-	-	(265,736)
Special reserve reversed	-	-	-	(3,037)	3,037	-	-	-
Other changes in capital surplus								
Employee share options issued by the Company	-	7,991	-	-	-	-	-	7,991
Net profit for the year ended December 31, 2022	-	-	-	-	287,452	-	-	287,452
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>91</u>	<u>(25,036)</u>	<u>(24,774)</u>
Total comprehensive income (loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,623</u>	<u>91</u>	<u>(25,036)</u>	<u>262,678</u>
Issuance of ordinary shares under employee share options	<u>2,330</u>	<u>2,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,194</u>
BALANCE AT DECEMBER 31, 2022	<u>\$ 801,777</u>	<u>\$ 1,004,384</u>	<u>\$ 322,774</u>	<u>\$ 2,477</u>	<u>\$ 1,183,924</u>	<u>\$ (352)</u>	<u>\$ (27,070)</u>	<u>\$ 3,287,914</u>

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

UBRIGHT OPTRONICS CORPORATION AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 335,126	\$ 356,323
Adjustments for:		
Depreciation expenses	130,072	157,345
Amortization expenses	624	1,319
Net loss on financial liabilities at fair value through profit or loss	11,542	4,636
Finance costs	3,693	3,949
Interest income	(26,332)	(11,614)
Dividend income	(3,600)	(1,448)
Compensation cost of employee share options	7,991	3,052
Gain on disposal of property, plant and equipment	(7,256)	(2,686)
Property, plant and equipment transferred to expenses	15,442	3,845
Write-down of inventories and reversal of write-down of inventories	(10,403)	(2,136)
Net (gain) loss on foreign currency exchange	(92,765)	23,358
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	181	(1,299)
Notes receivable	17	1,209
Trade receivables	75,590	11,047
Inventories	104,760	(76,307)
Other current assets	2,403	2,605
Other items of operating activities	(334)	(415)
Trade payables	(89,005)	(63,258)
Other payables	(16,237)	37,200
Other current liabilities	145	(41,006)
Current refund liabilities	18,528	92,461
Cash generated from operations	460,182	498,180
Interest received	23,729	11,031
Dividends received	3,600	1,448
Interest paid	(3,693)	(3,949)
Income tax paid	(66,454)	(60,890)
Net cash generated from operating activities	417,364	445,820
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(8,053)	(42,254)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,053
Proceeds from sale of financial assets at amortized cost	-	28,489
Purchase of financial assets at fair value through profit or loss	-	(137,041)
Proceeds from sale of financial assets at fair value through profit or loss	2,734	39,047
Payments for property, plant and equipment	(51,375)	(89,646)
Proceeds from disposal of property, plant and equipment	35,542	2,686

(Continued)

UBRIGHT OPTRONICS CORPORATION AND SUBSIDIARIES

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

	2022	2021
Decrease in refundable deposits	1,239	814
Payments for intangible assets	(781)	(746)
Increase in prepayments for equipment	<u>(118)</u>	<u>-</u>
Net cash used in investing activities	<u>(20,812)</u>	<u>(197,598)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	-	10,225
Refund of guarantee deposits received	(10,225)	-
Repayment of the principal portion of lease liabilities	(25,866)	(25,465)
Dividends paid to owners of the Company	(265,736)	(174,807)
Exercise of employee share options	<u>5,194</u>	<u>8,929</u>
Net cash used in financing activities	<u>(296,633)</u>	<u>(181,118)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>92,733</u>	<u>(21,540)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	192,652	45,564
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,895,730</u>	<u>1,850,166</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,088,382</u>	<u>\$ 1,895,730</u>

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

UBRIGHT OPTRONICS CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6, 26 and 27)	\$ 2,082,438	50	\$ 1,881,663	44
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	283,005	7	297,462	7
Financial assets at amortized cost - current (Notes 4, 9 and 26)	110,000	2	110,000	3
Notes receivable, net (Notes 4, 10, 20 and 26)	-	-	17	-
Trade receivables, net (Notes 4, 10, 20 and 26)	372,227	9	452,826	10
Inventories (Notes 4 and 11)	371,067	9	465,424	11
Other current assets (Note 28)	72,820	2	65,199	1
Total current assets	3,291,557	79	3,272,591	76
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	79,853	2	85,700	2
Investments accounted for using the equity method (Notes 4 and 12)	-	-	3,658	-
Property, plant and equipment (Notes 4, 13 and 27)	397,033	9	489,795	11
Right-of-use assets (Notes 4, 14 and 27)	335,111	8	365,328	9
Other intangible assets (Notes 4 and 15)	1,468	-	1,311	-
Deferred tax assets (Notes 4 and 22)	70,027	2	80,821	2
Refundable deposits (Note 27)	4,251	-	5,490	-
Other non-current assets (Notes 4 and 18)	2,811	-	2,145	-
Total non-current assets	890,554	21	1,034,248	24
TOTAL	\$ 4,182,111	100	\$ 4,306,839	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables to unrelated parties (Notes 16 and 26)	\$ 77,570	2	\$ 167,633	4
Trade payables to related parties (Notes 16, 26 and 27)	6,017	-	5,699	-
Other payables (Notes 26 and 27)	156,068	4	171,449	4
Current tax liabilities (Notes 4 and 22)	29,875	1	68,041	2
Lease liabilities - current (Notes 4, 14, 26 and 27)	25,441	-	26,396	1
Current refund liabilities (Notes 4, 17 and 20)	249,437	6	230,909	5
Other current liabilities (Note 17)	4,292	-	4,147	-
Total current liabilities	548,700	13	674,274	16
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4, 14, 26 and 27)	329,301	8	354,742	8
Deferred tax liabilities (Notes 4 and 22)	8,671	-	36	-
Other non-current liabilities (Notes 12 and 17)	7,525	-	-	-
Total non-current liabilities	345,497	8	354,778	8
Total liabilities	894,197	21	1,029,052	24
EQUITY (Notes 19 and 24)				
Share capital				
Ordinary shares	801,777	19	799,447	19
Capital surplus	1,004,384	24	993,529	23
Retained earnings				
Legal reserve	322,774	8	293,591	7
Special reserve	2,477	-	5,514	-
Unappropriated earnings	1,183,924	28	1,188,183	27
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(352)	-	(443)	-
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(27,070)	-	(2,034)	-
Total equity	3,287,914	79	3,277,787	76
TOTAL	\$ 4,182,111	100	\$ 4,306,839	100

