

# Tons:

## **TONS LIGHTOLOGY Inc.**

### **Handbook for the 2022 Annual Meeting of Shareholders**

MEETING TIME : May 26, 2022

PLACE : No. 88, Minguan Road., Banqiao Dist., New

Taipei City, Taiwan

(TAIPEI SINBAN Hilton 3F Meeting Room-4)

---Disclaimer---

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2022 ANNUAL GENERAL SHAREHOLDERS' MEETING ("THE AGENDA") OF TONS LIGHTOLOGY Inc. ("THE COMPANY"). THE TRANSLATION IS INTENDER FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

# Table of Contents

One. Meeting Procedure.....	1
Two. Meeting Agenda.....	2
I. Management Presentation.....	4
II. Approval Items.....	7
III. Discussion .....	8
IV. Motions.....	9
V. Adjournment.....	9
Three. Attachments	
1 、 Business Report.....	10
2 、 Audit Committee’s Report.....	13
3 、 Statements of Remuneration of Individual Directors.....	14
4 、 Independent Auditor’s Report and the 2021 Financial Statements.....	15
5 、 Statements of Retained Earnings.....	39
6 、 Articles of Incorporation Amendment before and after.....	40
7 、 Rules of Procedure for Shareholder Meetings Amendment before and after.....	43
8 、 Procedures for the Acquisition and Disposal of Assets Amendment before and after.....	67

## Four. Appendix

1、Rules of Procedure for Shareholder Meetings (before Amendments).....	78
2、Articles of Incorporation(before Amendments).....	88
3、Procedures for the Acquisition and Disposal of Assets (before Amendments).....	94
4、Current Shareholdings of Directors.....	121
5、The proposals of the shareholders who hae more than 1% shareholding of the Company's outstanding shares....	122

# Tons Lightology Inc.

## Procedure for the 2022 Annual Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

IV. Approval Items

V. Discussion

VI. Motions

VII. Adjournment

# Tons Lightology Inc.

Year 2022

## Agenda of Annual Meeting of Shareholders

Method: Hybrid Shareholders' Meeting

Video conferencing: via TDCC's stockvote platform

(<https://www.stockvote.com.tw/evote/index.html>)

Time: May 26, 2022 (Thursday) at 9:00 am

Place: No. 88, Minquan Road., Banqiao Dist., New Taipei City, Taiwan  
(TAIPEI SINBAN Hilton 3F Meeting Room-4)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

1. 2021 Business Report
2. Audit Committee Examination Report on the 2021 Financial Statements
3. The remuneration to employees and directors report
4. Directors and managers' performance evaluation results and relevance and rationality report on their salary remuneration
5. Report on remuneration of individual directors
6. Report on 2021 cash dividend payout case

IV. Approval Items

1. Adoption of the 2021 Business Report and Financial Statements
2. Adoption of the Proposal for Distribution of 2021 Profits

V. Discussion

1. Amendments to the Company's Articles of Incorporation
2. Amendments to the Company's Rules of Procedure for

## Shareholder Meetings

### 3. Amendments to the Company's Procedures for the Acquisition and Disposal of Assets

#### VI. Motions

#### VII. Adjournment

## Management Presentation

### Report 1

2021 Business Report.

Explanation: Please refer to the Agenda Handbooks for the 2021 Business Report [Attachment 1].

### Report 2

Audit Committee Examination Report on the 2021 Financial Statements.

Explanation: Please refer to the Agenda Handbooks for the 2021 Financial Statements Examined by the Audit Committee [Attachment 2].

### Report 3

The distribution of remuneration to the employees and directors.

Explanation:

- I. The Article 23.1 of the Company's Articles of Incorporation "appropriating 5~15% of the annual earnings, if any, as remuneration to employees and appropriating less than 2.5% of the annual earnings as remuneration to directors".
- II. For the 2021 net income before tax and before deducting the remuneration to employees and directors, appropriate 9.0% of such amount (equivalent to NT\$11,896,000) as remuneration to employees and appropriate 1.5% of such amount (equivalent to NT\$1,983,000) as remuneration to directors paid in cash.
- III. The appropriated remuneration to employees and directors was the same amount of the expense recognized in 2021.

### Report 4

Directors and managers' performance evaluation results and relevance and rationality report on their salary remuneration.

Explanation:

- I. The performance of directors was evaluated according to the Regulations Governing Performance Evaluation of the Board of Directors and included as a basis for the calculation of salary and compensation according to the Regulations Governing Salary and Remuneration of

Directors.

- II. The performance of managers was evaluated according to the Regulations Governing Performance Evaluation and included as a basis for the calculation of salary and compensation according to the performance evaluation of employees.
- III. The Remuneration Committee and the Board of Directors resolved that the results of performance evaluation of directors and managers and correlated properly with the amounts of their salaries and remuneration.

## Report 5

Report on remuneration of individual directors.

Explanation:

- I. The directors' remuneration policy, standard, and structure are as follows:
  - (I) Directors: According to the Articles of Incorporation, up to 2.5% of the profit of the current year shall be distributed as directors' remuneration, which shall be submitted to the Board of Directors for resolution and reported in the shareholders' meeting. The calculation for separate remuneration paid to each director is stipulated in the "Regulations Governing the Remuneration and Rewards of Directors" based on the individual performance of directors appraised with the "Regulations Governing Performance of the Board of Directors" and each director's involvement in and contribution to business operations after the submission at the shareholders' meeting and submitted to the Remuneration Committee for review. After the resolution is passed by the Board of Directors, remuneration shall be paid to each director.
  - (II) Independent directors: Remuneration for independent directors shall be distributed in accordance with the "Regulations Governing the Remuneration and Rewards of Directors" approved by the Board of Directors and may be adjusted based on the industry standards and independent directors' involvement in and contributions to business operations. When independent directors and board committee members perform their duties, the Company shall pay remuneration regardless of its operating profit or loss.
  - (III) Directors attending meetings in person may be granted transportation allowances.
- II. For the remuneration of individual directors 2021, please refer to [Attachment 3] of this Handbook.



Report 6

Report on 2021 Cash Dividend Payout case.

Explanation:

- I. This case is handled in accordance with Article 24 of the Articles of Incorporation.
- II. The Company plans to distribute cash dividends at the amount of NT\$81,631,312 for the year of 2021. After 1,500,000 shares repurchased by the Company is deducted from 40,372,053 outstanding shares as of today, a total of 38,872,053 shares are to be distributed with cash dividends at NT\$2.10 per share. Cash dividends are distributed according to the shares held in the shareholder registry on the record date. Cash dividends are rounded up to dollar. The Chairman is authorized to determine the disposal of less than NT\$1 at his discretion.
- III. The ex-dividend date is set on June 21, 2022, and the book closing period is set from June 17 to June 21, 2022.
- IV. Cash dividends are set to be issued on July 18, 2022.
- V. When there is any change in the Company's outstanding shares; the Chairman is authorized to adjust the dividend per share in accordance with the actual outstanding shares on the ex-dividend date.
- VI. The Chairman is authorized to handle other unspecified matters at his discretion.

## Approval Items

### Proposal 1

Proposed by the Board

Adoption of the 2021 Business Report and Financial Statements

Explanation:

- I. The Company's 2021 business report and financial statements had been prepared accordingly, of which, the financial reports (including the consolidated financial statements) and the business report were examined by the Audit Committee with a written examination report issued.
- II. Please refer to [Attachment 1] of the Agenda Handbooks for 2021 business report and [Attachment 4] for the 2021 independent auditor's report and financial statements.
- III. Please adoption.

Resolution:

### Proposal 2

Proposed by the Board

Adoption of the Proposal for Distribution of 2021 Profits

Explanation:

- I. The 2021 Profit Distribution Table has been adopted in the 12th meeting of the 10th-term Board of Directors.
- II. Please refer to [Attachment 5] of the Agenda Handbooks for the 2021 Profit Distribution Table.
- III. Please adoption.

Resolution:

## Discussion

### Proposal 1

Proposed by the Board  
Amendments to the Company's Articles of Incorporation. Please proceed to discuss.

Explanations:

- I. To add flexibility to the convention of a shareholders' meeting, the amendments to Article 8 of the Articles of Incorporation were made according to Paragraph 1, Article 172-2 of the Company Act, which stipulates that a company may explicitly provide in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- II. For the amendments before and after, please refer to [Attachment 6] of this Handbook.

Resolution:

### Proposal 2

Proposed by the Board  
Amendments to the Company's Rules of Procedure for Shareholder Meetings. Please proceed to discuss.

Explanations:

- I. Amend partial content due to amended "Company limited Rules of Procedure for Shareholders Meetings".
- II. For the amendments before and after, please refer to [Attachment 7] of this Handbook.

Resolution:

### Proposal 3

Proposed by the Board  
Amendments to the Company's Procedures for the Acquisition and Disposal of Assets. Please proceed to discuss.

Explanations:

- I. Amend partial content due to amended "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
- II. For the amendments before and after, please refer to [Attachment 8] of this Handbook.

Resolution:

Motions

Adjournment

[Attachment 1]

## Tons Lightology Inc.

### The 2021 Business Report

The global economic recovery continued as the COVID-19 pandemic slowed down and vaccination rates increased. Supported by various economic stimuli, major countries and regional economies around the world reported significant growth in 2021. Looking forward to 2022, however, a number of uncertainties await as the recent emergence of COVID variants and inflation can lead to monetary tightening and interest rates rises.

Facing the changing trends of global economy and coronavirus pandemic, the Company responded in a steady manner and continued the lean policy of the last few years, including substantially improving production efficiency internally, controlling costs, developing high value-added products, optimizing the quality of customers, and refining product portfolio. In terms of branding effort, the Company had won over many lighting engineering projects of Taiwan that had helped Tons Lightology Inc. secured a leading position in the lighting engineering of museum in Taiwan. The Company will continue this momentum to root in Taiwan's professional lighting market and to convey the experience to Chinese market in order to increase brand awareness. In addition, the Company will continue to enhance the working environment and employee benefits, and protect the stability of human resources so the Company can stay competitive while facing economic fluctuations and uncertainties externally.

Overall, in the fiercely competitive and ever-changing environment, the Company reported an increase in revenue and stable profitability with the support of shareholders and the dedication of employees. We would like to show our appreciation for the support of the shareholders on behalf of the Board of Directors of the Company. The Company's 2021 business operation and 2022 operational plans are briefed as follows.

#### I. The 2021 business operation

##### (I) Operating plan results and operating income and expense

In 2021, the Company's individual and consolidated net operating revenue were NT\$922,353 thousand and NT\$1,051,699 thousand respectively, increase of 26.67% and 30.00% respectively compared with NT\$728,124 thousand and NT\$808,981 thousand in 2020. The Company's individual and consolidated net income after tax were the same as NT\$95,972 thousand, a increase of 21.40% (NT\$16,918 thousand) compared with NT\$79,054 thousand in 2020.

##### (II) Profitability analysis

The Company's operating revenue in 2021 was more than that in 2020. Due to rising raw material prices and fluctuations in exchange rates, the gross profit decreased slightly; with the proper control of operating

expenses, the operating profit margin remained at 13.56%. Due to an increase in non-operating losses, the consolidated net profit margin reached 9.12%, slightly lower than 9.77% in 2020.

### (III) Research and development status

In 2021, the Company developed products and took out patents as follows:

1. In terms of products, power plug for foolproof single circuit track (HT-323), surface/pendant-mounted low track system (TUH), wireless power plug for low track system (TU-212CA and TU-212Wiz), power cord box for surface-mounted low track system (TU-T100T), fixed-angle micro track spotlight (SAM-543A), micro-adjustable track spotlight (SAM-533A), optical modular interchangeable multifunctional spotlights (four applications), mirror front lights for the bathroom (BS-L01ST), modular recessed downlights (ModFun A), light shading structure (AC-162AZ), energy-efficient recessed downlights (DG-633RST), surface-mounted ceiling lights (WG-633RST), office LED recessed downlights (DG-L051D), and high lumens outdoor in-ground lights (OGA-236R) were developed.
2. In terms of patents, utility model patents on the fixing base for lights and its surface-mounted ceiling lights, track lights, and switches, as well as design patents on recessed downlights (economical module), bollards (outdoor landscaping), and (track linear lights) were taken out.

In prospect, the Company will continue to research and develop forward-looking technology and innovative applications, to substantiate product design, and commercialize research and systematic production management in order to continue to promote the brand and deepen the Company's core competence and secure the leading position.

## II. The 2022 business plan outline

### (I) The important marketing policy and business policy

#### 1. Products

- A. Continuing to strengthen indoor lighting products: Continue to complete indoor lighting products and invest in the development of low-cost light fixtures for meeting customer's needs due to the emerging of LED mass market.
- B. Continuing to expand outdoor lighting products: Continue to complete the development of outdoor lighting series in order to create the Company's future growth momentum.

#### 2. Marketing:

- A. Promote green lighting and continue to develop new products.
- B. Enhance product value and maintain price competitiveness.
- C. Secure the existing market and develop emerging market with potentials.
- D. Participate in international exhibitions and commit to promote the Company's brand.

#### 3. Production:

- A. Simplify product lines, use common parts, and build safety stock for the frequently used parts in order to shorten delivery lead time.
- B. Strengthen automated production, improve manufacturing processes,

increase efficiency, and reduce the impact of rising labor cost.

(II) The Company's future development strategy

Continue the business model of OEM and branding. In terms of OEM business, continue to attract more big customers in Europe for cooperation currently. In terms of branding business, Due to our significant achievement in the cross-strait markets, more investment would be conducted in the Greater China Area in order to create a stable revenue source.

(III) The impact on the external competitive environment, regulatory environment, and the overall business environment

The global economy is expected to rebound, but the environmental law in each country is increasingly stringent, added with the continuing increase of production cost in China and fluctuations in raw material prices have us faced severe challenges. We have come up with the following responsive measures for the challenges faced by us:

1. Recruit professionals, enhance management, and improve the Company's business strength.
2. Introduce external technologies, enhance research and development capabilities, and improve product value.
3. Meet customer needs with innovative brand and professional services.
4. Pay attention to changes in domestic and foreign policies and laws with responsive measures proposed in due course.

Chairman : TANG, SHIH-CHUAN

CEO : HUNG, CHIA-CHENG

CFO : WANG, CHIH-YUAN

[Attachment 2]

Tons Lightology Inc.  
Audit Committee's Report

The Board of Directors had prepared and presented the Company's 2021 business report, financial report, and statement of retained earnings, of which, the financial report was consigned by the Board of Directors to be audited by CPA HUNG, SHU-HUA and CPA LIU, MEI-LAN of PWC Taiwan with an independent auditor's report issued.

We have reviewed the said business report, financial report, and statement of retained earnings without finding any nonconformity against the governing law and regulations. Also, we have issued this Audit Committee's report in conformity with Article 219 of the Company Law.

Sincerely yours,

To: The 2022 Annual Shareholders' Meeting of Tons Lightology Inc.

Tons Lightology Inc

Audit Committee Convener : HSU, CHUNG-YUAN

February 24, 2022



Title	Name	Remuneration								Ratio and Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio and Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or Parent Company		
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock		The company	Companies in the consolidated financial statements
Director	TANG, SHIH-CHUAN	-	-	-	-	496	496	21	21	517/0.54	517/0.54	4,489	5,789	-	-	1,340	-	1,340	-	7,893/8.22	9,193/9.58	-
Director	HUNG, CHIA-CHENG	-	-	-	-	496	496	18	18	514/0.54	514/0.54											
Director	CHEN, MING-HSIN	-	-	-	-	496	496	21	21	517/0.54	517/0.54											
Director	HSIAO, CHEN-CHI	-	-	-	-	496	496	21	21	517/0.54	517/0.54											
Independent Director	HSU, CHUNG-YUAN	720	720	-	-	-	-	24	24	744/0.77	744/0.77	-	-	-	-	-	-	-	-	2,232/2.32	2,232/2.32	-
Independent Director	CHOU, LIANG-CHENG	720	720	-	-	-	-	24	24	744/0.77	744/0.77											
Independent Director	LEE, SHYH-CHIN	720	720	-	-	-	-	24	24	744/0.77	744/0.77											
Total		2,160	2,160	-	-	1,983	1,983	153	153	4,296/4.48	4,296/4.48	4,489	5,789	-	-	1,340	-	1,340	-	10,125/10.54	11,425/11.90	-

1. Remuneration policies, systems, standards, and structures for independent directors and linkage thereof to powers, risks, and time spent:  
The remuneration for independent directors are paid in accordance with the "Directors' Remuneration Regulations" approved by the Board of Directors and may be adjusted based on the industry standards and independent directors' involvement in business operations and contributions; in addition, independent directors attending meetings in person may be granted transportation allowances.
2. Except for the above disclosure, the remuneration paid to the Company's directors for all services rendered last year is NT\$0 thousand.

[Attachment 4]

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

**To the Board of Directors and Shareholders of Tons Lightology Inc.**

***Opinion***

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

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

***Basis for opinion***

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

***Key audit matters***

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

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

### **Timing of recognising sales revenue**

#### Description

Please refer to Note 4(26) for a description of accounting policy on sales revenue. Please refer to Note 6(15) for details of sales revenue.

The Company is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the Company receives orders and transfers the orders to the subsidiaries for manufacturing and delivery. Sales revenue includes different transaction terms and the timing of transfer

of the control of goods involves manual judgement, we thus identified the timing of sales revenue recognition as one of the key areas of focus for this year's audit.

#### How our audit addressed the matter

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

- A. Obtained an understanding and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognising sales revenue.
- B. Performed sales cut-off test for a certain period before and after balance sheet date to assess the accuracy of the timing of sales revenues.

### **Inventory valuation**

#### Description

The Company is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the Company receives orders and transfers the orders to the subsidiaries for manufacturing and delivering. Considering that the inventory valuation policy of the Company's subsidiary (presented as investments accounted for using the equity method) is measured at the lower of cost and net realisable value, which involves subjective judgement resulting in a high degree of estimation uncertainty, we thus identified inventory valuation of the subsidiary (presented as

investments accounted for using the equity method) as one of the key areas of focus for this year's audit.

How our audit addressed the matter

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

- A. Obtained an understanding of the Company's inventory policy and assessed the reasonableness of the policy.
- B. Reviewed annual inventory counting plan and observed the annual inventory counting event in order to assess the classification of obsolete inventory and effectiveness of inventory internal control.
- C. Obtained the Company inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Company's policy.
- D. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

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

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

In preparing the parent company only 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 audit committee, are responsible for overseeing the Company's financial reporting process.

