



U.D. Electronic Corp.

Handbook for the 2020 Annual
Meeting of Shareholders

Meeting Time: June 18, 2020

Meeting Place: No.108, Sec. 1, Nankan Rd., Luzhu
Dist., Taoyuan City
(Monarch Skyline Hotel)

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U.D. Electronic Corp.

Agenda for the 2020 Shareholders' Meeting

Meeting Time: 9:00 AM on Thursday, June 18, 2020

Meeting Place: No.108, Sec. 1, Nankan Rd., Luzhu Dist., Taoyuan City (Monarch Skyline Hotel)

1. Call the meeting to order (report the number of shares in attendance)
2. Chairperson remarks
3. Reporting Matters
 - (1) 2019 Business Report.
 - (2) 2019 Supervisors Audit Report.
 - (3) 2019 profit distribution of employees' bonus and compensation of directors and supervisors.
 - (4) Report on the distribution of 2019 profits.
 - (5) 2019 Second Domestic Issuance of Secured Convertible Bond.
 - (6) Report on Partial Amendment of the Company's "Codes of Ethical Conduct".
 - (7) Report on Partial Amendment of the Company's "Ethical Corporate Management Best Practice Principles".
 - (8) Report on improvement plan for subsidiary's over limits on loans to others.
4. Adoption Matters
 - (1) Adoption of the 2019 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2019 Profits
5. Discussion Matters
 - (1) Partial Amendment of the Company's "Articles of Incorporation".
 - (2) Partial Amendment of the Company's "Procedures for Acquisition or and Disposal of Assets".
 - (3) Partial Amendment of the Company's "Management of Loans to Others".
 - (4) Partial Amendment of the Company's "Management of Endorsement and Guarantees".
 - (5) Partial Amendment of the Company's "Rules of Procedure for Shareholders Meetings".
 - (6) Partial Amendment and Renaming of the Company's "Director and Supervisor Election Procedure".
6. Election matters
 - (1) Election of Directors.
7. Other matters
 - (1) Approval of the release of non-competition restrictions of directors.
8. Motions
9. Adjournment

Reporting Matters

1. 2019 Business Report. Please review.

Description: 2019 Business Report, please refer to Page 9 (Appendix 1) for details.

2. 2019 supervisors audit report. Please review.

Description: 2019 supervisors audit report, please refer to Page 12 (Appendix 2) for details.

3. 2019 distribution of employees' bonus and compensation of directors and supervisors.
Please review.

Description:

- (1) Based on Article 20 of the Articles of Incorporation of the Company, when the Company has profits during the current year (earnings defined as the profits before tax prior to subtracting the distribution of employees' bonus and compensation of directors and supervisors), the Company shall appropriate 3% to 15% of the profit as the bonus for employees and no more than 3% of such profit as the compensation for directors and supervisors.
- (2) The Company's earnings in 2019, i.e. the profit before tax prior to subtracting the distribution of employees' bonus and compensation of directors and supervisors, are \$62,058,319. We propose to appropriate 7.25% or \$4,500,000 to the employees' bonus, and 2.09% or \$1,300,000 to the compensation of directors and supervisors. Both appropriations are in cash.

4. Report on the distribution of 2019 profits. Please Review.

Description:

- (1) Based on Article 21 of the Articles of Incorporation of the Company, the 2019 profit distribution is proposed to be \$0.5 per share as cash dividends. The cash dividend is rounded off to the nearest dollar without any decimals, the total amount of decimals is then distributed in a descending order of the decimal balance with account numbers from top to bottom until the total amount tallies with the proposed cash dividend total. Upon approval by the Board of Directors, the Chairperson is authorized to set the ex-dividend date, ex-rights date and other relevant issues.
- (2) If the Company's change of capital has an impact on the outstanding shares, causing an amendment to the shareholders' dividend ratio, the Chairperson has full authority to handle such issues as proposed at the shareholder's meeting.
- (3) The amount of the 2019 profit takes priority in the distribution of profits.

5. Second Domestic Issuance of Secured Convertible Bond. Please review.

| | |
|--------------------------------------|--|
| Corporate Bond | Second Domestic Issuance of Secured Convertible Bond |
| Complement authority approval number | Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa-Zi No. 10600514271 |
| Issue date | February 5 th , 2018 |
| Denomination | NT\$ 100,000 |
| Issuance and trading | Taipei Exchange (Gre Tai Securities Market) |
| Issuing price | Full denomination issuance |
| Total amount | NT\$ 300,000,000 |
| Interest rate | 0% |
| Tenure | 3 years, due date February 5, 2021 |