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

UBRIGHT OPTRONICS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 27)	\$ 2,292,251	100	\$ 2,962,247	100
OPERATING COSTS (Notes 11, 21 and 27)	<u>1,767,907</u>	<u>77</u>	<u>2,231,750</u>	<u>76</u>
GROSS PROFIT	<u>524,344</u>	<u>23</u>	<u>730,497</u>	<u>24</u>
OPERATING EXPENSES (Notes 4, 10, 18, 21 and 27)				
Selling and marketing expenses	85,724	4	91,826	3
General and administrative expenses	92,589	4	101,264	3
Research and development expenses	<u>133,778</u>	<u>6</u>	<u>168,501</u>	<u>6</u>
	<u>312,091</u>	<u>14</u>	<u>361,591</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>212,253</u>	<u>9</u>	<u>368,906</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 21 and 27)				
Interest revenue	26,705	1	11,803	1
Other income	7,159	-	6,294	-
Finance costs	(3,687)	-	(3,949)	-
Other gains and losses	92,834	4	(20,874)	(1)
Share of profit of subsidiaries	<u>(138)</u>	<u>-</u>	<u>(5,857)</u>	<u>-</u>
Total non-operating income and expenses	<u>122,873</u>	<u>5</u>	<u>(12,583)</u>	<u>-</u>
(LOSS) PROFIT BEFORE INCOME TAX	335,126	14	356,323	12
INCOME TAX EXPENSE (Notes 4 and 22)	<u>47,674</u>	<u>2</u>	<u>64,624</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>287,452</u>	<u>12</u>	<u>291,699</u>	<u>10</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	214	-	-	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(13,900)	(1)	1,129	-
Share of other comprehensive income of subsidiaries accounted for using the equity method	(11,136)	-	2,266	-

(Continued)

UBRIGHT OPTRONICS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	<u>(43)</u> <u>(24,865)</u>	<u>-</u> <u>(1)</u>	<u>-</u> <u>3,395</u>	<u>-</u> <u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>91</u>	<u>-</u>	<u>(229)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(24,774)</u>	<u>(1)</u>	<u>3,166</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 262,678</u>	<u>11</u>	<u>\$ 294,865</u>	<u>10</u>
EARNINGS PER SHARE (Note 23)				
From continuing operations				
Basic	<u>\$ 3.59</u>		<u>\$ 3.66</u>	
Diluted	<u>\$ 3.57</u>		<u>\$ 3.63</u>	

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

(Concluded)

UBRIGHT OPTRONICS CORPORATION

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

	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT DECEMBER 31, 2021	\$ 794,577	\$ 986,417	\$ 273,633	\$ -	\$ 1,096,634	\$ (214)	\$ (5,300)	\$ 3,145,747
Appropriation of 2020 earnings								
Legal reserve	-	-	19,958	-	(19,958)	-	-	-
Special reserve	-	-	-	5,514	(5,514)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(174,807)	-	-	(174,807)
Other changes in capital surplus								
Donations from shareholders	-	1	-	-	-	-	-	1
Employee share options issued by the Company	-	3,052	-	-	-	-	-	3,052
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	129	-	(129)	-
Net profit for the year ended December 31, 2021	-	-	-	-	291,699	-	-	291,699
Other comprehensive income (loss) for the year ended December 31, 2021 net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229)</u>	<u>3,395</u>	<u>3,166</u>
Total comprehensive income (loss) for the year ended December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,699</u>	<u>(229)</u>	<u>3,395</u>	<u>294,865</u>
Issuance of ordinary shares under employee share options	<u>4,870</u>	<u>4,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,929</u>
BALANCE AT DECEMBER 31, 2021	799,447	993,529	293,591	5,514	1,188,183	(443)	(2,034)	3,277,787
Appropriation of 2021 earnings								
Legal reserve	-	-	29,183	-	(29,183)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(265,736)	-	-	(265,736)
Special reserve reversed	-	-	-	(3,037)	3,037	-	-	-
Other changes in capital surplus								
Employee share options issued by the Company	-	7,991	-	-	-	-	-	7,991
Net profit for the year ended December 31, 2022	-	-	-	-	287,452	-	-	287,452
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>91</u>	<u>(25,036)</u>	<u>(24,774)</u>
Total comprehensive income (loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,623</u>	<u>91</u>	<u>(25,036)</u>	<u>262,678</u>
Issuance of ordinary shares under employee share options	<u>2,330</u>	<u>2,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,194</u>
BALANCE AT DECEMBER 31, 2022	<u>\$ 801,777</u>	<u>\$ 1,004,384</u>	<u>\$ 322,774</u>	<u>\$ 2,477</u>	<u>\$ 1,183,924</u>	<u>\$ (352)</u>	<u>\$ (27,070)</u>	<u>\$ 3,287,914</u>