### ***Auditor's' responsibilities for the audit of the parent company only financial statements***

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TONS LIGHTOLOGY INC.'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 TONS LIGHTOLOGY INC.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within TONS LIGHTOLOGY INC. to express an opinion on the parent company only 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 parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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Hung, Shu-Hua

Liu, Mei-Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

February \_\_, 2022

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Hung, Shu-Hua

Liu, Mei Lan

For and on Behalf of PricewaterhouseCoopers, Taiwan

April 12, 2022

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

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

TONS LIGHTOLOGY INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
1100	Cash and cash equivalents	\$ 176,510	12	\$ 185,910	13
1136	Current financial assets at amortised cost	316	-	948	-
1150	Notes receivable, net	2,204	-	1,205	-
1170	Accounts receivable, net	139,155	9	121,662	8
1180	Accounts receivable - related parties	112	-	845	-
1200	Other receivables	90	-	467	-
130X	Inventories	8,568	1	11,464	1
1410	Prepayments	399	-	5,330	-
1470	Other current assets	128	-	180	-
11XX	<b>Current Assets</b>	<u>327,482</u>	<u>22</u>	<u>328,011</u>	<u>22</u>
<b>Non-current assets</b>					
1517	Non-current financial assets at fair value through other comprehensive income	46,171	3	53,906	4
1550	Investments accounted for using equity method	1,096,294	74	1,058,487	73
1600	Property, plant and equipment	1,007	-	656	-
1755	Right-of-use assets	7,126	1	11,774	1
1780	Intangible assets	3,455	-	4,337	-
1840	Deferred income tax assets	4,140	-	3,571	-
1990	Other non-current assets, others	2,201	-	2,447	-
15XX	<b>Non-current assets</b>	<u>1,160,394</u>	<u>78</u>	<u>1,135,178</u>	<u>78</u>
1XXX	<b>Total assets</b>	<u>\$ 1,487,876</u>	<u>100</u>	<u>\$ 1,463,189</u>	<u>100</u>

(Continued)



TONS LIGHTOLOGY INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
2150	Notes payable	\$ 25	-	\$ 25	-
2170	Accounts payable	2,057	-	9,764	1
2180	Accounts payable - related parties	231,847	16	230,527	16
2200	Other payables	30,276	2	26,792	2
2220	Other payables - related parties	1,467	-	1,035	-
2230	Current income tax liabilities	20,849	1	21,079	1
2280	Current lease liabilities	6,498	1	6,331	-
2300	Other current liabilities	25,492	2	15,642	1
21XX	<b>Current Liabilities</b>	<u>318,511</u>	<u>22</u>	<u>311,195</u>	<u>21</u>
<b>Non-current liabilities</b>					
2550	Provisions for liabilities - non-current	203	-	249	-
2570	Deferred income tax liabilities	7,241	-	3,445	-
2580	Non-current lease liabilities	767	-	5,591	-
2600	Other non-current liabilities	8,525	1	8,477	1
25XX	<b>Non-current liabilities</b>	<u>16,736</u>	<u>1</u>	<u>17,762</u>	<u>1</u>
2XXX	<b>Total Liabilities</b>	<u>335,247</u>	<u>23</u>	<u>328,957</u>	<u>22</u>
<b>Equity</b>					
Share capital					
3110	Share capital - common stock	402,031	27	396,723	27
3140	Advance receipts for share capital	1,103	-	965	-
Capital surplus					
3200	Capital surplus	518,118	35	508,419	34
Retained earnings					
3310	Legal reserve	108,709	7	95,799	7
3320	Special reserve	72,115	5	54,323	4
3350	Unappropriated retained earnings	186,967	12	212,854	15
Other equity interest					
3400	Other equity interest	( 88,050)	( 6)	( 72,115)	( 5)
3500	Treasury shares	( 48,364)	( 3)	( 62,736)	( 4)
3XXX	<b>Total equity</b>	<u>1,152,629</u>	<u>77</u>	<u>1,134,232</u>	<u>78</u>
3X2X	<b>Total liabilities and equity</b>	<u>\$ 1,487,876</u>	<u>100</u>	<u>\$ 1,463,189</u>	<u>100</u>

TONS LIGHTOLOGY INC.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		Year ended December 31			
Items		2021		2020	
		AMOUNT	%	AMOUNT	%
4000	Sales revenue	\$ 922,353	100	\$ 728,124	100
5000	Operating costs	( 759,092)	( 82)	( 587,541)	( 81)
5900	Net operating margin	<u>163,261</u>	<u>18</u>	<u>140,583</u>	<u>19</u>
Operating expenses					
6100	Selling expenses	( 29,649)	( 3)	( 34,148)	( 5)
6200	General and administrative expenses	( 47,615)	( 5)	( 42,357)	( 6)
6300	Research and development expenses	( 4,429)	( 1)	( 4,680)	-
6000	Total operating expenses	<u>( 81,693)</u>	<u>( 9)</u>	<u>( 81,185)</u>	<u>( 11)</u>
6900	Operating profit	<u>81,568</u>	<u>9</u>	<u>59,398</u>	<u>8</u>
Non-operating income and expenses					
7100	Interest income	1,799	-	1,920	-
7010	Other income	1,481	-	4,997	1
7020	Other gains and losses	2,831	-	14,148	2
7050	Finance costs	( 215)	-	( 372)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	<u>30,829</u>	<u>4</u>	<u>18,544</u>	<u>3</u>
7000	Total non-operating income and expenses	<u>36,725</u>	<u>4</u>	<u>39,237</u>	<u>6</u>
7900	<b>Profit before income tax</b>	<u>118,293</u>	<u>13</u>	<u>98,635</u>	<u>14</u>
7950	Income tax expense	( 22,321)	( 2)	( 19,581)	( 3)
8200	<b>Profit for the year</b>	<u>\$ 95,972</u>	<u>11</u>	<u>\$ 79,054</u>	<u>11</u>
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	( \$ 61)	-	\$ 279	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	( 7,735)	( 1)	28,194	4
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>12</u>	<u>-</u>	<u>( 98)</u>	<u>-</u>
8310	Components of other comprehensive income that will not be reclassified to profit or loss	<u>( 7,784)</u>	<u>( 1)</u>	<u>28,375</u>	<u>4</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Other comprehensive income, before tax, exchange differences on translation	( 8,200)	( 1)	8,186	1
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss	( 8,200)	( 1)	8,186	1
8300	<b>Other comprehensive loss (income) for the year</b>	<u>( \$ 15,984)</u>	<u>( 2)</u>	<u>\$ 36,561</u>	<u>5</u>
8500	<b>Total comprehensive income for the year</b>	<u>\$ 79,988</u>	<u>9</u>	<u>\$ 115,615</u>	<u>16</u>
Basic earnings per share					
9750	Total basic earnings per share	<u>\$ 2.51</u>		<u>\$ 2.08</u>	
Diluted earnings per share					
9850	Total diluted earnings per share	<u>\$ 2.46</u>		<u>\$ 2.05</u>	

TONS LIGHTOLOGY INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Share Capital		Capital Surplus			Retained Earnings			Other equity interest			Total equity
	Common stock	Advance receipts for share capital	Additional paid-in capital	Treasury share transactions	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	
<u>2020</u>												
Balance at January 1, 2020		\$ 303	\$ 505,787	\$ -	\$ 4,879	\$ 85,219	\$ 38,429	\$ 194,627	(\$ 81,791)	\$ 27,468	(\$ 33,992)	\$ 1,142,182
Profit		-	-	-	-	-	-	79,054	-	-	-	79,054
Other comprehensive income		-	-	-	-	-	-	223	8,186	28,152	-	36,561
Total comprehensive income		-	-	-	-	-	-	79,277	8,186	28,152	-	115,615
Appropriation and distribution of 2019 earnings												
Legal reserve		-	-	-	-	10,580	-	( 10,580 )	-	-	-	-
Special reserve		-	-	-	-	-	15,894	( 15,894 )	-	-	-	-
Cash dividends		-	-	-	-	-	-	( 84,395 )	-	-	-	( 84,395 )
Share-based payment transactions-employees		662	4,958	-	369	-	-	-	-	-	-	7,459
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	-	-	54,130	-	( 54,130 )	-	-
Purchase of treasury shares		-	-	-	-	-	-	-	-	-	( 46,629 )	( 46,629 )
Retirement of treasury income	( )	-	( 7,574 )	-	-	-	-	( 4,311 )	-	-	17,885	-
Balance at December 31, 2020		\$ 965	\$ 503,171	\$ -	\$ 5,248	\$ 95,799	\$ 54,323	\$ 212,854	(\$ 73,605)	\$ 1,490	(\$ 62,736)	\$ 1,134,232
<u>2021</u>												
Balance at January 1, 2021		\$ 965	\$ 503,171	\$ -	\$ 5,248	\$ 95,799	\$ 54,323	\$ 212,854	(\$ 73,605)	\$ 1,490	(\$ 62,736)	\$ 1,134,232
Profit		-	-	-	-	-	-	95,972	-	-	-	95,972
Other comprehensive loss		-	-	-	-	-	-	( 49 )	( 8,200 )	( 7,735 )	-	( 15,984 )
Total comprehensive income (loss)		-	-	-	-	-	-	95,923	( 8,200 )	( 7,735 )	-	79,988
Appropriations and distribution of 2020 earnings												
Legal reserve		-	-	-	-	12,910	-	( 12,910 )	-	-	-	-
Special reserve		-	-	-	-	-	17,792	( 17,792 )	-	-	-	-
Cash dividends		-	-	-	-	-	-	( 91,108 )	-	-	-	( 91,108 )
Share-based payment transactions-employees		138	11,419	-	( 3,007 )	-	-	-	-	-	-	13,858
Treasury shares transferred to employees		-	-	1,287	-	-	-	-	-	-	14,372	15,659
Balance at December 31, 2021		\$ 1,103	\$ 514,590	\$ 1,287	\$ 2,241	\$ 108,709	\$ 72,115	\$ 186,967	(\$ 81,805)	(\$ 6,245)	(\$ 48,364)	\$ 1,152,629

TONS LIGHTOLOGY INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before tax	\$ 118,293	\$ 98,635
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	6(7)(20) 374	423
Depreciation-right of use asset	6(8)(20) 6,458	6,532
Amortisation	6(20) 2,517	2,075
Expected credit loss (gain)	12(2) ( 1,419 )	1,500
Interest expense-lease liability	6(8) 215	372
Interest income	6(16) ( 1,799 )	( 1,920 )
Dividend income	( 1,360 )	( 850 )
Wages and salaries- employee stock options	6(10) 1,935	1,773
Share of loss of subsidiary, associates and joint ventures	6(6) ( 30,829 )	( 18,544 )
Property, plant and equipment transferred to expenses	99	-
Unrealised foreign exchange loss (gain)	4,535 (	970 )
Reversal of provision for warranty expense	( 46 )	( 96 )
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	( 999 )	( 901 )
Account receivable, net	( 16,090 )	15,156
Account receivable due from related party	733	( 845 )
Other receivables	401	2,369
Inventories	2,891	( 4,523 )
Prepayments	4,929	( 313 )
Other current assets	53	( 30 )
Changes in operating liabilities		
Notes payable	1	( 19 )
Accounts payable	( 7,706 )	8,082
Accounts payable to related parties	1,331	( 45,122 )
Other payables	3,536	( 2,003 )
Other payables to related parties	432	( 23,710 )
Contract liabilities	8,287	9,316
Other current liabilities	1,580	( 54 )
Other non-current liabilities	( 12 )	( 2,009 )
Cash inflow generated from operations	98,340	44,324
Interest received	1,774	1,919
Dividend received	1,360	38,398
Interest paid	( 215 )	( 372 )
Income tax paid	( 19,313 )	( 5,986 )
Net cash flows from operating activities	<u>81,946</u>	<u>78,283</u>

(Continued)

TONS LIGHTOLOGY INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease (increase) in financial assets at amortised cost	\$ 632	(\$ 948)
Proceeds from disposal of financial assets at fair value through profit or loss	-	102,682
Acquisition of investments accounted for using the equity	( 15,000 )	( 10,000 )
Acquisition of property, plant and equipment	6(7)(24) ( 844 )	( 461 )
Acquisition of intangible deposits	( 1,634 )	( 4,731 )
Increase (decrease) in refundable deposits	236	( 242 )
Net cash flows (used in) from investing activities	( 16,610 )	86,300
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of principal portion of lease liability	6(8) ( 6,467 )	( 6,387 )
Cash dividend paid	6(13) ( 91,108 )	( 84,395 )
Exercise of employee stock options	13,255	5,686
Repurchase of treasury stock	6(11) -	( 46,629 )
Treasury shares sold to employees	14,327	-
Net cash flows used in financing activities	( 69,993 )	( 131,725 )
Effect of exchange rate changes on cash equivalents	( 4,743 )	662
Net (decrease) increase in cash and cash equivalents	( 9,400 )	33,520
Cash and cash equivalents at beginning of year	185,910	152,390
Cash and cash equivalents at end of year	\$ 176,510	\$ 185,910

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

### **To the Board of Directors and Shareholders of Tons Lightology Inc.**

#### ***Opinion***

We have audited the accompanying consolidated balance sheets of Tons Lightology Inc. and its subsidiaries (the “Group”) as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### ***Basis for opinion***

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

#### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion

thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

### **Timing of recognising sales revenue**

#### Description

Please refer to Note 4(29) for a description of accounting policy on sales revenue. Please refer to Note 6(18) for details of sales revenue.

The Group is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the parent company receives orders and transfers the orders to the subsidiaries for manufacturing and delivery. Sales revenue includes different transaction terms and the timing of transfer of the control of goods involves manual judgement, we thus identified the timing of sales revenue recognition as one of the key areas of focus for this year's audit.

#### How our audit addressed the matter

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

- A. Obtained an understanding and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognising sales revenue.
- B. Performed sales cut-off test for a certain period before and after balance sheet date to assess the accuracy of the timing of sales revenues.

### **Inventory valuation**

#### Description

Please refer to Note 4(13) for a description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(5) for a description of inventory. As of December 31, 2021, the Group's inventory amounted to NT\$261,662 thousand and inventory valuation losses amounted to NT\$18,618 thousand.

The Group is primarily engaged in manufacturing and trading lighting equipment and lamps. Under

the Group's inventory policy, inventory valuation is measured at the lower of cost and net realisable value, which involves subjective judgement resulting in a high degree of estimation uncertainty. Thus, we identified inventory valuation as one of the key areas of focus for this year's audit.

#### How our audit addressed the matter

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

- A. Obtained an understanding of the Group's inventory policy and assessed the reasonableness of the policy.
- B. Reviewed annual inventory counting plan and observed the annual inventory counting event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.
- C. Obtained the Group's inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Group's policy.
- D. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

#### ***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Tons Lightology Inc. as at and for the years ended December 31, 2021 and 2020.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 audit committee, are responsible for overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

- A. 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.
- B. 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.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. 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.

E. 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.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Hung, Shu-Hua

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Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

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Hung, Shu-Hua

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Liu, Mei Lan

For and on Behalf of PricewaterhouseCoopers, Taiwan

April 12, 2022

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

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

**TONS LIGHTOLOGY INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
1100	Cash and cash equivalents	\$ 344,436	24	\$ 353,565	26
1110	Financial assets at fair value through profit or loss - current	85,588	6	104,166	8
1136	Current financial assets at amortised cost	187,720	13	179,361	13
1150	Notes receivable, net	2,204	-	1,205	-
1170	Accounts receivable, net	143,165	10	127,431	9
1180	Accounts receivable - related parties	-	-	518	-
1200	Other receivables	9,724	1	3,615	-
130X	Inventories	243,044	17	163,797	12
1410	Prepayments	15,891	1	16,170	1
1470	Other current assets	1,792	-	1,869	-
11XX	<b>Current Assets</b>	<u>1,033,564</u>	<u>72</u>	<u>951,697</u>	<u>69</u>
<b>Non-current assets</b>					
1517	Non-current financial assets at fair value through other comprehensive income	46,171	3	53,906	4
1550	Investments accounted for using equity method	42,116	3	37,413	3
1600	Property, plant and equipment	252,587	18	273,609	20
1755	Right-of-use assets	37,029	3	41,028	3
1780	Intangible assets	3,455	-	4,337	-
1840	Deferred income tax assets	4,140	-	3,571	-
1900	Other non-current assets	7,140	1	8,187	1
15XX	<b>Non-current assets</b>	<u>392,638</u>	<u>28</u>	<u>422,051</u>	<u>31</u>
1XXX	<b>Total assets</b>	<u>\$ 1,426,202</u>	<u>100</u>	<u>\$ 1,373,748</u>	<u>100</u>

(Continued)

**TONS LIGHTOLOGY INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
2150	Notes payable	\$ 25	-	\$ 25	-
2170	Accounts payable	103,500	7	88,144	6
2200	Other payables	87,726	6	85,986	6
2230	Current income tax liabilities	27,984	2	22,200	2
2250	Provisions for liabilities - current	1,967	-	400	-
2280	Current lease liabilities	7,689	1	7,192	1
2300	Other current liabilities	26,395	2	17,741	1
21XX	<b>Current Liabilities</b>	255,286	18	221,688	16
<b>Non-current liabilities</b>					
2550	Provisions for liabilities - non-current	335	-	316	-
2570	Deferred income tax liabilities	7,241	-	3,445	-
2580	Non-current lease liabilities	2,186	-	5,591	-
2600	Other non-current liabilities	8,525	1	8,476	1
25XX	<b>Non-current liabilities</b>	18,287	1	17,828	1
2XXX	<b>Total Liabilities</b>	273,573	19	239,516	17
<b>Equity attributable to owners of parent</b>					
Share capital					
3110	Share capital - common stock	402,031	28	396,723	29
3140	Advance receipts for share capital	1,103	-	965	-
Capital surplus					
3200	Capital surplus	518,118	36	508,419	37
Retained earnings					
3310	Legal reserve	108,709	8	95,799	7
3320	Special reserve	72,115	5	54,323	4
3350	Unappropriated retained earnings	186,967	13	212,854	16
Other equity interest					
3400	Other equity interest	( 88,050)	( 6)	( 72,115)	( 5)
3500	Treasury shares	( 48,364)	( 3)	( 62,736)	( 5)
31XX	<b>Equity attributable to owners of the parent</b>	1,152,629	81	1,134,232	83
3XXX	<b>Total equity</b>	1,152,629	81	1,134,232	83
3X2X	<b>Total liabilities and equity</b>	\$ 1,426,202	100	\$ 1,373,748	100