| | | |
|--|---|------------------|
| Reason of offering | Payback of the loan to the bank | |
| Guarantee agency | Far Eastern International Bank | |
| Trustee | CTBC Bank Co., Ltd | |
| Underwriter | President Securities Corp. | |
| Attorney | Esq. Chiu Ya-Wen | |
| CPA | Chen Chao-Mei, CPA and Chen Chung-Cheng, CPA Deloitte & Touche | |
| Repayment | Except for the conversion specified in the conversion regulations, earlier redemption by the Company, or exercise of the put option by the bondholder, repayment is made in full by cash payment upon maturity. | |
| Redemption or early repayment | Please refer to issuance and conversion regulations | |
| Covenant | Please refer to issuance and conversion regulations | |
| Credit rating agency, rating date, rating result | Not applicable | |
| Issuance and Conversion | Please refer to the issuance information in the credit investigation section of the Market Observation Post System | |
| Converted Info. up to February 28th | Shares converted | 87 thousands |
| | Amount converted | NT\$ 8,700,000 |
| | Converted into common share | 0 |
| | Outstanding shares | 0 |
| | Shares not converted | 2.913 thousands |
| | Outstanding Balance | NT\$ 300,000,000 |

6. Report on Partial Amendment of the Company's "Codes of Ethical Conduct". Please Review.
Description:

- (1) Due to the establishment of Audit Committee, the Company has partially amended the "Codes of Ethical Conduct".
- (2) The Comparison List before and after Amendment of the "Codes of Ethical Conduct", please refer to Page 24 (Appendix 5) for details.

7. Report on Partial Amendment of the Company's "Ethical Corporate Management Best Practice Principles". Please Review.
Description:

- (1) Due to the establishment of Audit Committee, the Company has partially amended the "Ethical Corporate Management Best Practice Principles".
- (2) The Comparison List before and after Amendment of the "Ethical Corporate Management Best Practice Principles", please refer to Page 28 (Appendix 6) for details.

8. Report on improvement plan for subsidiary’s over limits on loans to others.

Description:

(1)The status of the subsidiaries’ over limits on loans to others:

| | | | | | NTD/K |
|-------------------------|-----------------------------|-----------------|----------|-----------------------------|------------------|
| Loans From | Loans To | Maximum Balance | Banlance | Loan Limit to Single Entity | Total Loan Limit |
| TU UDE Limited | Dongguan TY U.D.E. Limited. | 12,659 | 12,379 | 1,537 | 3,073 |
| Morning Paragon Limited | Dongguan TY UDE Limited. | 24,934 | 24,384 | 6,261 | 6,261 |

(2)Dongguan TY U.D.E. Limited will make a new loan from Zhong Jiang U.D.E. Electronics Corp. to replace the current loans. The Company will amend the “Management of Loans to Others” accordingly.

(3)the Company will complete the improvement plan by the end of June, 2020.

Adoption Matters

Item 1. Proposed by the Board of Directors

Proposal: Adoption of the 2019 Business Report and Financial Statements. Please adopt.

Description:

- (1)The Company's consolidated financial statements and its subsidiaries in 2019 were audited by independent auditors, Yu Cheng-Chuan, CPA, and Chen Jung-Cheng, CPAs, of Deloitte and Touche. In addition, the supervisors have examined the Business Report and an Audit Report has been issued.
- (2)The Business Report, independent auditors' audit report, and the aforementioned financial statements are attached in the meeting handbook, Page 9 (Appendix 1) and Page 13 (Appendix 3).
- (3)Please adopt.

Resolution:

Item 2. Proposed by the Board of Directors.

Proposal: Proposal for the Distribution of 2018 Profits. Please adopt.

Description:

- (1) Please refer to Page 20 (Appendix 4) for the Distribution of 2019 Earnings which was approved by the Board of Directors and reviewed by the Supervisors.
- (2)Please adopt.

Resolution:

Discussion Matters

Item 1. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company's "Articles of Incorporation"

Please discuss.

Description:

- (1) Due to the establishment of Audit Committee, the Company's "Articles of Incorporation" are partially amended.
- (2) Please refer to Page 37 (Appendix 7) for the comparison list before and after amendment of the company's "Articles of Incorporation".
- (3) Please discuss.

Resolution:

Item 2. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company's "Procedures for Acquisition and Disposal of Assets"

Please discuss.

Description:

- (1) Due to the establishment of Audit Committee, the Company's "Procedures for Acquisition and disposal." are partially amended.
- (2) Please refer to Page 42 (Appendix 8) for the comparison list before and after amendment of the company's "Procedures for Acquisition and Disposal of Assets."
- (3) Please discuss.

Resolution:

Item 3. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company's "Management of Loans to Others"

Please discuss.

Description:

- (1) Due to the establishment of Audit Committee, the Company's "Management of Loans to Others" are partially amended.
- (2) Please refer to Page 48 (Appendix 9) for the comparison list before and after amendment of the company's "Management of Loans to Others."
- (3) Please discuss.

Resolution:

Item 4. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company's "Management of Endorsement and Guarantees"

Please discuss.