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

UBRIGHT OPTRONICS CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 335,126	\$ 356,323
Adjustments to:		
Depreciation expenses	130,019	157,345
Amortization expense	624	1,319
Net loss on fair value changes of financial assets at fair value through profit or loss	11,542	4,636
Finance costs	3,687	3,949
Interest income	(26,705)	(11,803)
Dividend income	(3,600)	(1,448)
Compensation cost of employee share options	7,991	3,052
Share of profit of subsidiaries	138	5,857
Gain on disposal of property, plant and equipment	(7,256)	(2,686)
Property, plant and equipment transferred to expenses	15,442	3,845
Write-down of inventories and reversal of write-down of inventories	(10,403)	(2,136)
Net (gain) loss on foreign currency exchange	(88,464)	23,587
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	181	(1,299)
Notes receivable	17	1,209
Trade receivables	75,590	11,047
Inventories	104,760	(76,307)
Other current assets	(4,744)	2,606
Other items of operating activities	(334)	(415)
Trade payables	(89,005)	(63,258)
Other payables	(15,381)	34,922
Other current liabilities	145	(41,006)
Current refund liabilities	18,528	92,461
Cash generated from operations	457,898	501,800
Interest received	23,828	11,220
Dividends received	3,600	1,448
Interest paid	(3,687)	(3,949)
Income tax paid	(66,454)	(60,890)
Net cash generated from operating activities	415,185	449,629
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(8,053)	(924)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,053
Proceeds from sale of financial assets at amortized cost	-	28,489
Purchase of financial assets at fair value through profit or loss	-	(137,041)
Proceeds from sale of financial assets at fair value through profit or loss	2,734	39,047

(Continued)

UBRIGHT OPTRONICS CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
Payments for property, plant and equipment	(51,375)	(89,646)
Proceeds from disposal of property, plant and equipment	35,542	2,686
Decrease in refundable deposits	1,239	814
Increase in other receivables from related parties	-	(41,520)
Payments for intangible assets	(781)	(746)
Increase in prepayments for equipment	<u>(118)</u>	<u>-</u>
Net cash used in investing activities	<u>(20,812)</u>	<u>(197,788)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(25,789)	(25,465)
Dividends paid to owners of the Company	(265,736)	(174,807)
Exercise of employee share options	<u>5,194</u>	<u>8,929</u>
Net cash used in financing activities	<u>(286,331)</u>	<u>(191,343)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>92,733</u>	<u>(21,540)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	200,775	38,958
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,881,663</u>	<u>1,842,705</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,082,438</u>	<u>\$ 1,881,663</u>

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

Proposal 2

proposed by the Board of Directors

Subject: To ratify the 2022 Earnings Distribution Proposal.

Explanation: The 2022 Earnings Distribution Statement was approved by the Board of Directors, and reviewed by the Audit Committee of the Corporation. (see statement attached)

Resolution:

**UBRIGHT OPTRONICS CORPORATION
EARNINGS DISTRIBUTION STATEMENT
2022**

Unit: NT\$

Item	Amount
Unappropriated retained earnings, Dec. 31, 2021	896,301,672
Net profit of 2022	287,451,784
Net income after tax for the period and other items adjusted to the current year's	
Remeasurement of defined benefit plan recognized in retained earnings	171,396
Provision of 10% legal reserve	(28,762,318)
(Provision)Reversal of special reserve	(24,945,511)
Retained earnings in 2022 available for distribution	1,130,217,023
Distributable item:	
Dividends to common share holders	
NT\$ 2.9175 per share	233,918,367
(Based on number of outstanding shares in 2022 year-end)	
Total distributable items	233,918,367
Unappropriated retained earnings of 2022	896,298,656
Explanation: Undistributed profits of 2022	0
Additional tax of 5% of the undistributed profits	0

Matter for Discussion

Proposal 1

proposed by the Board of Directors

Subject: To discuss the Amendment to the Articles of Incorporation.

Explanation: In response to the amendments to related regulations, the Corporation amended some articles of the Articles of Incorporation. Please refer to the comparison table in attachment.