**TONS LIGHTOLOGY INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		Year ended December 31			
Items		2021		2020	
		AMOUNT	%	AMOUNT	%
4000	Sales revenue	\$ 1,051,699	100	\$ 808,981	100
5000	Operating costs	( 687,364)	( 66)	( 514,057)	( 63)
5900	Net operating margin	<u>364,335</u>	<u>34</u>	<u>294,924</u>	<u>37</u>
Operating expenses					
6100	Selling expenses	( 91,422)	( 9)	( 87,321)	( 11)
6200	General and administrative expenses	( 90,784)	( 8)	( 86,663)	( 11)
6300	Research and development expenses	( 39,420)	( 4)	( 34,187)	( 4)
6000	Total operating expenses	<u>( 221,626)</u>	<u>( 21)</u>	<u>( 208,171)</u>	<u>( 26)</u>
6900	Operating profit	<u>142,709</u>	<u>13</u>	<u>86,753</u>	<u>11</u>
Non-operating income and expenses					
7100	Interest income	8,513	1	6,598	1
7010	Other income	5,332	-	10,697	1
7020	Other gains and losses	( 14,014)	( 1)	19,146	2
7050	Finance costs	( 330)	-	( 443)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	( 10,297)	( 1)	( 19,464)	( 2)
7000	Total non-operating income and expenses	<u>( 10,796)</u>	<u>( 1)</u>	<u>16,534</u>	<u>2</u>
7900	<b>Profit before income tax</b>	<u>131,913</u>	<u>12</u>	<u>103,287</u>	<u>13</u>
7950	Income tax expense	( 35,941)	( 3)	( 24,233)	( 3)
8200	<b>Profit for the year</b>	<u>\$ 95,972</u>	<u>9</u>	<u>\$ 79,054</u>	<u>10</u>
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(\$ 61)	-	\$ 279	-
8316	Total expenses, by nature	( 7,735)	-	28,194	3
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>12</u>	<u>-</u>	<u>( 98)</u>	<u>-</u>
8310	Components of other comprehensive income that will not be reclassified to profit or loss	<u>( 7,784)</u>	<u>-</u>	<u>28,375</u>	<u>3</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	( 8,200)	( 1)	8,186	1
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss	<u>( 8,200)</u>	<u>( 1)</u>	<u>8,186</u>	<u>1</u>
8300	<b>Total other comprehensive (loss) income for the year</b>	<u>( \$ 15,984)</u>	<u>( 1)</u>	<u>\$ 36,561</u>	<u>4</u>
8500	<b>Total comprehensive income for the year</b>	<u>\$ 79,988</u>	<u>8</u>	<u>\$ 115,615</u>	<u>14</u>
Basic earnings per share					
9750	Total basic earnings per share	<u>\$ 2.51</u>		<u>\$ 2.08</u>	
Diluted earnings per share					
9850	Total diluted earnings per share	<u>\$ 2.46</u>		<u>\$ 2.05</u>	

TONS LIGHTOLOGY INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												
	Capital		Capital Reserves			Retained Earnings			Other equity interest			Treasury shares	Total equity
	Share capital - common stock	Advance receipts for share capital	Additional paid-in capital	Treasury share transactions	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
<u>2020</u>													
Balance at January 1, 2020	\$ 401,253	\$ 303	\$ 505,787	\$ -	\$ 4,879	\$ 85,219	\$ 38,429	\$ 194,627	(\$ 81,791)	\$ 27,468	(\$ 33,992)	\$ 1,142,182	
Profit for the year	-	-	-	-	-	-	-	79,054	-	-	-	79,054	
Other comprehensive income for the year	-	-	-	-	-	-	-	223	8,186	28,152	-	36,561	
Total comprehensive income for the year	-	-	-	-	-	-	-	79,277	8,186	28,152	-	115,615	
Appropriation and distribution of 2019 retained earnings													
Legal reserve	-	-	-	-	-	10,580	-	( 10,580)	-	-	-	-	
Special reserve	-	-	-	-	-	-	15,894	( 15,894)	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	( 84,395)	-	-	-	( 84,395)	
Share-based payment transaction - employee stock options	1,470	662	4,958	-	369	-	-	-	-	-	-	7,459	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	54,130	-	( 54,130)	-	-	
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	( 46,629)	( 46,629)	
Retirement of treasury shares	( 6,000)	-	( 7,574)	-	-	-	-	( 4,311)	-	-	17,885	-	
Balance at December 31, 2020	\$ 396,723	\$ 965	\$ 503,171	\$ -	\$ 5,248	\$ 95,799	\$ 54,323	\$ 212,854	(\$ 73,605)	\$ 1,490	(\$ 62,736)	\$ 1,134,232	
<u>2021</u>													
Balance at January 1, 2021	\$ 396,723	\$ 965	\$ 503,171	\$ -	\$ 5,248	\$ 95,799	\$ 54,323	\$ 212,854	(\$ 73,605)	\$ 1,490	(\$ 62,736)	\$ 1,134,232	
Profit for the year	-	-	-	-	-	-	-	95,972	-	-	-	95,972	
Other comprehensive loss for the year	-	-	-	-	-	-	-	( 49)	( 8,200)	( 7,735)	-	( 15,984)	
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	95,923	( 8,200)	( 7,735)	-	79,988	
Appropriation and distribution of 2020 retained earnings													
Legal reserve	-	-	-	-	-	12,910	-	( 12,910)	-	-	-	-	
Special reserve	-	-	-	-	-	-	17,792	( 17,792)	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	( 91,108)	-	-	-	( 91,108)	
Share-based payment transaction - employee stock options	5,308	138	11,419	-	( 3,007)	-	-	-	-	-	-	13,858	
Treasury shares transferred to employees	-	-	-	1,287	-	-	-	-	-	-	14,372	15,659	
Balance at December 31, 2021	\$ 402,031	\$ 1,103	\$ 514,590	\$ 1,287	\$ 2,241	\$ 108,709	\$ 72,115	\$ 186,967	(\$ 81,805)	(\$ 6,245)	(\$ 48,364)	\$ 1,152,629	

TONS LIGHTOLOGY INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Years ended December 31	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 131,913	\$ 103,287
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	49,333	48,615
Depreciation - right - of - use asset	9,318	9,181
Amortisation	2,517	2,075
Expected credit loss	294	1,452
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	18,555	( 13,817 )
Interest expense - lease liability	330	443
Interest income	( 8,513 )	( 6,598 )
Dividend income	( 4,304 )	( 2,690 )
Wages and salaries - employee's compensation	1,935	1,773
Share of loss of associates and joint ventures accounted for under equity method	10,297	19,464
Gain on disposal of property, plant and equipment	( 1,419 )	( 133 )
Property, plant and equipment transferred to expenses	99	-
Unrealized foreign exchange (gain) loss	( 1,733 )	1,254
Provision for (reversal of) warranty expense	20	( 60 )
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	( 999 )	( 901 )
Accounts receivable, net	( 16,087 )	19,965
Accounts receivable due from related parties	518	( 331 )
Other receivables	( 4,742 )	2,552
Inventories	( 80,363 )	1,761
Prepayments	197	2,293
Other current assets	64	2,097
Changes in operating liabilities		
Notes payable	1	( 19 )
Accounts payable	15,933	7,409
Accounts payable to related parties	-	( 10,104 )
Other payables	1,945	( 13,500 )
Contract liabilities	8,403	9,762
Other current liabilities	1,854	( 36 )
Other non-current liabilities	( 12 )	( 2,010 )
Cash inflow generated from operations	135,354	183,184
Interest received	7,124	5,446
Dividend received	4,304	2,690
Interest paid	( 330 )	( 443 )
Income tax paid	( 26,922 )	( 14,878 )
Net cash flows from operating activities	<u>119,530</u>	<u>175,999</u>

(Continued)



TONS LIGHTOLOGY INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Years ended December 31	
	2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of financial assets at fair value through profit or loss	\$ -	(\$ 11,730)
Proceeds from disposal of financial assets at fair value through profit or loss	-	44,787
Increase in financial assets at amortised cost	( 10,782 )	( 115,027 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	102,682
Acquisition of investments accounted for using the equity method	( 15,000 )	-
Acquisition of property, plant and equipment	( 24,133 )	( 15,518 )
Proceeds from disposal of property, plant and equipment	1,643	210
Decrease (increase) in refundable deposits	177	( 146 )
Acquisition of intangible deposits	( 1,634 )	( 4,731 )
Increase in other non-current assets	( 5,486 )	( 1,718 )
Net cash flows used in investing activities	( 55,215 )	( 1,191 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Repayment of principal portion of lease liabilities	( 8,441 )	( 8,231 )
Cash dividends paid	( 91,108 )	( 84,395 )
Exercise of employee stock options	13,255	5,686
Treasury shares sold to employees	14,327	-
Repurchase of treasury stock	-	( 46,629 )
Net cash flows used in financing activities	( 71,967 )	( 133,569 )
Effect of exchange rate changes on cash equivalents	( 1,477 )	3,166
Net (decrease) increase in cash and cash equivalents	( 9,129 )	44,405
Cash and cash equivalents at beginning of year	353,565	309,160
Cash and cash equivalents at end of year	\$ 344,436	\$ 353,565

[Attachment 5]

Tons Lightology Inc.  
Profit Distribution Table  
Year 2021

Unit: NT\$

Net income – 2021	\$95,972,019
Less: Retained earnings adjusted amount - 2021	(48,840)
Less: 10% legal reserve	(9,592,318)
Less: special reserve	(15,935,424)
Distributable amount - 2021	\$70,395,437
Add: Unappropriated earnings - beginning	91,045,122
Accumulated distributable amount - 2021	\$161,440,559
Distributions:	
Shareholder dividend - Cash	81,631,312
Unappropriated earnings - ending	\$79,809,247
Remark: Cash dividend: NT\$2.10 per share	

Note 1: Retained earnings adjusted amount in 2021 for NT\$(48,840) was resulted from the re-valuation of the defined benefit plan.

Note 2: The Company set aside special reserve of NT\$15,935,424 according to the Order No. 1010012865 issued by the Securities and Futures Bureau, Financial Supervisory Commission on April 6, 2012, which stipulates that special reserve shall be set aside for the difference between the amount of special reserve set aside and the net equity deductions at the first-time adoption of IFRSs.

Note 3: On February 24, 2022, the Board of Directors resolved to distribute cash dividends at NT\$2.10 per share.

Note 4: The cash dividend per share was calculated in accordance with the outstanding 38,872,053 shares on February 24, 2022.

Chairman : TANG, SHIH-CHUAN

CEO : HUNG, CHIA-CHENG

CFO : WANG, CHIH-YUAN

**湯石照明科技股份有限公司**  
**公司章程修訂條文對照表**

Tons Lightology Inc.

Articles of Incorporation Amendment before and after

修正條文 Amend ed clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第八條 Article 8</p> <p>股東會分股東常會及股東臨時會二種，股東常會每年至少召開一次，於每會計年度終了後六個月內由董事會依法召開之，股東臨時會於必要時依法召集之。</p> <p>Shareholders' meetings are classified as general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is to be convened by the Board of Directors once a year within six months at the end of the fiscal year while extraordinary shareholders' meeting can be convened lawfully at anytime when it is necessary.</p> <p><u>本公司股東會開會時，得以視訊會議或其他經中央主管機關公告之方式為之。</u></p> <p><u>The Company may hold a shareholders' meeting using a visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>第八條 Article 8</p> <p>股東會分股東常會及股東臨時會二種，股東常會每年至少召開一次，於每會計年度終了後六個月內由董事會依法召開之，股東臨時會於必要時依法召集之。</p> <p>Shareholders' meetings are classified as general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is to be convened by the Board of Directors once a year within six months at the end of the fiscal year while extraordinary shareholders' meeting can be convened lawfully at anytime when it is necessary.</p>	<p>為使股東會召開之方式更具彈性，依據公司法第 172 條之 2 第 1 項規定修正。</p> <p>Amended based on Paragraph 1, Article 172-2 of the Company Act to add flexibility to the convention of a shareholders' meeting.</p>
<p>第廿八條 Article 28</p> <p>本章程由發起人會議經全體發人同意於中華民國八十一年八月十四日。第一次修訂於民國八十九年六月二十六日，第二次修訂於民國八十九年十一月二十日，第三次修訂於民國九十一年三月八日，第四次修訂於民國九十一年十一月二十五日，第五次修訂於民國九十二年二月十日，第六次修訂於民國九十五年三月七日，第七次修訂於民國九</p>	<p>第廿八條 Article 28</p> <p>本章程由發起人會議經全體發人同意於中華民國八十一年八月十四日。第一次修訂於民國八十九年六月二十六日，第二次修訂於民國八十九年十一月二十日，第三次修訂於民國九十一年三月八日，第四次修訂於民國九十一年十一月二十五日，第五次修訂於民國九十二年二月十日，第六次修訂於民國九十五年三月七日，第七次修訂於民國九</p>	<p>增列修訂日期 Add the date of amendment</p>

修正條文 Amend ed clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>十五年八月十日，第八次修訂於民國九十五年十月十二日，第九次修訂於民國九十六年四月二十九日，第十次修訂於民國九十六年五月十日，第十一次修訂於民國九十六年七月二十九日，第十二次修訂於民國九十六年十月八日，第十三次修訂於民國九十六年十二月三十一日，第十四次修訂於民國九十八年六月二十六日，第十五次修訂於民國一〇〇年五月二十三日，第十六次修訂於民國一〇一年六月二十日，第十七次修訂於民國一〇二年六月十日，第十八次修訂於民國一〇四年五月二十八日，第十九次修訂於民國一〇五年五月三十一日，第二十次修訂於民國一〇六年五月二十六日，第二十一次修訂於民國一〇七年五月三十日，第二十二次修訂於民國一〇八年五月二十九日，<u>第二十三次修訂於民國一〇一〇年五月二十六日</u>。</p> <p>The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1<sup>st</sup> amendment made on June 26, 2010. The 2<sup>nd</sup> amendment made on November 20, 2010. The 3<sup>rd</sup> amendment made on March 8, 2002. The 4<sup>th</sup> amendment made on November 25, 2002. The 5<sup>th</sup> amendment made on February 10, 2002. The 6<sup>th</sup> amendment made on March 7, 2006. The 7<sup>th</sup> amendment made on August 10, 2006. The 8<sup>th</sup> amendment made on October 12, 2006. The 9<sup>th</sup> amendment made on April 29, 2007. The 10<sup>th</sup> amendment made on May 10, 2007. The 11<sup>th</sup> amendment made on July 29, 2007.</p>	<p>十五年八月十日，第八次修訂於民國九十五年十月十二日，第九次修訂於民國九十六年四月二十九日，第十次修訂於民國九十六年五月十日，第十一次修訂於民國九十六年七月二十九日，第十二次修訂於民國九十六年十月八日，第十三次修訂於民國九十六年十二月三十一日，第十四次修訂於民國九十八年六月二十六日，第十五次修訂於民國一〇〇年五月二十三日，第十六次修訂於民國一〇一年六月二十日，第十七次修訂於民國一〇二年六月十日，第十八次修訂於民國一〇四年五月二十八日，第十九次修訂於民國一〇五年五月三十一日，第二十次修訂於民國一〇六年五月二十六日，第二十一次修訂於民國一〇七年五月三十日，第二十二次修訂於民國一〇八年五月二十九日。</p> <p>The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1<sup>st</sup> amendment made on June 26, 2010. The 2<sup>nd</sup> amendment made on November 20, 2010. The 3<sup>rd</sup> amendment made on March 8, 2002. The 4<sup>th</sup> amendment made on November 25, 2002. The 5<sup>th</sup> amendment made on February 10, 2002. The 6<sup>th</sup> amendment made on March 7, 2006. The 7<sup>th</sup> amendment made on August 10, 2006. The 8<sup>th</sup> amendment made on October 12, 2006. The 9<sup>th</sup> amendment made on April 29, 2007. The 10<sup>th</sup> amendment made on May 10, 2007. The 11<sup>th</sup> amendment made on July 29, 2007.</p>	

修正條文 Amend ed clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>The 12<sup>th</sup> amendment made on October 8, 2007. The 13<sup>th</sup> amendment made on December 31, 2007. The 14<sup>th</sup> amendment made on June 26, 2009. The 15<sup>th</sup> amendment made on May 23, 2011. The 16<sup>th</sup> amendment made on June 20, 2012. The 17<sup>th</sup> amendment made on June 10, 2013. The 18<sup>th</sup> amendment made on May 28, 2015. The 19<sup>th</sup> amendment made on May 31, 2016. The 20<sup>th</sup> amendment made on May 26, 2017. The 21<sup>st</sup> amendment made on May 30, 2018. The 22<sup>nd</sup> amendment will be made on May 29, 2019. <u>The 23<sup>rd</sup> amendment will be made on May 26, 2022</u></p>	<p>The 12<sup>th</sup> amendment made on October 8, 2007. The 13<sup>th</sup> amendment made on December 31, 2007. The 14<sup>th</sup> amendment made on June 26, 2009. The 15<sup>th</sup> amendment made on May 23, 2011. The 16<sup>th</sup> amendment made on June 20, 2012. The 17<sup>th</sup> amendment made on June 10, 2013. The 18<sup>th</sup> amendment made on May 28, 2015. The 19<sup>th</sup> amendment made on May 31, 2016. The 20<sup>th</sup> amendment made on May 26, 2017. The 21<sup>st</sup> amendment made on May 30, 2018. The 22<sup>nd</sup> amendment will be made on May 29, 2019.</p>	

**湯石照明科技股份有限公司  
股東會議事規範修訂條文對照表**

Tons Lightology Inc.