UBRIGHT OPTRONICS CORPORATION

Comparison Table of the Articles of Incorporation Before and After Amendment

Article after Amendment	Current Article	Descriptions
Article 13-1 : <u>The shareholders' meeting can be held by means of video conference or other methods promulgated by the central competent authority. If holding the shareholders' meeting by means of video conference, the Corporation shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</u>	None	New addition According to Paragraph 1, Article 172-2 of the Company Act, shareholders' meeting can be held by means of video conference
Article 32 : (Content above omitted) The 15 th amendment was made on June 12, 2019. <u>The 16th amendment was made on June 7, 2023.</u>	Article 32 : (Content above omitted) The 15 th amendment was made on June 12, 2019.	Add amendment and date

Resolution:

Subject: To discuss the Amendment to the "Rules of Procedure for Shareholders Meetings"

Explanation: In response to the amendments to related regulations, the Corporation amended some articles of the "Rules of Procedure for Shareholders Meetings". Please refer to the comparison table in attachment.

UBRIGHT OPTRONICS CORPORATION

Comparison Table of the Rules of Procedure for Shareholders Meetings Before and After Amendment

Article after Amendment	Current Article	Descriptions
Article 3 : Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. <u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u> <u>(Delete the rest)</u>	Article 3 : Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the Board of Directors. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and	In response to the Official Letter Jin-Guan-Zheng-Fa-Zi No. 1110133385 issued on March 7, 2022.

Article after Amendment	Current Article	Descriptions
	supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Any matter under Article 172, paragraph 5 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an	

Article after Amendment	Current Article	Descriptions
	extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than	

Article after Amendment	Current Article	Descriptions
	300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	
Article 4 : For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to this	Article 4 : For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered	Amended in accordance with the Company Act.

Article after Amendment	Current Article	Descriptions
Corporation, if the shareholder intends to attend the meeting in person <u>or virtually</u> to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.	to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.	
Article 5 : The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. <u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u>	Article 5 : The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.	Amended in accordance with the Company Act.
Article 6 : This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for <u>shareholders, solicitors and proxies</u> (collectively "<u>shareholders</u>") will be accepted, the place to register for attendance, and other matters for attention.	Article 6 : This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as	Amended in accordance with the Company Act.

Article after Amendment	Current Article	Descriptions
<u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u> The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u> Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots	stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders or proxies entrusted by shareholders (hereinafter referred as Shareholders) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one	

Article after Amendment	Current Article	Descriptions
shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. <u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>	representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.	
<u>Article 6-1 :</u> <u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u> <u>1.How shareholders attend the virtual meeting and exercise their rights.</u> <u>2.Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <u>a.To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be</u>	None.	New addition. Amended in accordance with the Company Act.

Article after Amendment	Current Article	Descriptions
<u>removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> <u>b.Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u> <u>c.In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> <u>d.Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u> <u>3.To convene a virtual-only</u>		

Article after Amendment	Current Article	Descriptions
<u>shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u>		
Article 8 : This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u> <u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during</u>	Article 8 : This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.	Amended in accordance with the Company Act.

Article after Amendment	Current Article	Descriptions
<u>the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u> <u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u>		
Article 9 : Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time <u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a	Article 9 : Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.	Amended in accordance with the Company Act.

Article after Amendment	Current Article	Descriptions
combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.</u> When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	

Article after Amendment	Current Article	Descriptions
Article 11 : Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in	Article 11 : Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in	Amended in accordance with the Company Act.

Article after Amendment	Current Article	Descriptions
person or direct relevant personnel to respond. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 6 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	person or direct relevant personnel to respond.	
Article 13 : A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic	Article 13 : A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic	Amended in accordance with the Company Act.

Article after Amendment	Current Article	Descriptions
means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; <u>it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</u> A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this	means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation,	

Article after Amendment	Current Article	Descriptions
Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. After vote counting has been completed, <u>the chair or a person designated by the chair</u> shall first announce the results of the voting, and a record made of the vote. <u>The conclusion of the meeting shall be entered into the MOPS.</u> When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put	by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. At the time of the vote, if there is no objection after the chairperson's inquiry, the motion shall be regarded as passed, and it shall bear the same effectiveness as that of voting. If there is any objection, the voting method shall be adopted in accordance with the provisions of the preceding paragraph.	

Article after Amendment	Current Article	Descriptions
to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. <u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u> <u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u> <u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their</u>	When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.	

Article after Amendment	Current Article	Descriptions
<u>registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u> <u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u>		
Article 15 : Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the	Article 15 : Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the	

Article after Amendment	Current Article	Descriptions
deliberations and their <u>voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors.</u> The minutes shall be retained for the duration of the existence of this Corporation. <u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u> <u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online</u>	deliberations and their results. The minutes shall be retained for the duration of the existence of this Corporation. Under the circumstances that the resolution of the preceding paragraph is based on the chairperson's inquiry with the shareholders, if the shareholders have no objection to the motion, it shall be recorded that "the motion is passed with no objection after the chairperson's inquiry with all the attending shareholders." However, if the shareholders object to the motion, it shall be recorded that "the voting method was adopted as well as the number of voting rights for the motion and the ratio of such voting rights."	