Rules of Procedure for Shareholder Meetings Amendment before and after

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第二條 Article 2</p> <p>本公司股東會除法令另有規定外，由董事會召集之。</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.</p> <p><u>本公司股東會召開方式之變更應經董事會決議，並最遲於股東會開會通知書寄發前為之。</u></p> <p><u>Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than the delivery of the shareholders' meeting notice.</u></p> <p>本公司應於股東常會開會三十日前或股東臨時會開會十五日前，將股東會開會通知書、委託書用紙、有關承認案、討論案、選任或解任董事事項等各項議案之案由及說明資料製作成電子檔案傳送至公開資訊觀測站。並於股東常會開會二十一日前或股東臨時會開會十五日前，將股東會議事手冊及會議補充資料，製作電子檔案傳送至公開資訊觀測站，<u>但本公司於最近會計年度終了日實收資本額達新臺幣一百億元以上或最近會計年度召開股東常會其股東名簿記載之外資及陸資持股比率合計達百分之三十以上者，</u></p>	<p>第二條 Article 2</p> <p>本公司股東會除法令另有規定外，由董事會召集之。</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.</p> <p>本公司應於股東常會開會三十日前或股東臨時會開會十五日前，將股東會開會通知書、委託書用紙、有關承認案、討論案、選任或解任董事事項等各項議案之案由及說明資料製作成電子檔案傳送至公開資訊觀測站。並於股東常會開會二十一日前或股東臨時會開會十五日前，將股東會議事手冊及會議補充資料，製作電子檔案傳送至公開資訊觀測站。股東會開會十五日前，備妥當次股東會議事手冊及會議補充資料，供股東隨時索閱，並陳列於本公司及本公司所委任之專業股務代理機構，<del>且應於股東會現場發放。</del></p>	<p>修正理由</p> <p>Reason for amendment</p> <p>配合「股份有限公司股東會議事規則」修訂</p> <p>Amend based on</p> <p>“Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>應於股東常會開會三十日前完成前開電子檔案之傳送</u>。股東會開會十五日前，備妥當次股東會議事手冊及會議補充資料，供股東隨時索閱，並陳列於本公司及本公司所委任之專業股務代理機構。</p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and 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. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. <u>However, if a company has paid-in capital of NT\$10 billion or more at the end of the most recent fiscal year or has 30% of its shares held by foreign and Mainland Chinese investors based on the shareholder register at the shareholders' meeting in the most recent fiscal year is more than 30%. it shall upload the electronic versions of such materials to the MOPS 30 days before the date of the regular shareholders' meeting.</u> In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and</p>	<p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and 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. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated <u>thereby as well as being distributed on-site at the meeting place.</u></p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated</p> <p><u>前項之議事手冊及會議補充資料，</u> <u>本公司於股東會開會當日應依下列</u> <u>方式提供股東參閱：</u> <u>The Company shall make the shareholders' meeting agenda and supplemental meeting materials mentioned in the preceding paragraph available for review by shareholders on the day of the regular shareholders' meeting in the following ways:</u></p> <p><u>一、召開實體股東會時，應於股東會現場發放。</u></p> <p><u>1. When a shareholders' meeting is held on-site, distribute at the meeting.</u></p> <p><u>二、召開視訊輔助股東會時，應於股東會現場發放，並以電子檔案傳送至視訊會議平台。</u></p> <p><u>2. When a video-assisted shareholders' meeting is held, distribute at the meeting and on the video-conferencing platform as electronic files.</u></p> <p><u>三、召開視訊股東會時，應以電子檔案傳送至視訊會議平台。</u></p> <p><u>3. When a shareholders' meeting is held via video conferencing, distribute on the video-conferencing platform as electronic files.</u></p> <p>以下略 (The following is omitted)</p>	<p>以下略 (The following is omitted)</p>	
<p>第三條 Article 3</p>	<p>第三條 Article 3</p>	<p>配合「股份有限公司股東</p>



修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p style="text-align: center;">以上略 (The above is omitted)</p> <p>委託書送達本公司後，股東欲親自出席股東會或欲以書面或電子方式行使表決權者，應於股東會開會二日前，以書面向本公司為撤銷委託之通知；逾期撤銷者，以委託代理人出席行使之表決權為準。</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><u>委託書送達本公司後，股東欲以視訊方式出席股東會，應於股東會開會二日前，以書面向本公司為撤銷委託之通知；逾期撤銷者，以委託代理人出席行使之表決權為準。</u></p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via video conferencing, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p style="text-align: center;">以上略 (The above is omitted)</p> <p>委託書送達本公司後，股東欲親自出席股東會或欲以書面或電子方式行使表決權者，應於股東會開會二日前，以書面向本公司為撤銷委託之通知；逾期撤銷者，以委託代理人出席行使之表決權為準。</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p style="text-align: center;">新增 Added</p>	<p>修正理由 Reason for amendment</p> <p>會議事規則」修訂 Amend based on “ Company limited Rules of Procedure for Shareholders Meetings”</p>
<p>第四條 Article 4</p> <p>股東會召開之地點，應於本公司所在地或便利股東出席且適合股東會召開之地點為之，會議開始時間不得早於上午九時或晚於下午三時，召開之地點及時間，應充分考量獨立董事之意見。</p>	<p>第四條 Article 4</p> <p>股東會召開之地點，應於本公司所在地或便利股東出席且適合股東會召開之地點為之，會議開始時間不得早於上午九時或晚於下午三時，召開之地點及時間，應充分考量獨立董事之意見。</p>	<p>配合「股份有限公司股東會議事規則」修訂 Amend based on “ Company</p>

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>本公司召開視訊股東會時，不受前項召開地點之限制。</u></p> <p><u>When the Company convenes a shareholders' meeting via video conferencing, it is not subject to the restrictions on the venue for a shareholders' meeting mentioned in the preceding paragraph.</u></p>	<p>The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p>limited Rules of Procedure for Shareholders Meetings”</p>
<p>第五條 Article 5</p> <p>本公司應於開會通知書載明受理<u>股東、徵求人、受託代理人（以下簡稱股東）</u>報到時間、報到處地點，及其他應注意事項。</p> <p>The Company shall specify in its shareholders' meeting notices the time during which <u>shareholder, solicitor, and proxy agent (shareholder)</u> attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>前項受理股東報到時間至少應於會議開始前三十分鐘辦理之；報到處應有明確標示，並派適足適任人員辦理之；<u>股東會視訊會議應於會議開始前三十分鐘，於股東會視訊會議平台受理報到，完成報到之股東，視為親自出席股東會。</u></p> <p>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</p>	<p>第五條 Article 5</p> <p>本公司應於開會通知書載明受理股東報到時間、報到處地點，及其他應注意事項。</p> <p>The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>前項受理股東報到時間至少應於會議開始前三十分鐘辦理之；報到處應有明確標示，並派適足適任人員辦理之。</p> <p>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 marked and a sufficient number of suitable personnel assigned to handle the registrations.</p>	<p>配合「股份有限公司股東會議事規則」修訂</p> <p>Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>shall be marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Where a shareholders' meeting is held via video conferencing, shareholders shall register on the video conferencing platform at least 30 minutes prior to the time the meeting commences. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.</u></p> <p>股東應憑出席證、出席簽到卡或其他出席證件出席股東會，本公司對股東出席所憑依之證明文件不得任意增列要求提供其他證明文件；屬徵求委託書之徵求人並應攜帶身分證明文件，以備核對。</p> <p>Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>本公司應設簽名簿供出席股東簽到，或由出席股東繳交簽到卡以代簽到。</p> <p>The Company 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.</p> <p>本公司應將議事手冊、年報、出席證、發言條、表決票及其他會議資料，交付予出席股東會之股東；有選舉董事者，應另附選舉票。</p> <p>The Company shall furnish attending</p>	<p>股東<del>本人或股東所委託之代理人</del> <del>(以下稱股東)</del>應憑出席證、出席簽到卡或其他出席證件出席股東會，本公司對股東出席所憑依之證明文件不得任意增列要求提供其他證明文件；屬徵求委託書之徵求人並應攜帶身分證明文件，以備核對。 Shareholders <del>and their proxies</del> <u>(collectively, "shareholders")</u> shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>本公司應設簽名簿供出席股東簽到，或由出席股東繳交簽到卡以代簽到。</p> <p>The Company 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.</p> <p>本公司應將議事手冊、年報、出席證、發言條、表決票及其他會議資料，交付予出席股東會之股東；有選舉董事者，應另附選舉票。</p> <p>The Company shall furnish attending shareholders with the meeting agenda</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>政府或法人為股東時，出席股東會之代表人不限於一人。法人受託出席股東會時，僅得指派一人代表出席。</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</p> <p><u>股東會以視訊會議召開者，股東欲以視訊方式出席者，應於股東會開會二日前，向本公司登記。</u></p> <p><u>Where a shareholders' meeting is held via video conferencing, shareholders who intend to attend by video conference shall register with the Company two days prior to the shareholders' meeting.</u></p> <p><u>股東會以視訊會議召開者，本公司至少應於會議開始前三十分鐘，將議事手冊、年報及其他相關資料上傳至股東會視訊會議平台，並持續揭露至會議結束。</u></p> <p><u>Where a shareholders' meeting is held via video conferencing, the Company shall upload the meeting handbook, annual report, and other materials to the video conferencing platform at least 30 minutes before the start of the shareholders' meeting and maintain their availability until the end of the meeting.</u></p>	<p>book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>政府或法人為股東時，出席股東會之代表人不限於一人。法人受託出席股東會時，僅得指派一人代表出席。</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</p> <p style="text-align: center;">新增 Added</p>	
<p><u>第五條之一 Article 5-1</u></p> <p><u>本公司召開股東會視訊會議，應於股東會召集通知載明下列事項：</u></p> <p><u>When the Company holds a</u></p>	<p style="text-align: center;">新增 Added</p>	<p>配合「股份有限公司股東會議事規則」修訂</p>

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p><u>shareholders' meeting via video conferencing, it shall specify the following matters in the shareholders' meeting notice:</u></p> <p><u>一、股東參與視訊會議及行使權利方法。</u></p> <p><u>1. Methods for shareholders to attend and exercise their rights in a shareholders' meeting via video conferencing.</u></p> <p><u>二、因天災、事變或其他不可抗力情事致視訊會議平台或以視訊方式參與發生障礙之處理方式，至少包括下列事項:</u></p> <p><u>2. Methods for handling obstacles to the video conferencing platform or attending a shareholders' meeting via video conferencing due to natural disasters, incidents, or other force majeure circumstances, including but not limited to:</u></p> <p><u>(一)發生前開障礙持續無法排除致須延期或續行會議之時間，及如須延期或續行集會時之日期。</u></p> <p><u>(1) Where the aforesaid obstacles cannot be removed, the inaugural shareholders' meeting may be postponed or reconvened, with the date of postponement or reconvention set if appropriate.</u></p> <p><u>(二)未登記以視訊參與原股東會之股東不得參與延期或續行會議。</u></p> <p><u>(2) Shareholders who have not registered to attend the inaugural shareholders' meeting via video conferencing shall not attend the postponement or reconvention of the meeting.</u></p> <p><u>(三)召開視訊輔助股東會，如無法續行視訊會議，經扣除以視訊方式參與股東會之出席</u></p>		<p>修正理由 Reason for amendment</p> <p>Amend based on “ Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>股數，出席股份總數達股東會開會之法定定額，股東會應繼續進行，以視訊方式參與股東，其出席股數應計入出席之股東股份總數，就該次股東會全部議案，視為棄權。</u></p> <p><u>(3) When the Company holds a video-assisted shareholders' meeting and fails to proceed with the video conference, the shareholders' meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by the shareholders attending via video conferencing, reaches the statutory quota for the shareholders' meeting. The number of shares held by the shareholders attending via video conferencing shall be included in the total number of shares held by the attending shareholders and deemed abstentions in all resolutions of the shareholders' meeting.</u></p> <p><u>(四) 遇有全部議案已宣布結果，而未進行臨時動議之情形，其處理方式。</u></p> <p><u>(4) Methods for handling in the event that all the motions have been declared results and no extemporary motion has been made.</u></p> <p><u>三、召開視訊股東會，並應載明對以視訊方式參與股東會有困難之股東所提供之適當替代措施。</u></p> <p><u>3. When convening a shareholders' meeting via video conferencing, the Company shall specify appropriate alternatives for shareholders who may have difficulty attending.</u></p>		

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第七條 Article 7</p> <p>本公司應於受理股東報到時起將股東報到過程、會議進行過程、投票計票過程全程連續不間斷錄音及錄影。</p> <p>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote-counting procedures.</p> <p>前項影音資料應至少保存一年。但經股東依公司法第一百八十九條提起訴訟者，應保存至訴訟終結為止。</p> <p>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.</p> <p><u>股東會以視訊會議召開者，本公司應對股東之註冊、登記、報到、提問、投票及公司計票結果等資料進行記錄保存，並對視訊會議全程連續不間斷錄音及錄影。</u></p> <p><u>When a shareholders' meeting is held via video conferencing, the Company shall record and retain the shareholders' registration, sign-in, attendance registration, questions, voting, and vote counting results and make an uninterrupted audio and video recording of the shareholders' meeting.</u></p> <p><u>前項資料及錄音錄影，本公司應於存續期間妥善保存，並將錄音錄影提供受託辦理視訊會議事務者保存。</u></p> <p><u>The materials and audio and video recordings mentioned in the preceding paragraph shall be properly retained by the Company throughout</u></p>	<p>第七條 Article 7</p> <p>本公司應於受理股東報到時起將股東報到過程、會議進行過程、投票計票過程全程連續不間斷錄音及錄影。</p> <p>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote-counting procedures.</p> <p>前項影音資料應至少保存一年。但經股東依公司法第一百八十九條提起訴訟者，應保存至訴訟終結為止。</p> <p>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.</p> <p style="text-align: center;">新增 Added</p>	<p>修正理由</p> <p>Reason for amendment</p> <p>配合「股份有限公司股東會議事規則」修訂</p> <p>Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p><u>the life of the Company, and the audio and video recordings shall be provided for institutions that are entrusted to handle video conferencing affairs for retention.</u></p> <p><u>股東會以視訊會議召開者，本公司宜對視訊會議平台後台操作介面進行錄音錄影。</u></p> <p><u>When a shareholders' meeting is held via video conferencing, the Company shall make the audio and video recording of the backend user interface of the video conferencing platform.</u></p>		
<p>第八條 Article 8</p> <p>股東會之出席，應以股份為計算基準。出席股數依簽名簿或繳交之簽到卡及<u>視訊會議平台報到股數</u>，加計以書面或電子方式行使表決權之股數計算之。</p> <p>Attendance at shareholders' meetings shall be calculated based on the 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 <u>and the number of shares registered on the video conferencing platform</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>已屆開會時間，主席應即宣布開會，<u>並同時公布無表決權數及出席股份數等</u>。惟未有代表已發行股份總數過半數之股東出席時，主席得宣布延後開會，其延後次數以二次為限，延後時間合計不得超過一小時。延後二次仍不足有代表已發行股份總數三分之一以上股東出席時，由主席宣布流會；<u>股東會以視訊會議召開者，本公司另應於股東會視訊會議平台公告流會</u>。</p> <p>The Chairman shall declare the</p>	<p>第八條 Article 8</p> <p>股東會之出席，應以股份為計算基準。出席股數依簽名簿或繳交之簽到卡，加計以書面或電子方式行使表決權之股數計算之。</p> <p>Attendance at shareholders' meetings shall be calculated based on the 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.</p> <p>已屆開會時間，主席應即宣布開會，惟未有代表已發行股份總數過半數之股東出席時，主席得宣布延後開會，其延後次數以二次為限，延後時間合計不得超過一小時。延後二次仍不足有代表已發行股份總數三分之一以上股東出席時，由主席宣布流會。</p> <p>The Chairman shall declare the meeting in session when it is meeting time. However, if the attending shareholders have less than majority</p>	<p>配合「股份有限公司股東會議事規則」修訂</p> <p>Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>



修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p>meeting in session <u>and the number of non-voting shares and the number of shares held by attending shareholders</u> when it is meeting time. However, if the attending shareholders have less than majority shareholding, the Chairman may declare to have the meeting postponed, but it is limited to two postpones and for less than one hour together. 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 chairman shall declare the meeting adjourned. <u>If a shareholders' meeting is held via video conferencing, the Company shall announce the adjournment of the shareholders' meeting on the video conferencing platform.</u></p> <p>前項延後二次仍不足額而有代表已發行股份總數三分之一以上股東出席時，得依公司法第一百七十五條第一項規定為假決議，並將假決議通知各股東於一個月內再行召集股東會；<u>股東會以視訊會議召開者，股東欲以視訊方式出席者，應依第六條向本公司重行登記。</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month; <u>if a shareholders meeting is held via video conferencing, shareholders who intend to attend via video conferencing shall re-register with the Company in accordance with Article</u></p>	<p>shareholding, the Chairman may declare to have the meeting postponed, but it is limited to two postpones and for less than one hour together. 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 chairman shall declare the meeting adjourned.</p> <p>前項延後二次仍不足額而有代表已發行股份總數三分之一以上股東出席時，得依公司法第一百七十五條第一項規定為假決議，並將假決議通知各股東於一個月內再行召集股東會。</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p>	