Article after Amendment	Current Article	Descriptions
Article 16 : On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, <u>the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means,</u> and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange	Article 16 : On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.	

Article after Amendment	Current Article	Descriptions
Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.		
<u>Article 19 :</u> <u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	None.	New addition
<u>Article 20 :</u> <u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	None.	New addition
<u>Article 21 :</u> <u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the</u>	None.	New addition

Article after Amendment	Current Article	Descriptions
<u>chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u> <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the</u>		

Article after Amendment	Current Article	Descriptions
<u>meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u> <u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u> <u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u> <u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the</u>		

Article after Amendment	Current Article	Descriptions
<u>virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> <u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u> <u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u>		
<u>Article 22 :</u> <u>When convening a virtual-only shareholders meeting, this</u>	None.	New addition

Article after Amendment	Current Article	Descriptions
<u>Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>		
<u>Article 23 :</u> These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	Article 19 : These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	In response to an additional article, adjust the number of the article.

Subject: To discuss the Amendment to the " Operational Procedures for Loaning of Company Funds "

Explanation: In response to the amendments to related regulations, the Corporation amended some articles of the " Operational Procedures for Loaning of Company Funds ". Please refer to the comparison table in attachment.

UBRIGHT OPTRONICS CORPORATION

Comparison Table of the Operational Procedures for Loaning of Company Funds Before and After Amendment

Article after Amendment	Current Article	Descriptions
Article 12 : <u>The Corporation's receivables (including related and non-related parties) with the amount over NT\$ sixty million that have past due normal credit period for 3 months shall be determined by the board of directors whether the receivables are loaning of funds. For those determined as not loaning of funds, shall be given evidence of having no intention of loaning funds (such as taking legal actions, proposing specific and feasible control measures), otherwise they should be determined as loaning of funds. Aside from receivables, such as "other receivables," "prepayments," "refundable deposits," if the amount over NT\$ 60 million or with special nature, and the payment does not have a</u>	None.	New addition. Amended according to the actual needs

Article after Amendment	Current Article	Descriptions
<u>contractual relationship, or the payment does not meet the performance obligation set out in the contract, or the payment reason disappears, they shall be operated according to the same standard as receivables.</u>		
Article <u>13</u> : The Procedure shall be effective upon approval by the audit committee and board of directors, and consent by the shareholders meeting. The same shall apply to any amendments to the Procedures. If the Corporation has appointed independent directors, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board of directors meeting. When the Corporation adopts or amends its Operational Procedures for Loaning Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be	Article 12 : The Procedure shall be effective upon approval by the audit committee and board of directors, and consent by the shareholders meeting. The same shall apply to any amendments to the Procedures. If the Corporation has appointed independent directors, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board of directors meeting. When the Corporation adopts or amends its Operational Procedures for Loaning Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be	In response to an additional article, adjust the number of the article.

Article after Amendment	Current Article	Descriptions
submitted for a resolution by the board of directors, and the provisions of paragraph 2 shall not apply. If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	submitted for a resolution by the board of directors, and the provisions of paragraph 2 shall not apply. If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	

Extempore Motions

Adjournment

Appendices

Appendix (I) Rules of Procedures for Shareholders' Meetings

UBRIGHT OPTRONICS CORPORATION

Rules of Procedures for Shareholders' Meetings

Amended by the shareholders' meeting held on June 23, 2021

Article 1 :

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 :

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 :

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the Board of Directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election/dismissal of directors, amendment to the Articles of Incorporation, capital reduction, withdrawal of public offering, permission for directors' competing business involvements, capitalization of earnings, capitalization of capital reserves, dismissal of the Company, mergers, divestments, and any issues listed in Subparagraph 1, Article 185 of The Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

The purpose of convening the shareholders' meeting has clearly stated that the agenda is a comprehensive election of directors and supervisors, including the specified date of assumption of office. After the completion of the director and supervisor elections at this shareholders' meeting, the date of assumption of office shall not be changed through temporary motions or other means during the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting in writing or electronically. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.

When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit suggestive proposals to urge the company to promote public interests or fulfill social responsibilities. The procedure shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Act. Proposals exceeding one item shall not be included in the proposal.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

any shareholder proposals not included in the agenda.

Article 4 :

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

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

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

Article 5 :

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

Article 6 :

This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, the place to register for attendance, and other matters for attention.

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

Shareholders or proxies entrusted by shareholders (hereinafter referred as Shareholders) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 :

If the shareholders' meeting is convened by the board of directors, the chairman of the board shall preside over the meeting. In the event that the chairman of the board is absent or unable to perform his duties due to any reason, the vice chairman of the board shall act as his agent. If there is no vice chairman or if the vice chairman is also absent or unable to perform his duties due to any reason, the chairman of the board shall designate one of the executive directors to act as his agent. If there are no executive directors, the chairman of the board shall designate one of the directors to act as his agent. If the chairman of the board does not designate an agent, one shall be nominated by the executive directors or the directors.