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p><u>6.</u> 於當次會議未結束前，如出席股東所代表股數達已發行股份總數過半數時，主席得將作成之假決議，依公司法第一百七十四條規定重新提請股東會表決。 If the attending shareholders had a majority of the shareholding before the end of the shareholders' meeting, the Chairman may have the pseudo-resolution presented in the meeting for resolution again in accordance with Article 174 of the Company Law.</p>	<p>於當次會議未結束前，如出席股東所代表股數達已發行股份總數過半數時，主席得將作成之假決議，依公司法第一百七十四條規定重新提請股東會表決。 If the attending shareholders had a majority of the shareholding before the end of the shareholders' meeting, the Chairman may have the pseudo-resolution presented in the meeting for resolution again in accordance with Article 174 of the Company Law.</p>	
<p>第十條 Article 10 以上略 (The above is omitted)</p> <p>出席股東發言後，主席得親自或指定相關人員答覆。 The Chairman may respond to or appoint the responsible personnel to respond to the speech given by the shareholders.</p> <p><u>股東會以視訊會議召開者，以視訊方式參與之股東，得於主席宣布開會後，至宣布散會前，於股東會視訊會議平台以文字方式提問，每一議案提問次數不得超過兩次，每次以二百字為限，不適用第一項至第五項規定。</u> <u>If a shareholders' meeting is held via video conferencing, shareholders attending via video conferencing may ask questions in text form on the video conferencing platform after the chairman declares the commencement of the meeting and before the chairman declares the adjournment of the meeting. The number of questions asked for each motion shall not exceed two, with each question limited to 200 words. The provisions of Paragraphs 1 to 5 shall not apply.</u></p>	<p>第十條 Article 10 以上略 (The above is omitted)</p> <p>出席股東發言後，主席得親自或指定相關人員答覆。 The Chairman may respond to or appoint the responsible personnel to respond to the speech given by the shareholders.</p> <p style="text-align: center;">新增 Added</p>	<p>配合「股份有限公司股東會議事規則」修訂 Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>前項提問未違反規定或未超出議案範圍者，宜將該提問揭露於股東會視訊會議平台，以為周知。</u></p> <p><u>If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the motion, it is advisable to make the question public on the video conferencing platform.</u></p>		
<p>第十二條 Article 12</p> <p>以上略 (The above is omitted)</p> <p>股東以書面或電子方式行使表決權後，如欲親自<u>或以視訊方式</u>出席股東會者，應於股東會開會二日前以與行使表決權相同之方式撤銷前項行使表決權之意思表示；逾期撤銷者，以書面或電子方式行使之表決權為準。如以書面或電子方式行使表決權並以委託書委託代理人出席股東會者，以委託代理人出席行使之表決權為準。</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person <u>or via video conferencing</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting</p>	<p>第十二條 Article 12</p> <p>以上略 (The above is omitted)</p> <p>股東以書面或電子方式行使表決權後，如欲親自出席股東會者，應於股東會開會二日前以與行使表決權相同之方式撤銷前項行使表決權之意思表示；逾期撤銷者，以書面或電子方式行使之表決權為準。如以書面或電子方式行使表決權並以委託書委託代理人出席股東會者，以委託代理人出席行使之表決權為準。</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised 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</p>	<p>配合「股份有限公司股東會議事規則」修訂</p> <p>Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>rights exercised by the proxy in the meeting shall prevail.</p> <p>第四項~第八項略 (Item 4~item 8 are Omitted)</p> <p><u>本公司召開股東會視訊會議，以視訊方式參與之股東，於主席宣布開會後，應透過視訊會議平台進行各項議案表決及選舉議案之投票，並應於主席宣布投票結束前完成，逾時者視為棄權。</u></p> <p><u>When the Company convenes a shareholders' meeting via video conferencing, shareholders attending via video conferencing shall vote on the motions and the election on the video conferencing platform after the chairman announces the commencement of the meeting and before the chairman announces the close of voting. Failure to do so will be deemed abstention.</u></p> <p><u>股東會以視訊會議召開者，應於主席宣布投票結束後，為一次性計票，並宣布表決及選舉結果。</u></p> <p><u>If a shareholders' meeting is held via video conferencing, the votes shall be counted at one time after the chairman announces the close of voting, and the voting and election results shall be announced thereafter.</u></p> <p><u>本公司召開視訊輔助股東會時，已依第六條規定登記以視訊方式出席股東會之股東，欲親自出席實體股東會者，應於股東會開會二日前，以與登記相同之方式撤銷登記；逾期撤銷者，僅得以視訊方式出席股東會。</u></p> <p><u>When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conferencing in accordance</u></p>	<p>meeting shall prevail.</p> <p>第四項~第八項略 (Item 4~item 8 are Omitted)</p> <p>新增 Added</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>with Article 6 and intend to attend the shareholders' meeting in person shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; those who fail to cancel the registration within the time limit may only attend the shareholders' meeting via video conferencing.</u></p> <p><u>以書面或電子方式行使表決權，未撤銷其意思表示，並以視訊方式參與股東會者，除臨時動議外，不得再就原議案行使表決權或對原議案提出修正或對原議案之修正行使表決權。</u></p> <p><u>Those who exercise their voting rights in writing or electronically without revoking their intentions and attend the shareholders' meeting by video conferencing shall not exercise their voting rights on the original motion, propose amendments to the original motion, or exercise the voting rights for amendments to the original motion, except for extemporary motions.</u></p>		
<p>第十四條 Article 14</p> <p>以上略 (The above is omitted)</p> <p><u>股東會以視訊會議召開者，其議事錄除依前項規定應記載事項外，並應記載股東會之開會起迄時間、會議之召開方式、主席及紀錄之姓名，及因天災、事變或其他不可抗力情事致視訊會議平台或以視訊方式參與發生障礙時之處理方式及處理情形。</u></p> <p><u>If a shareholders' meeting is held via video conferencing, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting, the method of</u></p>	<p>第十四條 Article 14</p> <p>原條文略 (The following is omitted)</p> <p>新增 Added</p>	<p>配合「股份有限公司股東會議事規則」修訂 Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p><u>convening the meeting, and the name of the chairman and the minute taker, as well as the methods and results of handling in the event of obstacles to the video conferencing platform or attendance via video conferencing caused by natural disasters, incidents or other force majeure circumstances, in addition to matters that shall be recorded in the preceding paragraph.</u></p> <p>本公司召開視訊股東會，除應依前項規定辦理外，並應於議事錄載明，對於以視訊方式參與股東會有困難股東提供之替代措施。</p> <p><u>When the Company convenes a shareholders' meeting via video conferencing, it shall specify in the minutes of the meeting the alternatives provided for shareholders who have difficulty attending the meeting via video conferencing while complying with the provisions of the preceding paragraph.</u></p>		
<p>第十五條 Article 15</p> <p>徵求人徵得之股數、受託代理人代理之股數<u>及股東以書面或電子方式出席之股數</u>，本公司應於股東會開會當日，依規定格式編造之統計表，於股東會場內為明確之揭示；<u>股東會以視訊會議召開者，本公司至少應於會議開始前三十分鐘，將前述資料上傳至股東會視訊會議平台，並持續揭露至會議結束。</u></p> <p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, <u>and the number of shares held by the attending shareholders in writing or electronically,</u> and shall make an express disclosure of the same at the place of the shareholders' meeting. <u>If</u></p>	<p>第十五條 Article 15</p> <p>徵求人徵得之股數<u>及</u>受託代理人代理之股數，本公司應於股東會開會當日，依規定格式編造之統計表，於股東會場內為明確之揭示。</p> <p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</p>	<p>配合「股份有限公司股東會議事規則」修訂</p> <p>Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p><u>a shareholders' meeting is held via video conferencing, the Company shall upload the aforesaid material to the video conferencing platform at least 30 minutes before the start of the shareholders' meeting and maintain its availability until the end of the meeting.</u></p> <p><u>本公司召開股東會視訊會議，宣布開會時，應將出席股東股份總數，揭露於視訊會議平台。如開會中另有統計出席股東之股份總數及表決權數者，亦同。</u></p> <p><u>When the Company announces the commencement of a shareholders' meeting via video conferencing, it shall disclose the total number of shares held by attending shareholders on the video conferencing platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting is counted during the meeting.</u></p> <p>股東會決議事項，如有屬法令規定、財團法人中華民國證券櫃檯買賣中心規定之重大訊息者，本公司應於規定時間內，將內容傳輸至公開資訊觀測站。</p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taipei Exchange regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>股東會決議事項，如有屬法令規定、財團法人中華民國證券櫃檯買賣中心規定之重大訊息者，本公司應於規定時間內，將內容傳輸至公開資訊觀測站。</p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taipei Exchange regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	
<p><u>第十八條 Article 18</u></p> <p><u>股東會以視訊會議召開者，本公司應於投票結束後，即時將各項議案表決結果及選舉結果，依規定揭露於股東會視訊會議平台，並應於主席宣布散會後，持續揭露至少十五</u></p>	<p>新增 Added</p>	<p>配合「股份有限公司股東會議事規則」修訂 Amend based on “Company limited Rules of Procedure</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>分鐘。</u>  <u>If a shareholders' meeting is held via video conferencing, the Company shall immediately disclose the voting results of the motions and the election results on the video conferencing platform in accordance with the regulations and maintain their availability for at least 15 years after the chairman announces the adjournment of the meeting.</u></p>		for Shareholders Meetings”
<p><u>第十九條 Article 19</u>  <u>本公司召開視訊股東會時，主席及紀錄人員應在國內之同一地點，主席並應於開會時宣布該地點之地址。</u>  <u>When the Company holds a shareholders' meeting via video conferencing, the chairman and the minute taker shall be at the same place in Taiwan, and the chairman shall announce the address of the place at the time of the meeting.</u></p>	新增 Added	配合「股份有限公司股東會議事規則」修訂 Amend based on “Company limited Rules of Procedure for Shareholders Meetings”
<p><u>第二十條 Article 20</u>  <u>股東會以視訊會議召開者，本公司得於會前提供股東簡易連線測試，並於會前及會議中即時提供相關服務，以協助處理通訊之技術問題。</u>  <u>If a shareholders' meeting is held via video conferencing, the Company may provide a simple connection test for shareholders before the meeting and also render related services immediately before and during the meeting to help shareholders solve telecommunication problems.</u>  <u>股東會以視訊會議召開者，主席應於宣布開會時，另行宣布除公開發行股票公司股務處理準則第四十四條之二十四第四項所定無須延期或續行集會情事外，於主席宣布散會前，因天災、事變或其他不可抗力情事，致視訊會議平台或以視訊方式參與發生障礙，持續達三十分鐘</u></p>	新增 Added	配合「股份有限公司股東會議事規則」修訂 Amend based on “Company limited Rules of Procedure for Shareholders Meetings”



修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>以上時，應於五日內延期或續行集會之日期，不適用公司法第一百八十二條之規定。</u></p> <p><u>If a shareholders' meeting is held via video conferencing, the chairman shall, when announcing the commencement of the meeting, separately announce that, due to an obstacle to the video conferencing platform or attendance via video conferencing caused by natural disasters, incidents, or other force majeure events, which lasts for more than 30 minutes, before the chairman announces the adjournment of the meeting, the shareholders' meeting shall be postponed or reconvened within five days, except for the circumstances where there is no need for postponement or reconvention of the shareholders' meeting as stipulated in Paragraph 24, Article 44-24 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Article 182 of the Company Act does not apply.</u></p> <p><u>發生前項應延期或續行會議，未登記以視訊參與原股東會之股東，不得參與延期或續行會議。</u></p> <p><u>Where the inaugural shareholders' meeting is postponed or reconvened as mentioned in the preceding paragraph, shareholders who have not registered to attend the inaugural shareholders' meeting via video conferencing shall not attend the meeting that is postponed or reconvened.</u></p> <p><u>依第二項規定應延期或續行會議，已登記以視訊參與原股東會並完成報到之股東，未參與延期或續行會議者，其於原股東會出席之股數、已行使之表決權及選舉權，應計入延期或續行會議出席股東之股份總</u></p>		

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>數、表決權數及選舉權數。</u></p> <p><u>When the shareholders' meeting shall be adjourned or reconvened in accordance with Paragraph 2, if shareholders who have registered to attend the inaugural shareholders' meeting via video conferencing and have completed the attendance registration fail to attend the meeting that is adjourned or reconvened, the number of shares held by them and their voting rights and election rights exercised at the inaugural shareholders' meeting shall be included in the total number of shares and voting rights and election rights of the shareholders attending the meeting that is adjourned or reconvened.</u></p> <p><u>依第二項規定辦理股東會延期或續行集會時，對已完成投票及計票，並宣布表決結果或董事、監察人當選名單之議案，無須重行討論及決議。</u></p> <p><u>When a shareholders' meeting is postponed or reconvened in accordance with Paragraph 2, it is not necessary to once again discuss and resolve the motions whose voting and counting of votes have been completed, with the voting results or the list of elected directors and supervisors announced.</u></p> <p><u>本公司召開視訊輔助股東會，發生第二項無法續行視訊會議時，如扣除以視訊方式出席股東會之出席股數後，出席股份總數仍達股東會開會之法定定額者，股東會應繼續進行，無須依第二項規定延期或續行集會。</u></p> <p><u>When the Company holds a video-assisted shareholders' meeting and fails to proceed with the video conference as prescribed in Paragraph 2, the shareholders' meeting shall</u></p>		

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>continue if the number of shares held by the attending shareholders, after deducting the number of shares held by the shareholders attending via video conferencing, reaches the statutory quota for the shareholders' meeting. There is no need to postpone or reconvene the shareholders' meeting in accordance with Paragraph 2.</u></p> <p><u>發生前項應繼續進行會議之情事，以視訊方式參與股東會股東，其出席股數應計入出席股東之股份總數，惟就該次股東會全部議案，視為棄權。</u></p> <p><u>If a shareholders' meeting shall continue in accordance with the preceding paragraph, the number of shares held by shareholders who attend the shareholders' meeting via video conferencing shall be included in the total number of shares held by attending shareholders; however, shareholders who attend the shareholders' meeting via video conferencing shall be deemed abstention in all resolutions of the shareholders' meeting.</u></p> <p><u>本公司依第二項規定延期或續行集會，應依公開發行股票公司股務處理準則第四十四條之二十七項所列規定，依原股東會日期及各該條規定辦理相關前置作業。</u></p> <p><u>When the Company postpones or reconvenes the shareholders' meeting in accordance with Paragraph 2, it shall make preparations based on the date of the inaugural shareholders' meeting and in accordance with Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>公開發行公司出席股東會使用委託書規則第十二條後段及第十三條第</u></p>		

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p><u>三項、公開發行股票公司股務處理準則第四十四條之五第二項、第四十四條之十五、第四十四條之十七第一項所定期間，本公司應依第二項規定延期或續行集會之股東會日期辦理。</u></p> <p><u>The Company shall base the period prescribed in the latter part of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies on the date of the shareholders' meeting postponed or reconvened in accordance with Paragraph 2.</u></p>		
<p><u>第二十一條 Article 21</u></p> <p><u>本公司召開視訊股東會時，應對於以視訊方式出席股東會有困難之股東，提供適當替代措施。</u></p> <p><u>When the Company convenes a shareholders' meeting via video conferencing, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders' meeting by video conferencing.</u></p>	<p>新增 Added</p>	<p>配合「股份有限公司股東會議事規則」修訂 Amend based on “Company limited Rules of Procedure for Shareholders Meetings”</p>
<p><u>第二十二條 Article 22</u></p> <p>本規範制訂於中華民國九十七年六月二十七日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於民國一〇二年六月十日，第三次修訂於民國一〇四年五月二十八日，第四次修訂於民國一〇七年五月三十日，第五次修訂於民國一一〇年八月十九日，<u>第六次修訂於民國一一一年五月二十六日。</u></p> <p>The “Rules of Procedure for Shareholders’ Meeting” was enacted on June 27, 2008. The 1<sup>st</sup> amendment</p>	<p><u>第十八條 Article 18</u></p> <p>本規範制訂於中華民國九十七年六月二十七日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於民國一〇二年六月十日，第三次修訂於民國一〇四年五月二十八日，第四次修訂於民國一〇七年五月三十日，第五次修訂於民國一一〇年八月十九日。</p> <p>The “Rules of Procedure for Shareholders’ Meeting” was enacted on June 27, 2008. The 1<sup>st</sup> amendment</p>	<p>增列修訂日期 Add the date of amendment</p>

修正條文 Amended clause	現行條文條文 Clause before amendment	修正理由 Reason for amendment
<p>was made on June 26, 2009. The 2<sup>nd</sup> amendment was made on June 10, 2013. The 3<sup>rd</sup> amendment was made on May 28, 2015. The 4<sup>th</sup> amendment was made on May 30, 2018. The 5<sup>th</sup> amendment was made on August 19, 2021. <u>The 6<sup>th</sup> amendment was made on May 26, 2022.</u></p>	<p>was made on June 26, 2009. The 2<sup>nd</sup> amendment was made on June 10, 2013. The 3<sup>rd</sup> amendment was made on May 28, 2015. The 4<sup>th</sup> amendment was made on May 30, 2018. The 5<sup>th</sup> amendment was made on August 19, 2021.</p>	

**湯石照明科技股份有限公司**  
**取得或處分資產處理程序修訂條文對照表**

Tons Lightology Inc.

Procedures for the Acquisition and Disposal of Assets Amendment  
before and after

修正條文	現行條文	修正理由
<p>第四條 評估程序及價格決定方式 Article 4 Appraisal Procedures and Means of Price Determination</p> <p>一、有價證券投資 1. Investment in Securities</p> <p>取得或處分有價證券，除符合下列規定外，應於事實發生日前取具標的公司最近期經會計師查核簽證或核閱之財務報表作為評估交易價格之參考，另交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前洽請會計師就交易價格之合理性表示意見： Except for securities that meet any of the following requirements, the Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.</p>	<p>第四條 評估程序及價格決定方式 Article 4 Appraisal Procedures and Means of Price Determination</p> <p>(一)有價證券投資 1. Investment in Securities</p> <p>取得或處分有價證券，除符合下列規定外，應於事實發生日前取具標的公司最近期經會計師查核簽證或核閱之財務報表作為評估交易價格之參考，另交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前洽請會計師就交易價格之合理性表示意見<del>會計師若需採用專家報告者，應依財團法人中華民國會計研究發展基金會(以下簡稱會計研究發展基金會)所發布之審計準則公報第二十號規定辦理：</del> Except for securities that meet any of the following requirements, the Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <del>If the CPA needs to use the report of an expert as evidence, the</del></p>	<p>配合取處準則修正 Amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

修正條文	現行條文	修正理由
<p>以下略 (The following is omitted)</p> <p>二、不動產、設備或其使用權資產 2. Real Property, Equipment or right-of-use assets</p> <p>以下略 (The following is omitted)</p> <p>(四)專業估價者之估價結果有下列情形之一者，除取得資產之估價結果均高於交易金額，或處分資產之估價結果均低於交易金額外，應洽請會計師對差異原因及交易價格之允當性表示具體意見：</p> <p>(4) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p><del>CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (hereinafter referred to as ARDF).</del></p> <p>以下略 (The following is omitted)</p> <p>二、不動產、設備或其使用權資產 2. Real Property, Equipment or right-of-use assets</p> <p>以下略 (The following is omitted)</p> <p>(四)專業估價者之估價結果有下列情形之一者，除取得資產之估價結果均高於交易金額，或處分資產之估價結果均低於交易金額外，應洽請會計師<u>依會計研究發展基金會所發布之審計準則公報第二十號規定辦理，並</u>對差異原因及交易價格之允當性表示具體意見：</p> <p>(4) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <del>in accordance with the provisions of Statement of Auditing Standards No. 20 published by ARDF</del> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the</p>	

修正條文	現行條文	修正理由
<p>1. 估價結果與交易金額差距達交易金額之百分之二十以上者。</p> <p>2. 二家以上專業估價者之估價結果差距達交易金額百分之十以上</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(五)專業估價者出具報告日期與契約成立日期不得逾三個月。但如其適用同一期公告現值且未逾六個月者，得由原專業估價者出具意見書。</p> <p>(5) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>二、會員證、無形資產或其使用權資產</p> <p>3. Memberships, Intangible Assets or right-of-use assets 取得或處分會員證，應事先收集相關價格資訊，並以比價或議價方式擇一為之；取得或處分無形資產，亦應事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。</p>	<p>transaction price:</p> <p>1. 估價結果與交易金額差距達交易金額之百分之二十以上者。</p> <p>2. 二家以上專業估價者之估價結果差距達交易金額百分之十以上</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(五)專業估價者<u>契約成立日前估價者</u>，出具報告日期與契約成立日期不得逾三個月。但如其適用同一期公告現值且未逾六個月者，得由原專業估價者出具意見書。</p> <p>(5) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>三、會員證、無形資產或其使用權資產</p> <p>3. Memberships, Intangible Assets or right-of-use assets 取得或處分會員證，應事先收集相關價格資訊，並以比價或議價方式擇一為之；取得或處分無形資產，亦應事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。</p>	