The chairman of the meeting referred to in the preceding paragraph shall be an executive director or a director who has served for more than six months and has a good understanding of the company's financial and business situation. If the chairman of the meeting is the representative of a corporate director, the same shall apply.

The board of directors shall ensure that more than half of its members participate in and attend the shareholders' meeting convened by it.

If the shareholders' meeting is convened by any person other than the board of directors, the chairman of the meeting shall be appointed by the person with the power to convene the meeting. If there are two or more persons with the power to convene the meeting, they shall jointly appoint one person to act as the chairman of the meeting.

The company may appoint its appointed lawyers, accountants, or relevant personnel to attend the shareholders' meeting.

Article 8 :

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

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

Article 9 :

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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

Article 10 :

If a shareholders meeting is convened by the Board of Directors, the meeting agenda (including temporary motions and proposed amendments to the original motion) shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders;

when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, and call for a vote and allocate sufficient time for voting.

Article 11 :

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

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

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

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

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

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

Article 12 :

Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two

or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 :

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

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

At the time of the vote, if there is no objection after the chairperson's inquiry, the motion shall be regarded as passed, and it shall bear the same effectiveness as that of voting. If

there is any objection, the voting method shall be adopted in accordance with the provisions of the preceding paragraph.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

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

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

Article 15 :

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

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the total number of votes and statistics) should be announced on the spot, particularly for the election of directors and supervisors. The announcement should include the list of elected directors and supervisors with their respective vote counts, as well as the list of unsuccessful director and supervisor candidates with the number of votes they received.

The minutes shall be retained for the duration of the existence of this Corporation.

Article 16 :

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 17 :

The staff in charge of organizing the shareholders' meeting should wear identification cards or armbands. The chairman may direct the inspectors or security personnel to assist in maintaining order in the meeting venue. Inspectors or security personnel should wear armbands or identification cards with the word "inspector" when assisting in maintaining order.

If there is a public address system in the meeting venue, the chairman may prohibit shareholders from speaking with equipment not provided by the company.

If a shareholder violates the rules of procedure and does not comply with the chairman's correction, obstructing the progress of the meeting, they may be requested to leave the venue by the chairman who can direct the inspectors or security personnel to do so.

Article 18 :

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

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

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

Article 19 :

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix (II) Articles of Incorporation

UBRIGHT OPTRONICS CORPORATION Articles of Incorporation

Passed by the annual general meeting convened on June 12, 2019

Chapter 1 General Provisions

Article 1 :

The Corporation shall be incorporated, as a company, limited by shares, under the Company Act of the Republic of China, and its name shall be 友輝光電股份有限公司 in the Chinese language, and UBRIGHT OPTRONICS CORPORATION in English language.

Article 2 :

The scope of business of the Corporation shall be as follows:

1. C801030 Precision Chemical Material Manufacturing
2. CA04010 Surface Treatment
3. CC01080 Electronics Components Manufacturing
4. CQ01010 Mold and Die Manufacturing
5. F106030 Wholesale of Molds
6. F107120 Wholesale of Precision Chemical Material
7. F113030 Wholesale of Precision Instruments
8. F113070 Wholesale of Telecommunication Apparatus
9. F119010 Wholesale of Electronic Materials
10. F206030 Retail Sale of Molds
11. F207120 Retail Sale of Precision Chemical Material
12. F213040 Retail Sale of Precision Instruments
13. F213060 Retail Sale of Telecommunication Apparatus
14. F219010 Retail Sale of Electronic Materials
15. F401010 International Trade
16. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
17. I103060 Management Consulting
18. I199990 Other Consulting Service
19. J202010 Industry Innovation and Incubation Services

Article 3 :

The Corporation shall act as a guarantor or reinvest in other business for business purposes. The reinvestment amount is allowed to exceed forty percent of the paid-in capital.

Article 4 :

The Corporation shall have its head office in Taoyuan City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Chapter 2 Capital Stock

Article 5 :

The total capital of this company is set at NTD 150 million, divided into 15 million shares with a par value of NTD 10 per share. The board of directors is authorized to issue additional shares as needed.

Of the total capital mentioned above, NTD 120 million is reserved for the issuance of 1.2 million employee stock option warrants, with a par value of NTD 10 per share. The board of directors is authorized to issue these warrants in multiple tranches as needed.

Article 5-1 :

According to Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Corporation may issue employee stock warrants that are not subject to the exercise price restriction set out in Article 53 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, if the Corporation obtains the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.

Article 6 :

The share certificates of the Corporation shall all be name-bearing, without printing share certificates, which shall be registered with a centralized securities depository enterprise .

Article 7 :

Shareholders shall provide their names, addresses, and specimens of their personal seals to the Corporation for record. The same shall also be provided upon variation of any of the above details. Shareholders shall present the same seals as kept in the Corporation's records when collecting dividends or exercising other rights. The Corporation shall handle its shareholder services in accordance with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 8 : (Deleted)

Article 9 : (Deleted)

Article 10 : (Deleted)

Article 11 : (Deleted)

Article 12 :

All transfers of the Corporation's shares shall be suspended within sixty (60) days prior to the commencement of each annual general meeting of shareholders, within thirty (30) days prior to the commencement of each extraordinary meeting of shareholders, or within five (5) days prior to the record date determined by the Corporation for distribution of dividends or other benefits.