修正條文	現行條文	修正理由
<p>Where the Company acquires or disposes of memberships, it shall collect the information on prices in advance and determine the trading price by either comparison or negotiation; where the Company acquires or disposes of intangible assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.</p> <p>取得或處分會員證、無形資產或其使用權資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，除與國內政府機關交易外，應於事實發生日前應洽請會計師就交易價格之合理性表示意見。</p> <p>Where the Company acquires or disposes of memberships, intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>以下略 (The following is omitted)</p> <p>前項人員於出具估價報告或意見書時，應依其所屬各同業公會之自律規範及下列事項辦理：</p>	<p>Where the Company acquires or disposes of memberships, it shall collect the information on prices in advance and determine the trading price by either comparison or negotiation; where the Company acquires or disposes of intangible assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.</p> <p>取得或處分會員證、無形資產或其使用權資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，除與國內政府機關交易外，應於事實發生日前應洽請會計師就交易價格之合理性表示意見，<u>會計師並應依會計研究發展基金會所發布之審計準則公報第二十號規定辦理。</u></p> <p>Where the Company acquires or disposes of memberships, intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <del>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</del></p> <p>以下略 (The following is omitted)</p> <p>前項人員於出具估價報告或意見書時，應依下列事項辦理： The personnel specified in the preceding Paragraph shall produce the</p>	

修正條文	現行條文	修正理由
<p>The personnel specified in the preceding Paragraph shall produce the appraisal reports or comments by <u>the self-regulation of the trade associations to which they belong and</u> considering the following:</p> <p>(一)承接案件前，應審慎評估自身專業能力、實務經驗及獨立性。</p> <p>(1)Their own professional capacity, experiences and independence before accepting the appraisal contract.</p> <p>(二)<u>執行</u>案件時，應妥善規劃及執行適當作業流程，以形成結論並據以出具報告或意見書；並將所執执行程序、蒐集資料及結論，詳實登載於案件工作底稿。</p> <p>(2)Adequate planning and operation procedures shall be implemented during the <u>execution of the appraisal contract</u> to produce evidence-based appraisal results and reports, and attach all the implemented procedures, collected data and results as the working paper without reserving any content.</p> <p>(三)對於所使用之資料來源、參數及資訊等，應逐項評估其<u>適當性</u>及合理性，以做為出具估價報告或意見書之基礎。</p> <p>(3)The <u>appropriateness</u> and rationality of data source, parameters and information shall be prudently evaluated one by one to serve as solid base for the production of appraisal results and reports.</p> <p>(四)聲明事項，應包括相關人員具備專業性與獨立性、已評估所使用之資訊為<u>適當且</u>合理及遵循相關法令等事項。</p>	<p>appraisal reports or comments by considering the following:</p> <p>(一)承接案件前，應審慎評估自身專業能力、實務經驗及獨立性。</p> <p>(1)Their own professional capacity, experiences and independence before accepting the appraisal contract.</p> <p>(二)<u>查核</u>案件時，應妥善規劃及執行適當作業流程，以形成結論並據以出具報告或意見書；並將所執执行程序、蒐集資料及結論，詳實登載於案件工作底稿。</p> <p>(2)Adequate planning and operation procedures shall be implemented during the <u>examination</u> to produce evidence-based appraisal results and reports, and attach all the implemented procedures, collected data and results as the working paper without reserving any content.</p> <p>(三)對於所使用之資料來源、參數及資訊等，應逐項評估其<u>完整性、正確性</u>及合理性，以做為出具估價報告或意見書之基礎。</p> <p>(3)The <u>integrity, accuracy</u> and rationality of data source, parameters and information shall be prudently evaluated one by one to serve as solid base for the production of appraisal results and reports.</p> <p>(四)聲明事項，應包括相關人員具備專業性與獨立性、已評估所使用之資訊為合理與<u>正確</u>及遵循相關法令等事項。</p> <p>(4)The content of the disclaimer</p>	

修正條文	現行條文	修正理由
<p>(4)The content of the disclaimer shall include those claiming the professionalism and independence of relevant personnel, the <u>appropriateness</u> and rationality of information used and the applied legal regulations.</p> <p>以下略 (The following is omitted)</p>	<p>shall include those claiming the professionalism and independence of relevant personnel, the rationality and <u>correctness</u> of information used and the applied legal regulations.</p> <p>以下略 (The following is omitted)</p>	
<p>第九條 公告申報程序 Article 9 Public Announcement and Regulatory Filing Procedures</p> <p>以上略 (The above is omitted)</p> <p>七、除前六款以外之資產交易、金融機構處分債權或從事大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上。但下列情形不在此限：</p> <p>7.Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(一)買賣國內公債或信用評等不低於我國主權評等等級之外國公債。</p> <p>(1)Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than the country's sovereign credit rating.</u></p> <p>(二)以投資為專業者，於證券交易所或證券商營業處所為之有價證券買賣，或於初級市場認購<u>外國公債</u>或募集發</p>	<p>第九條 公告申報程序 Article 9 Public Announcement and Regulatory Filing Procedures</p> <p>以上略 (The above is omitted)</p> <p>七、除前六款以外之資產交易、金融機構處分債權或從事大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上。但下列情形不在此限：</p> <p>7.Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(一)買賣國內公債。</p> <p>(1)Trading of domestic government bonds.</p> <p>(二)以投資為專業者，於證券交易所或證券商營業處所為之有價證券買賣，或於初級市場認購募集發行之普通公</p>	<p>配合取處準則修正 Amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

修正條文	現行條文	修正理由
<p>行之普通公司債及未涉及股權之一般金融債券（不含次順位債券），或申購或買回證券投資信託基金，或期貨信託基金，<u>或申購或賣回指數投資證券</u>，或證券商因承銷業務需要、擔任興櫃公司輔導推薦證券商依財團法人中華民國證券櫃檯買賣中心規定認購之有價證券。</p> <p>(2)Securities trading by investment professionals on securities exchanges or over-the-counter markets, or subscription <u>foreign government bonds or</u> of corporate bonds and general financial bonds not involving no equity in the primary market (excluding subordinated debt), or purchase or repurchase of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange-traded notes</u> or securities by a securities firm due to business needs or a securities firm recommended for listed companies at the emerging stock market in accordance with the regulations of Taipei Exchange.</p> <p>以下略 (The following is omitted)</p>	<p>司債及未涉及股權之一般金融債券（不含次順位債券），或申購或買回證券投資信託基金或期貨信託基金，或證券商因承銷業務需要、擔任興櫃公司輔導推薦證券商依財團法人中華民國證券櫃檯買賣中心規定認購之有價證券。</p> <p>(2)Securities trading by investment professionals on securities exchanges or over-the-counter markets, or subscription of corporate bonds and general financial bonds not involving no equity in the primary market (excluding subordinated debt), or purchase or repurchase of securities investment trust funds or futures trust funds, or securities by a securities firm due to business needs or a securities firm recommended for listed companies at the emerging stock market in accordance with the regulations of Taipei Exchange.</p> <p>以下略 (The following is omitted)</p>	
<p>第十五條 決議程序 Article 15 Resolution Procedures</p> <p>以上略 (The above is omitted)</p>	<p>第十五條 決議程序 Article 15 Resolution Procedures</p> <p>以上略 (The above is omitted)</p> <p>前項交易金額之計算，應依第九條第二項規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本處理程序規定提交審計委員會及董事會通過部分免再計入。</p>	<p>配合取處準則修正 Amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

修正條文	現行條文	修正理由
<p>本公司與子公司或直接或間接持有百分之百已發行股份或資本總額之子公司彼此間從事，取得或處分供營業使用之設備或其使用權資產及供營業使用之不動產之使用權資產交易，董事會得授權董事長達公司實收資本額百分之二十五以下先行決行，事後再提報最近期之董事會追認。</p> <p>With respect to the acquisition or disposal of business-use equipment or transaction of the right-to-use assets and right-to-use assets of real estates for business operation between the Company and its subsidiaries or between subsidiaries holding 100% of the issued stock or capital amount, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is less than 25% of paid-in capital and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>依規定提報董事會討論時，應充分考量各獨立董事之意見，獨立董事如有反對意見，應於董事會議事錄載明。</p> <p>When a matter is submitted for discussion by the board of directors according to related regulations, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses</p>	<p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein, and “within the preceding year” as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the board of directors need not be counted toward the transaction amount.</p> <p>本公司與子公司或直接或間接持有百分之百已發行股份或資本總額之子公司彼此間從事，取得或處分供營業使用之設備或其使用權資產及供營業使用之不動產之使用權資產交易，董事會得授權董事長<u>新台幣參仟萬元以上至</u>達公司實收資本額百分之二十五以下先行決行，事後再提報最近期之董事會追認。</p> <p>With respect to the acquisition or disposal of business-use equipment or transaction of the right-to-use assets and right-to-use assets of real estates for business operation between the Company and its subsidiaries or between subsidiaries holding 100% of the issued stock or capital amount, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is less than 25% of paid-in capital and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>依規定提報董事會討論時，應充分考量各獨立董事之意見，獨立董事如有反對意見，應於董事會議事錄載明。</p> <p>When a matter is submitted for discussion by the board of directors according to related regulations, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses</p>	

修正條文	現行條文	修正理由
<p>reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>依規定應經審計委員會討論事項，應先經審計委員會全體成員二分之一以上同意，並提董事會決議，準用第五條第五項及第六項規定。</p> <p>The matters requiring recognition by the Audit Committee according to related regulations shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Paragraphs 5 and 6, Article 5 herein.</p> <p><u>本公司或非屬國內公開發行公司之子公司有第一項交易，交易金額達本公司總資產百分之十以上者，本公司應將第一項所列各款資料提交股東會同意後，始得簽訂交易契約及支付款項。但本公司與子公司，或子公司彼此間交易，不在此限。</u></p> <p><u>When the Company or any subsidiary that is not a domestic public company engages in the transaction mentioned in Paragraph 1 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall neither enter the transaction contract nor pay until the materials mentioned in Paragraph 1 have been adopted in the shareholders' meeting. However, transactions between the Company and its subsidiaries or between its subsidiaries are exempt from the resolution of the shareholders' meeting.</u></p> <p><u>第一項及前項交易金額之計算，應依第九條第二項規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本處理程序規定提交審計委員會、董事會及股東會通過部分免再計入。</u></p>	<p>reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>依規定應經審計委員會討論事項，應先經審計委員會全體成員二分之一以上同意，並提董事會決議，準用第五條第五項及第六項規定。</p> <p>The matters requiring recognition by the Audit Committee according to related regulations shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Paragraphs 5 and 6, Article 5 herein.</p>	

修正條文	現行條文	修正理由
<p>The calculation of the transaction amounts referred to in <u>Paragraph 1 and</u> the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein, and “within the preceding year” as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the board of directors, <u>and the shareholders meeting</u> need not be counted toward the transaction amount.</p>		
<p>第三十七條 Article 37</p> <p>本公司不得放棄對 World Extend Holding Inc. (以下簡稱宇寬)未來各年度之增資、宇寬不得放棄對 Greatsuper Technology Limited(以下簡稱 GS)未來各年度之增資、GS 不得放棄對中山湯石照明有限公司與中山泰騰照明有限公司未來各年度之增資；未來若公司因策略聯盟考量或其他經證券櫃檯買中心同意者，而須放棄對上公司之增資或處分上開公司，須經公司董事會特別決議通過。本辦法爾後如有修訂，應輸入公開資訊觀測站重大訊息揭露，並函報證券櫃檯買中心備查。 The Company shall not waive the capital increase in World Extend Holding Inc. (hereinafter referred to as World Extend) in future years; World Extend shall not waive the capital increase in Greatsuper Technology Limited (hereinafter referred to as GS) in future years; GS shall not waive the capital increase in Zhongshan Tons Lighting Co., Ltd. and Titan Lighting Co., Ltd. in future years. If the Company has to waive the capital increase in or the disposal of the above companies due to strategic alliances or other reasons with the consent of Taipei Exchange, such waiver shall be approved by the special resolution of the board of</p>	<p>第三十七條 Article 37</p> <p>本公司不得放棄對 World Extend Holding Inc. (以下簡稱宇寬)未來各年度之增資、宇寬不得放棄對 <del>Tons Lighting Co., Ltd.</del> 與 Greatsuper Technology Limited(以下簡稱 GS)未來各年度之增資、GS 不得放棄對中山湯石照明有限公司與中山泰騰照明有限公司未來各年度之增資；未來若公司因策略聯盟考量或其他經證券櫃檯買中心同意者，而須放棄對上公司之增資或處分上開公司，須經公司董事會特別決議通過。本辦法爾後如有修訂，應輸入公開資訊觀測站重大訊息揭露，並函報證券櫃檯買中心備查。 The Company shall not waive the capital increase in World Extend Holding Inc. (hereinafter referred to as World Extend) in future years; World Extend shall not waive the capital increase in <del>Tons Lighting Co., Ltd.</del> <u>and</u> Greatsuper Technology Limited (hereinafter referred to as GS) in future years; GS shall not waive the capital increase in Zhongshan Tons Lighting Co., Ltd. and Titan Lighting Co., Ltd. in future years. If the Company has to waive the capital increase in or the disposal of the above companies due to strategic alliances or other reasons with the consent of Taipei Exchange,</p>	<p>配合 TL 公司 清算修正</p>

修正條文	現行條文	修正理由
<p>directors. Any subsequent amendments shall be disclosed in “Announcements” in Market Observation Post System and reported to Taipei Exchange for review.</p>	<p>such waiver shall be approved by the special resolution of the board of directors. Any subsequent amendments shall be disclosed in “Announcements” in Market Observation Post System and reported to Taipei Exchange for review.</p>	
<p>第三十八條 Article 38</p> <p>本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於中華民國一〇一年六月二十日，第四次修訂於中華民國一〇二年六月十日，第五次修訂於中華民國一〇三年六月十六日，第六次修訂於中華民國一〇六年五月二十六日，第七次修訂於中華民國一〇七年五月三十日，第八次修訂於中華民國一〇八年五月二十九日，<u>第九次修訂於中華民國一一年五月二十六日。</u></p> <p>These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018. The eighth amendment will be made on May 29, 2019. <u>The ninth amendment will be made on May 26, 2022.</u></p>	<p>第三十八條 Article 38</p> <p>本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於中華民國一〇一年六月二十日，第四次修訂於中華民國一〇二年六月十日，第五次修訂於中華民國一〇三年六月十六日，第六次修訂於中華民國一〇六年五月二十六日，第七次修訂於中華民國一〇七年五月三十日，第八次修訂於中華民國一〇八年五月二十九日。</p> <p>These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018. The eighth amendment will be made on May 29, 2019.</p>	<p>修正施行日期 Add the date of amendment</p>



[Appendix 1]

**Tons Lightology Inc.**  
**Rules of Procedure for Shareholder Meetings(before Amendments)**  
(Translation)

Article 1: The Rules of Procedure for Shareholder Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 2: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby 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 the electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matters under Paragraph 1, Article 185 and Article 43-6 of the Company Act or under 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 Company, and such website shall be indicated in the above notice.

Where the re-election of all directors, as well as their inauguration date, is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the Board of Directors. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company 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 the discussion of the proposal.

Prior to the date for issuance of a notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the Board of Directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

Article 3: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the 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 the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment

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

Article 4: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 5: The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

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

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

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

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, 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 a proxy, it may designate only one person to represent it in the meeting.

Article 6: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice-chairperson shall act in place of the chairperson; if there is no vice-chairperson or the vice-chairperson also is on leave or for any reason unable to exercise the powers of the vice-chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

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

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

The Company may assign the commissioned attorney, CPA, or the responsible personnel to attend the shareholders' meeting.

Article 7: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote-counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 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 8: Attendance at shareholders' meetings shall be calculated based on the 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 Chairman shall declare the meeting in session when it is meeting time. However, if the attending shareholders have less than majority shareholding, the Chairman may declare to have the meeting postponed, but it is limited to two postpones and for less than one hour together. 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 chairman shall declare the meeting adjourned.

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

If the attending shareholders had a majority of the shareholding before the end of the shareholders' meeting, the Chairman may have the pseudo-resolution presented in the meeting for resolution again in accordance with Article 174 of the Company Law.

Article 9: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution 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, call for a vote, and schedule sufficient time for voting.

Article 10: Shareholders must first fill out the speech slip with the gist of the statement, shareholder account number (or attendance card number), and account name stated before speaking in the meeting; also, the Chairman is to prioritize the speakers.

Shareholders who had submitted the speech slip but did not speak in the meeting shall be deemed as choosing not to speak. If the spoken speech is different from the contents of the speech slip, the speech shall prevail.

Shareholder may not speak twice on the same proposal without the consent of the Chairman; also, each speaker may not speak for more than five minutes each time. The Chairman may have the speakers who have violated the provisions, or speaking beyond the scope of the proposal stopped.

Shareholders who are speaking shall not be interrupted by any other shareholders without the consent of the Chairman and the Chairman is obliged to have the interfering shareholders stopped.

If the institutional shareholder has appointed two or more natural persons to attend the meeting, only one of the natural persons can speak on the same proposal in the meeting.

The Chairman may respond to or appoint the responsible personnel to respond to the speech given by the shareholders.

Article 11: The voting held in the shareholders' meeting is based on the share count.

For the resolution reached in the shareholders' meeting, the number of shares of the shareholders without voting right will not be included in the total number of shares issued.

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

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.

Except for the trust business or the stock affair agent authorized by securities competent authorities, when one person is commissioned by more than two shareholders, the voting rights by proxies may not exceed 3% voting rights of the total outstanding shares. When the voting rights by proxies exceed 3% voting rights of the total outstanding shares, the voting rights exceeding the threshold will not be included for calculation.

Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179, of the Company Act.

When the Company holds a shareholders' 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; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, 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 the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall

prevail. When a shareholder has exercised 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 the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

The ballot scrutineers and tellers for the voting on the proposal are appointed by the Chairman; however, the ballot scrutineers must be the shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 13: The election of the directors in the shareholders' meeting should be processed in accordance with the Company's "Procedures for Election of Directors" and with the election result declared in the meeting immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots of the electoral matters in the preceding paragraph shall be sealed and signed by the ballot scrutineers for safekeeping for at least one year; however, the ballots may be reserved for a longer period of time until the end of the proceeding when a lawsuit is filed by shareholders in accordance with Article 189 of the Company Law.

Article 14: The minutes of meeting should be prepared for the proposals resolved in the shareholders' meeting; also, it should be signed or sealed by the Chairman and



distributed to the shareholders within 20 days after the meeting date. The meeting minutes may be produced and distributed in electronic form.

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

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

Article 15: On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

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

Article 16: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

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

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

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

Article 17: The Chairman may announce at his/her discretion to take a break during the proceedings. The Chairman may decide to have the meeting suspended temporarily due to a force majeure and may have the meeting resumed thereafter depending on the actual practice.

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 18: The “Rules of Procedure for Shareholders’ Meeting” was enacted on June 27, 2008. The 1<sup>st</sup> amendment was made on June 26, 2009. The 2<sup>nd</sup> amendment was made on June 10, 2013. The 3<sup>rd</sup> amendment was made on May 28, 2015. The 4<sup>th</sup> amendment was made on May 30, 2018. The 5<sup>th</sup> amendment was made on May 27, 2021.

[Appendix 2]

**Tons Lightology Inc.**  
**Articles of Incorporation**  
(Translation)

Chapter 1 General Rules

Article 1 : The Company is incorporated in accordance with the Company Law and is named “Tons Lightology Inc.”

Article 2 : The business operation of the Company is as follows:

- 1.CC01030 Electrical appliances and audio-visual electronic products manufacturing business
- 2.CC01040 Lighting equipment manufacturing business
- 3.CC01080 Electronic components manufacturing business
- 4.CH01010 Sporting goods manufacturing business
- 5.F106010 Hardware wholesale business
- 6.F106030 Mold wholesale business
- 7.F109070 Cultural, educational, musical instruments, and recreational supplies wholesale business
- 8.F113020 Electrical appliances wholesale business
- 9.F119010 Electronic materials wholesale business
- 10.F206010 Hardware retail business
- 11.F209060 Cultural, educational, musical instruments, and recreational supplies retail business
- 12.F213010 Electric appliances retail business
- 13.F219010 Electronic materials retail business
- 14.F401010 International trade business
- 15.E601010 Electric Appliance Construction
- 16.ZZ99999 In addition to the chartered business, the business not-prohibited or not-restricted by law is also permitted for operation

Article 3 : The headquarters of the Company is setup in New Taipei City, Taiwan; also, overseas branches can be setup for business operation with the resolution of the Board of Directors and the approval of the competent authorities.

Chapter 2 Shares

Article 4 : The capital stock of the Company is authorized for an amount of NT\$500,000,000 with 50,000,000 shares issued at NT\$10 par by installment in accordance with the resolutions of the Board.

An amount of NT\$50,000,000 is to be appropriated from the total capital stock stated in the preceding paragraph for issuing employee stock warrants

- with 5,000,000 shares issued by installment in accordance with the resolutions of the Board.
- Article 5 : The Company's transfer investment is not subject to the investment limit of 40% of paid-in capital stated in Article 13 of the Company Law.
- Article 5.1 : The Company may have endorsement and guarantee made externally in accordance with the Company's "Regulations Governing Making of Endorsements/Guarantees."
- Article 6 : The Company's stock is registered and numbered and to be signed or sealed by more than three directors; also, it is to be issued after being certified by the competent authorities or the authorized issuance and registration institute.  
The Company may have stock shares issued without any printout made; also, should contact Taiwan Depository & Clearing Corporation for registration. The Company has stock affairs handled in accordance with the relevant laws and regulations of the competent authorities.
- Article 7 : The contents of the shareholder registry may not be modified within 60 days prior to the general shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the base date for the distribution of dividend, bonus, or other interests announced by the Company.
- Article 8 : Shareholders' meetings are classified as general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is to be convened by the Board of Directors once a year within six months at the end of the fiscal year while extraordinary shareholders' meeting can be convened lawfully at anytime when it is necessary.
- Article 8.1 : The date of the meeting, place, and reasons for convening shareholders' meeting should be forwarded to each shareholder thirty days prior to the meeting date for general shareholders' meeting and fifteen days for extraordinary shareholders' meeting.

### Chapter 3 Shareholders' Meeting

- Article 9 : The Chairman is to preside the shareholders' meeting. If the Chairman is on leave or cannot perform duty for reasons, the Vice Chairman is to preside the meeting. If there is not a Vice Chairman appointed or the Vice Chairman is also on leave or cannot perform duty for reasons, the Chairman is to appoint his/her representative to preside the meeting. If the Chairman failed to have his/her representative appointed, the representative is to be elected among the Board Directors.
- Article 10 : Shareholders who cannot attend the shareholders' meeting for reasons may have had the representative attending the meeting instead by proxy in accordance with Article 177 of the Company Law.

Shareholder's attending the shareholders' meeting by proxy, unless otherwise provided in the Company Law, should be processed in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies" published by the competent authorities.

Article 11 : The resolutions reached in the shareholders' meeting, unless otherwise provided in the Company Law, must be with the attendance of the shareholders that have majority shareholding and with the approval of the attending shareholders with majority voting rights.

Article 12 : Each stock share held by the Company's shareholders is entitled to one voting right, except for in any of the circumstances stated in Article 175 Section 3 and Article 179 of the Company Law, and the related law and regulations.

#### Chapter 4 Directors and Managers

Article 13 : The Company's withdrawal of public offering should be handled in accordance with Article 156 Paragraph 3 of the Company Law.

Article 14 : The Company has 7~9 directors nominated for a term of three years and they can be re-elected for a second term. The tenure of the directors who are not replaced at the end of the term can be extended until the next newly elected directors take office.

Directors are nominated as candidates for the election of directors in accordance with Article 192.1 of the Company Law. Shareholders are to have directors elected from the candidate list.

The Company's Board of Directors may resolve to acquire liability insurance for the directors.

Article 15 : There must be at least three independent directors (not less than one fifth of the total number of directors) out of the number of directors referred to above. The professional qualifications of the independent directors, shareholdings, limitation of part-time job, the nomination and appointment method, and other matters to be complied with must be processed according to the relevant provisions of the competent authorities.

The Company established the audit committee in according to Article 14.2 of the Securities Exchange Act. The audit committee is responsible to perform the duties stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

The audit committee is composed of all independent directors.

Article 16 : The Chairman is elected among the directors with the attendance of two thirds of the directors and the consent of the majority of the attending directors. The Vice Chairman can be elected among the directors the same

way as Chairman when it is necessary. The Chairman represents the Company to the public.

Article 17 : The Board meeting should be convened with the cause of action detailed and the directors notified seven days in advance. A Board meeting can be convened for an emergency at any time. The Company's Board meeting can be convened with the directors notified in writing, by E-mail, or by fax.

The Board meeting is convened by the Chairman, unless otherwise provided in the Company Law. The resolutions reached by the Board of Directors, unless otherwise provided in the Company Law, must be with the attendance of the majority of the directors and the consent of the majority of the attending directors.

Article 18 : The Chairman is to preside the Board meeting. If the Chairman is on leave or cannot perform duty for reasons, the Vice Chairman is to preside the meeting. If there is not a Vice Chairman appointed or the Vice Chairman is also on leave or cannot perform duty for reasons, the Chairman is to appoint his/her representative to preside the meeting. If the Chairman failed to have his/her representative appointed, the representative is to be elected among the Board directors. Board director shall attend the Board meeting in person; however, the Board director who cannot attend the Board meeting in person for reasons may have had other director attending the meeting on his/her behalf by proxy with the scope of authorized detailed. The Board director's attending the Board meeting by proxy is limited to appointing one representative only.

If the Board meeting is convened by a video conference, the directors who have attended the Board meeting by a video conference shall be deemed as attending in person.

Article 19 : The Board of Directors is to determine the remuneration to the Company's directors depending on the extent of their involvement in the Company's business operations and their contributions; also, by referring to the domestic industry standards, regardless of the operating profit or loss.

Article 20 : The Company has the management appointed with the commission, discharge, and remuneration processed in accordance with the Company Law.

#### Chapter 5 Accountants

Article 21 : The Company's fiscal year is for a period from January 1 to December 31.

Article 22 : The Company should have the following reports prepared at the end of each fiscal year in accordance with Article 228 of the Company Law. The following reports should be presented in the general shareholders' meeting for acknowledgement:

1. Business Report

2. Financial Statements

3. Statement of Earnings Distribution or Loss Subsidy

Article 23 : Dividends and bonuses are distributed proportionally to the shareholding of the shareholders. The Company without any earnings may not have dividends and bonuses distributed.

Article 23.1 The Company's annual profits, if any, should be with 5~15% appropriated as remuneration to employees and with less than 2.5% appropriated as remuneration to directors. If the Company is with accumulated losses, an amount for making up the losses should be reserved in advance.

The remuneration to employees is paid with stock dividend or cash; also, it must be with the consent of the majority of the presenting directors in the Board meeting that is with two thirds of the directors attended; also, the resolution should be reported in the shareholders' meeting.

The remuneration to employees paid with stock or cash is also available to the qualified employees of the subsidiaries; also, the Board of Directors is authorized to regulate the related matters.

The annual profits stated in the preceding paragraph refers to the net income before tax and before deducting the remuneration to employees and directors and it is distributed in a lump sum.

Article 24 : The Company's annual earnings, if any, are to be distributed in an orderly manner as follows:

1. Making up losses of prior periods;
2. Appropriating 10% legal reserve and appropriating or reversing special reserve, is necessary;
3. The remaining balance plus the unappropriated earnings of prior periods are the distributable earnings. The Board of Directors is to propose the earnings distribution in the shareholders' meeting for a resolution.

The industry that the Company engaged in is growing. In consideration of the current and future development plans, investment environment, capital needs, and domestic and international competition; also, taking into account the interests of shareholders, balanced dividends, and the Company's long-term financial planning, the earnings distribution is processed in conformity with the requirements stated in the preceding paragraph; also, the distribution of shareholder dividend shall not be less than 50% of the accumulated distributable earnings. Cash dividend shall not be less than 10% of the total shareholder dividend distributed. However, the Board of Directors may have the said distribution ratio adjusted according to the overall business operation with a resolution reached in the shareholders' meeting.

The Board of Directors of the Company may distribute all or partial of the distributable dividends or bonuses, additional paid-in capital or legal reserve in cash approach under resolution made by more than half of the attended Board members (under circumstances that more than two thirds of the total

Board members attend), and such resolution shall be reported at the Annual Shareholders Meeting. The regulations of the preceding Paragraph shall not apply.

- Article 25 : The shareholder dividend and bonus will be distributed to the shareholders who are included in the shareholders' registry five days prior to the base line date.

#### Chapter 6 Annex

- Article 26 : The Company's charter and enforcement rules will be enacted separately.
- Article 27 : The matters not addressed in the Articles of Association should be processed in accordance with the Company Law.
- Article 28 : The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1<sup>st</sup> amendment made on June 26, 2010. The 2<sup>nd</sup> amendment made on November 20, 2010. The 3<sup>rd</sup> amendment made on March 8, 2002. The 4<sup>th</sup> amendment made on November 25, 2002. The 5<sup>th</sup> amendment made on February 10, 2002. The 6<sup>th</sup> amendment made on March 7, 2006. The 7<sup>th</sup> amendment made on August 10, 2006. The 8<sup>th</sup> amendment made on October 12, 2006. The 9<sup>th</sup> amendment made on April 29, 2007. The 10<sup>th</sup> amendment made on May 10, 2007. The 11<sup>th</sup> amendment made on July 29, 2007. The 12<sup>th</sup> amendment made on October 8, 2007. The 13<sup>th</sup> amendment made on December 31, 2007. The 14<sup>th</sup> amendment made on June 26, 2009. The 15<sup>th</sup> amendment made on May 23, 2011. The 16<sup>th</sup> amendment made on June 20, 2012. The 17<sup>th</sup> amendment made on June 10, 2013. The 18<sup>th</sup> amendment made on May 28, 2015. The 19<sup>th</sup> amendment made on May 31, 2016. The 20<sup>th</sup> amendment made on May 26, 2017. The 21<sup>st</sup> amendment made on May 30, 2018. The 22<sup>nd</sup> amendment will be made on May 29, 2019.



[Appendix 3]

**Tons Lightology Inc.**  
**Procedures for the Acquisition and Disposal of Assets (before**  
**Amendments)**  
(Translation)

Article 1 Basis

These Procedures are established in accordance with the Regulations governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the Regulations) under Article 36-1 of the Securities and Exchange Act and related laws and regulations.

The Company shall handle the acquisition or disposal of assets in compliance with these Procedures; matters not specified in these Procedures shall be governed by related laws and regulations.

Article 2 Scope

The acquisition or disposal of assets of the Company and its subsidiaries shall be handled in compliance with these Procedures.

Article 3 Scope of Assets

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities (hereinafter referred to as the Securities).
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law (hereinafter referred to as the Assets from Mergers and Transfer).
9. Other major assets.

Article 4 Appraisal Procedures and Means of Price Determination

1. Investment in Securities

Except for securities that meet any of the following requirements, the Company acquiring or disposing of securities shall, prior to the date of

occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (hereinafter referred to as ARDF).

- (1) Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with Company Act, and the ratio of equity represented by the acquired securities is equivalent with the contribution ration.
- (2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.
- (3) Securities issued by an investee company wholly invested by this Corporation that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.
- (4) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.
- (5) Government bonds or bonds in repurchase or reverse purchase agreements.
- (6) Domestic or overseas public offering of funds.
- (7) TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
- (8) Company bonds (including bank debentures) acquired or domestically-subscribed through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.
- (9) Subscription to fund shares before the establishment of a fund in accordance with Paragraph 1 of Article 11 of the Securities Investment Trust and Consulting Act and the Financial Supervisory Commission's September 3, 2010 Order No. Financial-Supervisory-Securities-0990042831. Subscription or redemption of domestic private placement funds, provided that the

trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.

## 2. Real Property, Equipment or right-of-use assets

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

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) The following items shall be specified in the appraisal report:
  1. Items specified in the Regulations on Real Estate Appraisal.
  2. Items related to professional appraisers and their officers.
    - (1) Name of professional appraisers, capital, the organizational structure and the composition of the staff.
    - (2) Name, age, and educational background (with proof attached) of officers, years and period of service, and the number of cases.
    - (3) Relationship between professional appraisers, their officers, and clients.
    - (4) Statement about the absence of hypocrisy or concealment of items specified in the appraisal report.
    - (5) Date of issuance of the appraisal report.
  3. The basic information on the subject of the appraisal shall contain at least the name, nature, location, and area of the subject.
  4. An example of a real estate transaction for comparison in the area of the subject.
  5. Limited or specific conditions for the type of the appraisal with a limited price or a specific price or whether the type of the appraisal

complies with such conditions, the reason for or the reasonableness of the difference with a normal price, and whether the limited price or the specific price is sufficient to be the reference to the trading price.

6. The reasonable distribution ratio for both parties, in case of a joint development contract.
  7. Estimation of land value increment tax.
  8. Whether the appraised value of a real estate at the same appraisal date among appraisers with the difference in value exceeding 20% is handled in accordance with Article 41 of the Real Estate Appraiser Act.
  9. Attachments shall contain the detail of the appraisal, ownership registration, cadastral transcript, urban plan, subject location map, proof of use of partitioned land, and the latest picture of the subject.
- (4) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
- A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
  - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (5) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

### 3. Memberships, Intangible Assets or right-of-use assets

Where the Company acquires or disposes of memberships, it shall collect the information on prices in advance and determine the trading price by either comparison or negotiation; where the Company acquires or disposes of intangible assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.

Where the Company acquires or disposes of memberships, intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

4. Other Important Assets

Where the Company acquires or disposes of claims of financial institutions, derivatives, assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, or other important assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.

5. The Company shall acquire or dispose of derivatives in accordance with the provisions of Article 19 to Article 24 of these Procedures.

6. The Company shall acquire or dispose of assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law in accordance with the provisions of Article 25 to Article 33 of these Procedures.

Professional appraiser shall refer to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall satisfy the following requirements:

(1) Those who has never violated any regulations of the Procedures, Company Act, The Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act, or Business Entity Accounting Act, or never been sentenced to imprisonment for not less than one year due to being convicted of fraud, breach of trust, criminal conversion, forgery or any offenses during performance of business. However, those who have completed the serve time, been informed of sentence suspension or been amnestied for more than three years shall be excluded.

(2) Those who are not the related or substantially related party to the transaction.

(3) The different professional appraisers or staff providing more than two

copies of appraisal reports to the Company shall be mutually unrelated or substantially unrelated.

The personnel specified in the preceding Paragraph shall produce the appraisal reports or comments by considering the following:

- (1) Their own professional capacity, experiences and independence before accepting the appraisal contract.
- (2) Adequate planning and operation procedures shall be implemented during the examination to produce evidence-based appraisal results and reports, and attach all the implemented procedures, collected data and results as the working paper without reserving any content.
- (3) The integrity, accuracy and rationality of data source, parameters and information shall be prudently evaluated one by one to serve as solid base for the production of appraisal results and reports.
- (4) The content of the disclaimer shall include those claiming the professionalism and independence of relevant personnel, the rationality and correctness of information used and the applied legal regulations.

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

However, an opinion rendered by an expert on the reasonableness of a merger with subsidiaries whose 100% of shares issued or total capital are directly or indirectly held by the Company or a merger between subsidiaries whose 100% of shares issued or total capital are directly or indirectly held by the Company may be exempted.

#### Article 5 Degree of Authority and Level where Authority is Delegated

The degree of authority and level where authority is delegated in respect of the acquisition or disposal of assets shall be submitted to the unit in charge for approval. The degree of authority and level where authority is delegated in respect of the acquisition or disposal of derivatives shall be governed by the provision of Article 20 of these Procedures.