Chapter 3 Shareholders' Meeting

Article 13 :

Shareholders meetings of the Corporation are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.

Article 14 :

Each shareholder is entitled to one vote for each share held, except otherwise provided by the laws and regulations. After specified in a public announcement or notice letter, Shareholders may exercise their voting rights in written or electronic forms at the shareholders' meetings.

Article 15 :

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired in accordance with Paragraph 3, Article 208 of the Company Act. If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 16 :

Except as provided in the Company Act, shareholders' meetings may be held if attended by shareholders representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Resolutions at shareholders' meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman. The meeting minute shall be distributed to all the shareholders of the Corporation by public announcement within twenty (20) days after the shareholders' meeting. The taking and

distribution of the meeting minute shall be in accordance with the regulations of Article 183 of the Company Act.

Article 17 :

When it is proposed that the Corporation cease public offering of its shares, the Corporation shall submit such proposal for approval by the shareholders' meeting, provided that such clause shall not be varied or amended during the period of registration with and/or listing on the Emerging Market of Gre Tai Securities Market, Taiwan Stock Exchange Corporation and/or the Gre Tai Securities Market.

Chapter 4 Directors

Article 18:

The Corporation shall have a Board comprising five (5) to nine (9) members to be elected at the shareholders' meeting from the director candidate list, with the term of three years. All Directors shall be eligible for 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.

The election of Directors shall be in accordance with the candidate nomination system regulated in Article 192-1 of the Company Act. Matters relevant to acceptance of candidate nomination, announcement, etc. shall be proceeded pursuant to the Company Act, Securities Exchange Law and the related laws and regulations.

Among the director seats in the preceding paragraph, seats of Independent Directors shall not be less than three (3) or one-fifth of seats of Directors, whichever is higher. Independent Directors shall be elected from the independent director candidate list by the shareholders' meeting. With respect to professional qualifications, restrictions on retention of shares and concurrent positions held, assessment of independence, method of nomination and election, and other relevant requirements to be complied with for Independent Directors, the Corporation shall follow the relevant laws and regulations prescribed by the competent authority in charge of securities affairs.

Directors are elected by Cumulative Voting System. Independent Directors and non-independent Directors are elected together, but seats are calculated separately. Candidates to whom the ballots cast represent a prevailing number of votes shall be deemed Independent Directors and non-independent Directors elect.

The ratio of total retentions of shares of the Directors shall be in accordance with the regulations prescribed by the competent authority in charge of securities affairs

Article 18-1:

The Corporation may establish various committees with different function, such as audit,

remuneration, etc. The members of Audit Committee shall be composed by the whole members of Independent Directors, responsible for those responsibilities of supervisors specified in the Company Act, Securities and Exchange Law, and other relevant regulations.

The responsibilities, organizational rules, duties, and other relevant requirements to be complied with for the Audit Committee, the Remuneration Committee, and other committees, shall follow the relevant laws and regulations prescribed by the competent authority in charge of securities affairs and the Corporation.

Article 19 :

The Directors shall constitute the Board of Directors and shall elect one Chairman of the Board from among themselves by majority at a meeting attended by at least two-thirds of the Directors. The Chairman shall externally represent the Corporation.

The Directors may elect a Vice Chairman of the Board of Directors, by the same way in the preceding paragraph.

Article 20 :

The powers and duties of the Board are as follows:

1. Approval of the Corporation's business plan;
2. Composing significant Articles of Incorporation and contracts;
3. Approval of the set-up of and dissolving of branches;
4. Approval of the Corporation's budget and proposing final account results;
5. Approval of appointment and dismissal of the Corporation's officers and other employees with equivalent position levels;
6. Other powers and duties vested in the Board pursuant to the Company Act and the Articles of Incorporation.

Article 21 :

Unless otherwise provided by the Company Act, a meeting of the Board of Directors shall be convened and held by the Chairman of the Board of Directors. In the case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.

Meetings of the Board of Directors shall be convened upon written notice mailed to all the other Directors, at least seven (7) days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the agenda.

Notices of meetings may be sent in writing, via e-mail or by fax.

Article 22 :

In the case a Director is absent in the Directors' Meeting, the Director may authorize another

Director to attend the meeting on his/her behalf.

Each Director may be authorized to attend a meeting by only one another Director.

Article 23 :

Unless otherwise provided by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of a majority of the Directors in attendance at the meeting where a majority of the total number of Directors presents.

Article 24 :

The remuneration of Directors (including Independent Directors) shall be determined by the Board of Directors according to the degree of the Director's participation in the operation of the company and his/her contribution, and shall be determined by reference to the standard of the industry.

The Corporation may take out liability insurance for Directors in order to reduce the risk of accusation by shareholders or other interested parties due to the performance of duties.

Chapter 5 Managerial Officers

Article 25 :

The Corporation may appoint a Chief Executive Officer (hereinafter referred to as CEO), a general manager, and several managers. The CEO's appointment and discharge shall be proposed by the Chairman, and decided by a resolution to be adopted by a majority vote of the Directors at a meeting of the Board of Directors attended by at least two-thirds of the entire Directors of the Corporation. The general manager and other managers' appointment and discharge shall be proposed by the CEO, and decided by a resolution to be adopted by a majority vote of the Directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the Corporation.

Chapter 6 Accounting

Article 26 :

The fiscal year for the Corporation shall be from January 1 to December 31 of the same year.

Article 27 :

After the close of each fiscal year, the following reports should be prepared by the Board of Directors, and submitted to regular shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements;
3. Proposal Concerning the Distribution of Earnings or Covering of Losses

Article 28 :

If the Corporation has profits in the fiscal year, the Corporation shall distribute no less than 1% of such profits to employees and no more than 5% to Directors as their remuneration; provided, however, that when the Corporation has accumulated losses, the profits shall be preserved to make up for losses, before distributing to employees and Directors. The employee remunerations shall be distributed in stock or cash, which may include eligible employees of affiliated companies. The resolution of distributing in stock or cash should be made by the Board of Directors.

If the Corporation which has the profit distributed to employees in the form of shares by a resolution of the meeting of Board of Directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the Board of Directors, to distribute the shares by way of new shares to be issued by the Corporation or existing shares to be re-purchased by the Corporation.

Employees, entitled to receive treasury stock, employee stock warrants, new shares reserved for subscription by employees, restricted stock, and employee compensation, may include the employees of parents or subsidiaries of the Corporation meeting certain specific requirements.

Article 29 :

If there is any net profit after closing of a fiscal year, the Corporation shall first pay business income tax, offset losses in previous years, set aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equivalent to the total capital amount of the Corporation; and then set aside or rotate special reserve according to the rule set out by the government authority in charge. If there is still remaining balance, the Corporation shall set aside with accumulated retained earnings-unappropriated for shareholders' dividends. The Board of Directors shall draw up a meeting regarding the issue of profit distribution and report to the shareholders' meeting for the resolution of the distribution of the dividend.

It is authorized the profits, legal capital reserve and capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The dividend policy of the Corporation is to coordinate the capital budget and development plan of now and future, take into account investment environment, fund demand, financial structure, surplus and the competitive situation domestic and abroad, and give consideration to stockholders' interests. The Corporation shall set aside at least 10% of earnings available for distribution to be shareholders' dividends. Earnings of the Corporation may be distributed by way of cash dividend or stock dividend. The ratio of cash dividend shall be no less than 10% of total distribution.

Chapter 7 Supplementary Provisions

Article 30 :

The Corporation's organizational regulations and operating rules are prescribed separately.

Article 31 :

Any matters not provided herein shall be governed in accordance with the Company Act.

Article 32 :

The Articles of Incorporation were drawn up on December 29, 2003.

The 1st amendment was made on June 10, 2005.

The 2nd amendment was made on October 26, 2006.

The 3rd amendment was made on May 29, 2007.

The 4th amendment was made on August 27, 2007.

The 5th amendment was made on July 30, 2008.

The 6th amendment was made on June 22, 2009.

The 7th amendment was made on March 12, 2010.

The 8th amendment was made on June 29, 2010.

The 9th amendment was made on June 22, 2012.

The 10th amendment was made on June 11, 2013.

The 11th amendment was made on June 27, 2014.

The 12th amendment was made on June 9, 2015.

The 13th amendment was made on June 20, 2016.

The 14th amendment was made on June 11, 2018.

The 15th amendment was made on June 12, 2019.

Appendix (III) Shareholdings of All Directors

- I. The minimum required combined shareholding of all Directors by law
 1. The paid-in capital of the Corporation is 802,656,750 New Taiwan Dollars, divided into 80,265,675 shares. According to Article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the total registered shares owned by all directors shall not be less than ten (10) percent of the total issued shares; if the Corporation has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all Directors other than the Independent Directors and shall be decreased by 20 percent. (minimum 6,421,254 shares)
 2. The Corporation has set up Audit Committee on June 11, 2013. According to Article 14-4 of the Securities Exchange Law, the Corporation doesn't appoint Supervisors.
- II. The shareholding of the Corporation's Directors has met the statutory requirements on the book closure date as follows:

(Tenure : June 6, 2022 to June 5, 2025)

Title	Name	Current Shareholding	
		shares	ratio%
Chairman	Shin Kong Synthetic Fibers Corporation Representative : Wu, Tung-Sheng	45,301,828	56.44
Director	Shin Kong Synthetic Fibers Corporation Representative : Shih, Huo-Chao	45,301,828	56.44
Director	Shin Kong Synthetic Fibers Corporation Representative : Hsiao, Chih-Lung	45,301,828	56.44
Director	Shin Kong Synthetic Fibers Corporation Representative : (Vacancy)	45,301,828	56.44
Director	Lin, Jen-Po	0	0
Director	Chin, Yu-Ying	76,000	0.09
Independent Director	Lin, Tsung-Sheng	0	0
Independent Director	Chi, Kuo-Chung	0	0
Independent Director	Lin, Chih-Lung	0	0