Item	Amount	Unit in Charge		
		President	Chairman	Board of Directors
Long-term investment in equity	Unlimited amount	Review	Review	Approve
Long-term investment in securities	Unlimited amount	Review	Review	Approve
Short-term investment in securities	Less than NT\$30 million (inclusive)	Approve		
	NT\$30~60 million (exclusive)	Review	Approve	
	More than NT\$60 million (inclusive)	Review	Review	Approve
Real property; right-of-use assets	Less than NT\$60 million (inclusive)	Review	Approve	
	More than NT\$60 million (inclusive)	Review	Review	Approve
Equipment; right-of-use assets	Less than NT\$5 million (inclusive)	Approve		
	NT\$5 million (exclusive)~30 million (inclusive)	Review	Approve	
	More than NT\$30 million (exclusive)	Review	Review	Approve
Memberships	Less than NT\$2 million (inclusive)	Review	Approve	
	More than NT\$2 million (exclusive)	Review	Review	Approve
Intangible Assets	Less than NT\$5 million (inclusive)	Approve		
	NT\$5 million (exclusive)~30 million (inclusive)	Review	Approve	
	More than NT\$30 million (exclusive)	Review	Review	Approve
Claims of financial institutions	Less than NT\$10 million (inclusive)	Approve		
	NT\$10 million (exclusive)~50 million (inclusive)	Review	Approve	
	More than NT\$50 million (exclusive)	Review	Review	Approve
Assets in connection with mergers, demergers, acquisitions, or transfer of shares	Amount not subject to the resolution of the board of directors according to law	Review	Review	Approve
	Amount subject to the resolution of the shareholders' meeting according to law	Review	Review	Review
Other important assets	Less than NT\$5 million (inclusive)	Review	Approve	
	More than NT\$5 million (exclusive)	Review	Review	Approve

After these Procedures for the acquisition or disposal of assets or other laws and regulations have been approved by the board of directors, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee. When the provisions as stated in Paragraphs 1 to 6 of Article 4 or other laws and regulations have been approved by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Major transactions of assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the

audit committee shall be recorded in the minutes of the board of directors meeting.

The terms “all audit committee members” in these Procedures and “all directors” in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

#### Article 6 Units Responsible for Implementation

1. Acquisition or disposal of long-term investment in securities: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of long-term investment in securities.
2. Acquisition or disposal of short-term investment in securities: The financial unit is responsible to evaluate and implement the acquisition or disposal of short-term investment in securities.
3. Acquisition or disposal of real property , equipment and right-of-use assets: The management department is responsible to evaluate and implement the acquisition or disposal of real property and equipment.
4. Acquisition or disposal of memberships and intangible assets: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of memberships and intangible assets.
5. Acquisition or disposal of derivatives: The financial unit is responsible to evaluate and implement the acquisition or disposal of derivatives.
6. Acquisition or disposal of assets in connection with mergers, demergers, acquisitions, or transfer of shares and other important assets: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of assets in connection with mergers, demergers, acquisitions, or transfer of shares and other important assets.

#### Article 7 Transaction Process

1. The transaction process of securities shall be handled in accordance with the operating procedures for investment circulation in the Company’s internal control system.
2. The transaction processes of real property, equipment, memberships, intangible assets and right-of-use assets shall be handled in accordance with the operating procedures for fixed asset circulation in the Company’s internal control system.
3. The transaction process of other important assets shall be handled in accordance with the related operating procedures for circulation in the Company’s internal control system.



## Article 8 Retention of Information

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

## Article 9 Public Announcement and Regulatory Filing Procedures

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Financial Supervisory Commission (hereinafter referred to as FSC)'s designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where acquired or disposed equipment or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount meets one of the following requirements:
  - (1) The paid-in capital is less than NT\$10 billion and the transaction amount is more than NT\$500 million.
  - (2) The paid-in capital is more than NT\$10 billion and the transaction amount is more than NT\$1 billion.
5. Where the type of asset acquired or disposed of in the construction business is real property or right-of-use assets for construction use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million. The amount of paid-in capital is NT\$10 billion or more and the asset disposed of in the construction is real estate, the trading counterparty is not a related party and the transaction amount is more than NT\$1 billion.

6. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale and the transaction counter parties are not related to the Company, and the amount the Company expects to invest in the transaction is less than NT\$500 million.
7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - (1) Trading of domestic government bonds.
  - (2) Securities trading by investment professionals on securities exchanges or over-the-counter markets, or subscription of corporate bonds and general financial bonds not involving no equity in the primary market (excluding subordinated debt), or purchase or repurchase of securities investment trust funds or futures trust funds, or securities by a securities firm due to business needs or a securities firm recommended for listed companies at the emerging stock market in accordance with the regulations of Taipei Exchange.
  - (3) Trading of bonds under repurchase/resale agreements, or repurchase of domestic money market funds issued by securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
3. The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Mainland China area investment” as stated in the preceding paragraph shall refer to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or

Technical Cooperation in the Mainland Area.

“Date of occurrence” as stated in Paragraph 1 shall refer to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

“Within the preceding year” as used in Paragraph 2 shall refer to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

#### Article 10 Publicly Announced and Reported Information

According to the preceding article, the Company shall publicly announce and report the information prescribed in the related regulations of FSC.

#### Article 11 Correction of Publicly Announced and Reported Information

When the Company at the time of public announcement makes an error or omission in an item required by the provision of Article 9 to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date of knowing of the error or omission.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Article 9, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

#### Article 12 Total Amount of Assets and Limit

Total amounts of real property, right-of-use assets and securities acquired by the Company and each subsidiary for business use, and limits on individual

securities are as follows:

1. Where the type of asset acquired by the Company and its subsidiaries is land, plant, right-of-use assets, and equipment for business use, the transaction amount is unlimited.
2. Where the type of asset acquired by the Company is real property and right-of-use assets for non-business use, the total transaction amount is limited to 20% of the Company's shareholders' equity; where the type of asset acquired by the Company's subsidiaries is real property for non-business use, the total transaction amount is limited to 20% of the parent company's shareholders' equity.
3. Where the Company engages in the short-term capital movement, the total accumulated amount of investment in short-term securities shall be limited to 50% of the Company's shareholders' equity and the net value of securities acquired from the same company shall be limited to 20% of the Company's shareholders' equity; where the Company's subsidiaries engage in the short-term capital movement, the total accumulated amount of investment in short-term securities shall be limited to 20% of the parent company's shareholders' equity and the net value of securities acquired from the same company shall be limited to 10% of the parent company's shareholders' equity.
4. Where the Company acquires the long-term investment in securities, the total accumulated amount of investment in long-term securities shall be limited to 60% of the Company's shareholders' equity and the amount of securities acquired from the same company shall be limited to 30% of the Company's shareholders' equity; where the Company's subsidiaries acquire the long-term investment in securities, the total accumulated amount of investment in long-term securities shall be limited to 40% of the parent company's shareholders' equity and the amount of securities acquired from the same company shall be limited to 30% of the parent company's shareholders' equity, except for subsidiaries that are investment holding companies.

“Subsidiary” as used in the preceding paragraph shall be defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### Article 13 Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries

The Company's subsidiaries shall establish the procedures for the acquisition or disposal of assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. The procedures shall be approved by their boards of directors; the same applies when the

procedures are amended.

Assets shall be acquired or disposed of by the Company's subsidiaries in accordance with the procedures for the acquisition or disposal of assets established by the Company's subsidiaries.

When Company's subsidiaries, which are not domestic public companies, acquire or dispose of assets, the Company shall announce and report the information specified in Article 9.

Subsidiaries mentioned in the preceding paragraph apply to the standards for the announcement and report on the transaction amount reaching paid-in capital or total assets, as specified in Article 9.

#### Article 14 Scope of Related Party Transactions

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of these Procedures.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein and "within the preceding year" as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

"Related party" as used in the preceding paragraph shall be defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

#### Article 15 Resolution Procedures

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

enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein, and "within the preceding year" as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the board of directors need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use equipment or transaction of the right-to-use assets and right-to-use assets of real estates for business operation between the Company and its subsidiaries or between subsidiaries holding 100% of the issued stock or capital amount, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is less than 25% of paid-in capital and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

When a matter is submitted for discussion by the board of directors according to related regulations, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The matters requiring recognition by the Audit Committee according to

related regulations shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Paragraphs 5 and 6, Article 5 herein.

#### Article 16 Appraisal Procedures

The Company that acquires real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means:

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

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

The Company that acquires real estate or right-of-use assets from related parties and appraises the cost of the real estate or right-of-use rights in accordance with the preceding two Paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or the right-of-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with preceding Article and the preceding three Paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development

contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

4. The right-to-use assets for business operation acquired by the Company or subsidiaries, or between subsidiaries in which the Company holds, directly or indirectly, 100% of the issued stock or capital.

Article 17 When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - (1) Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
  - (2) Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property or leased market practices.
2. Where the Company acquiring real property or acquiring right-of-use assets by leasing real estates from a related party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in



principle refers to transactions by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets.

Article 18 Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with the preceding two Articles are uniformly lower than the transaction price, the following steps shall be taken:

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

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

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

Article 19 Principles and Strategies for Engaging in Derivatives Trading

1. Types of derivatives that may be traded:
  - (1) Derivatives as used in these Procedures shall refer to Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid

contracts or structured products containing embedded derivatives.

(2) The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

(3) Transactions in regard to bond deposits shall be handed in accordance with the regulations of these Procedures.

2. Operating or hedging strategies:

The Company shall engage in derivatives transactions for the purpose of avoiding risks. Trading goods that can avoid risks arising from the Company's business operations shall be prioritized. In addition, financial institutions that usually have business dealings with the Company shall be selected as many as possible to avoid credit risks.

3. Segregation of duties:

**Risk management:** Foreign exchange traders in the finance department are responsible for the statistics of positions for foreign currency assets and liabilities and collecting related market information, which may serve as the basis of trend judgment and risk assessment. In addition, foreign exchange traders shall fully understand features and functions of various financial products and carry out necessary risk aversion in accordance with the Company's policies and strategic operations.

**Account management:** Accountants in the finance department shall keep accounts in accordance with the current International Accounting Standards and related regulations promulgated by competent authorities.

**Cash flows:** Capital movement personnel in the finance department shall prepare the positions for cash collection and payment due, perform settlement, and confirm the completion of transactions based on the requirements of related trading contracts.

**Internal audit:** The Company's internal auditors shall carry out the regular audit regarding related transactions based on the internal control system and internal audit system to confirm whether the amount, authorization, reasonableness and effectiveness of the transactions comply with the Company's policies or laws and regulations.

4. Essentials of performance evaluation:

The Company shall record the detail of derivatives operations in the transaction list on a daily basis to control the profit and loss; in addition, the Company shall settle the exchange gains and losses on a monthly, quarterly, semi-yearly, and yearly basis.

5. Trading quota:

In principle, the transaction amount of derivatives shall be limited to the net position for foreign exchange arising from the Company's operation.

6. Maximum loss limit:

The maximum loss limit on total trading is US\$100,000 and the maximum loss limit for individual contracts is US\$10,000.

Article 20 Operating Procedures

1. Degree of authority delegated

The Company shall perform derivatives transactions based on the following authorized amount:

(1) For non-trading purpose: Based on the position for monthly capital needs in each currency and the policy decision, 1/3 of the amount of the transaction shall be used for hedging. The authorized amount of a single trading contract is as follows: (A) The amount less than US\$100,000 (inclusive) shall be approved by the supervisor in charge in the finance department; (B) the amount more than US\$100,000 (inclusive) shall be approved by the president; and (C) the amount more than US\$300,000 shall be approved by the chairman.

(2) For trading purpose: Each transaction, regardless of the amount, shall be approved by the supervisor in the finance department and the chairman. In principle, the risk of each transaction shall be limited to the profit and loss assessment of US\$100,000 at any time and such amount shall be the stop-loss limit.

2. Units responsible for implementation, and transaction process

(1) Implementation: Traders in the finance unit shall implement a transaction with a financial institution within the authorized amount. If the value of a transaction exceeds the authorized amount, traders shall obtain the prior written approval in accordance with the foregoing provisions. After a transaction is completed, traders shall fill in the transaction form based on the deal closed with the financial institution and submit it to the supervisor in charge for approval; then, traders shall count the positions and submit the copy of the transaction form to the accounting department.

(2) Confirmation: The accounting department in charge of settlement and registration shall confirm the transaction based on the copy of the transaction form made by the trading unit; then, the accounting department shall settle the confirmed figures and register the detail of the transaction. The finance department shall make a report on a monthly basis and submit it to the accounting department as the basis of accounting evaluation.

## Article 21 Risk Management Measures

### 1. Risk management:

- (1) Credit risk: Trading partners shall be limited to well-known financial institutions at home and abroad that can provide professional information.
- (2) Market risk: Markets shall be limited to over-the-counter markets that can avoid risks or meet the Company's requirements for investment.
- (3) Liquidity risk: Products with high liquidity (that can square the position in the market at any time) shall be selected to ensure the trading liquidity. Trading banks must have the sufficient information network, equipment and professionalism to trade in any market.
- (4) Operational risk: Operational risks refer to the compliance with authorized management, operating procedures, handling of receipts and preparation of subsequent statements or reports.
- (5) Legal risk: Main and subsidiary contracts and transaction confirmation documents shall be studied carefully; the support of legal officers shall be sought to reduce the risk of legal traps.
- (6) Product risk: Managerial personnel in charge of internal transactions shall have full and correct knowledge of trading products and ask banks to fully disclose the risks to avoid the loss arising from the wrong estimation of risks and misuse of products.
- (7) Cash settlement risk: The authorized personnel shall complete the cash flow estimates in advance based on the regulations of authorization and frequently evaluate the operation of banks of trading partners in order to settle the cash collection and payment due.

### 2. Principle of internal control:

- (1) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- (2) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
- (3) When a transaction is completed, traders shall fill in the related transaction form and submit it to the reviewer for registration.

- (4) After receiving the transaction confirmation from the bank, the reviewer shall check the transaction with the original receipts and the compliance with authorization and submit the transaction form to the supervisor that is authorized to sign.
- (5) The reviewer shall check whether the total amount of the transaction exceeds the foreign currency asset or liability or the committed position for reasonable hedging or net investment at any time.
- (6) The reviewer shall make a detailed transaction list for each bank to check the account with or send an external confirmation to the bank on a regular basis.
- (7) The finance department shall evaluate the contingent profit and loss and the market value of a transaction on a regular basis and submit the evaluation to management for review on a monthly basis. The evaluation shall indicate the strategies for future operation, which serve as the basis of management and decision making for senior management.

3. Regular evaluation methods:

Finance Department shall evaluate the investment trading positions based on the market price once per week. Hedge trades shall be evaluated once every two weeks with positions, the term of contract, the evaluation of contingent profit or loss and future management focuses specified. The board of directors shall designate senior management personnel to review the evaluation reports and periodically evaluate whether the trading performance is consistent with established operational strategies and whether the risk undertaken is within the Company's permitted scope of tolerance. When irregular circumstances are found in the course of reviewing the evaluation report mentioned above, a report shall be immediately made to the board of directors and appropriate measures shall be adopted; where the Company has independent directors, an independent director shall be present at the board meeting and express an opinion.

## Article 22 Internal Audit System

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report, which shall be submitted, along with the implementation of the annual internal audit plan, to FSC for review in the prescribed format and via the Internet-based information system by February of the following year. The improvement in irregular circumstances shall be submitted to FSC for review

via the Internet-based information system by May of the following year. If any material violation is discovered, the Audit Committee shall be notified in writing.

#### Article 23 Public Disclosure of Information

1. For losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company, the Company shall publicly announce and report the relevant information on the FSC's designated website within 2 days commencing immediately from the date of occurrence of the event
2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

Article 24 The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

Article 25 “Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” as used in these Procedures shall refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156.3 of the Company Act.

Article 26 The Company conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Audit Committee and the board of directors for deliberation and passage.

Article 27 The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the

expert opinion referred to in the preceding article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the Company and other companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company and other companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 28 The Company and other companies participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company and other companies participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days commencing

immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraphs 3 and 4.

Article 29 The Company and every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 30 The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, which affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 31 The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the



companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 32 After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 33 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 28, Article 29, and Article 32.

#### Article 34 Penal Regulations

When the Company's directors and managers violate these Procedures or the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by FSC, which causes damage to the Company, they shall be dismissed. When the related executive staff violate these Procedures or the Regulations, they shall be handled in accordance with the Company's regulations governing rewards and punishments.

Article 35 After the Procedures have been approved by the Audit Committee, they shall

be submitted to the board of directors for resolution, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

When the Procedures are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

When the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution..

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. 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.

Article 36 The provisions regarding supervisors set out in Paragraph 3, Articles 14-4 of the Securities and Exchange Act shall apply mutatis mutandis to the audit committee.

Article 37 The Company shall not waive the capital increase in World Extend Holding Inc. (hereinafter referred to as World Extend) in future years; World Extend shall not waive the capital increase in Tons Lighting Co., Ltd. and Greatsuper Technology Limited (hereinafter referred to as GS) in future years; GS shall not waive the capital increase in Zhongshan Tons Lighting Co., Ltd. and Titan Lighting Co., Ltd. in future years. If the Company has to waive the capital increase in or the disposal of the above companies due to strategic alliances or other reasons with the consent of Taipei Exchange, such waiver shall be approved by the special resolution of the board of directors. Any subsequent amendments shall be disclosed in "Announcements" in Market Observation Post System and reported to Taipei Exchange for review.

Article 38 These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was

made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018. The eighth amendment will be made on May 29, 2019.

[Appendix 4]

**Tons Lightology Inc.**  
**Shareholding of Directors**

1. The Company's common stock shares issued : 40,372,053 shares

The minimum required combined shareholding of all directors by law : 3,600,000 shares

2. The number of shares held by all directors as of the stop-transfer date on March 28, 2022 is as follows;

Unit: Shares; %

Title	Name	Elected date	Elected shareholding		Current shareholding	
			Shares	Percentage of the outstanding shares (%)	Shares	Percentage of the outstanding shares (%)
Chairman	TANG, SHIH-CHUAN	05.28.2020	3,535,633	8.78	3,535,633	8.76
Director	HUNG, CHIA-CHENG	05.28.2020	1,085,381	2.70	1,107,881	2.74
Director	CHEN, MING-HSIN	05.28.2020	-	-	-	-
Director	HSIAO, CHEN-CHI	05.28.2020	25,250	0.06	25,250	0.06
Independent Director	HSU, CHUNG-YUAN	05.28.2020	-	-	-	-
Independent Director	CHOU, LIANG-CHENG	05.28.2020	-	-	-	-
Independent Director	LEE, SHYH-CHIN	05.28.2020	-	-	-	-
The number of shares and shareholding ratio held by all directors			4,646,264	11.54	4,668,764	11.56

[Appendix 5]

The proposals of the shareholders who have more than 1% shareholding of the Company's outstanding shares.

1. According to Article 172-1 of the Company Law, the Company is accepting the proposals of the shareholders for the general shareholders' meeting from March 18 to March 28, 2022.
2. There was not any proposal presented by the shareholders who had more than 1% shareholding of the Company's outstanding shares during the said period of time.