Description:

- (1) Due to the establishment of Audit Committee and according to the Company's development, the Company's "Management of Endorsement and Guarantees" are partially amended.
- (2) Please refer to Page 52 (Appendix 10) for the comparison list before and after amendment of the

company's "Management of Endorsement and Guarantees."
(3)Please discuss.

Resolution:

Item 5. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company's "Rules of Procedure for Shareholders Meetings".

Please discuss.

Description:

- (1) Due to the establishment of Audit Committee, the Company's "Rules of Procedure for Shareholders Meetings" are partially amended.
- (2)Please refer to Page 55 (Appendix 11) for the comparison list before and after amendment of the company's "Rules of Procedure for Shareholders Meetings"
- (3)Please discuss.

Resolution:

Item 6. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company's "Director and Supervisor Election Procedure".

Please discuss.

Description:

- (1) Due to the establishment of Audit Committee, the Company's "Director and Supervisor Election Procedure" are partially amended and renamed.
- (2)Please refer to Page 62 (Appendix 12) for the comparison list before and after amendment of the company's "Director and Supervisor Election Procedure"
- (3)Please discuss.

Resolution:

Election Matters

Item 1. Proposed by the Board of Directors

Proposal: Re-election of Directors.

Description:

- (1) The term of the current directors and supervisors shall expire on June 14, 2020. However, according to Article 195 and 217 of the Company Act, in case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
- (2) According to Article 14 of the Articles of Incorporation, 9 directors (including 3 independent directors; the candidates for the independent directors shall be subject to the nomination system) shall be elected this time for a term of 3 years.
- (3) The list of the directors was reviewed and approved at the meeting of the Board.
- (4) The term of the new directors is from June 18, 2020 to June 17, 2023. The term of the current directors and supervisors expires at the time when this shareholders' meeting ends.
- (5) The election is carried out according to the renamed "Director Election Procedure" of the company.
- (6) Please refer to Page 67 (Appendix 13) for the comparison list before and after amendment of the company's "Director and Independent Director Candidates List".
- (7) Please elect.

Other Proposals

Item 1. Proposed by the Board of Directors

Proposal: Release of the Non-competition Restrictions for Newly Appointed Directors and Their Representatives.

Please discuss.

Description:

- (1) According to Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- (2) To rely on the specialties and experiences of the directors, it is planned to submit to the shareholders' meeting for its approval to release the non-competition restrictions for newly elected directors and their representatives without prejudice to the benefits of the company.
- (3) Please refer to Page 70 (Appendix 14) for the comparison list before and after amendment of the company's "Competition Details of New Directors".
- (4) Please discuss.

Resolution:

Motions

Adjournment

2019 Business Report

1. 2019 Operating Results

(1) Operating Plan results

The Company's operating revenue was \$4,421,690 thousands in 2019, a increase of 10% of the revenue of \$ 4,219,770 thousands in 2018. The net income was \$53,368 thousands, a decrease of 44% of the income of \$120,188 thousands in 2018. The decrease was mainly due to increased operating costs of subsidiaries of the annual transfer investment company, so the net profit for the year was relatively reduced.

(2) Budget achievement: No budget achievement is deemed necessary, as our 2019 financial projection was not offered to the public.

(3) Financial Income and Profitability Analysis

Unit: %; Dollars

| Item | | 2018 | 2018 | |
|---------------------|------------------------------|-------------------|--------|------|
| Financial Structure | Liability to Asset ratio (%) | 47.60 | 52.07 | |
| Solvency | Current ratio (%) | 85.16 | 72.24 | |
| Profitability | To paid-in capital ratio (%) | Operating Profit | (2.25) | 4.06 |
| | | Profit before tax | 15.79 | 8.07 |
| | Net Profit Margin (%) | | 2.85 | 1.21 |
| | Earnings per share (Dollar) | | 1.72 | 0.77 |

The Company's financial structure and debt paying ability in 2019 worse than in 2018. The main reason was that the CB NT\$300 million issued in 2017 had not been converted into additional liabilities and the depreciation expenses increased due to the unsatisfactory progress of the new product trial production in 2019. Benefits accounted for a decline in the ratio of paid-in capital, and the operating costs of overseas subsidiaries increased less than expected. Therefore, the profitability index was lower than in 2018 recession, and there was no abnormal change.

(4) R&D

The Company continues deepening the related techniques of high-frequency high-speed magnetic materials to increase the transmitting speed of our products to meet the market demands. We are also in the process of simplifying our product design to effectively reduce the production process. With the excellence in our efficiency and capability in customization, we can provide better services and solutions and build reliable and long-term customer relationships.

2. 2020 Operating Plan Summary

(1) Business Policy

Looking forward in 2020, due to the status of COVID-19 pandemic is still severe. It is expected the global demand will decline in 2020. Therefore, the Company will keep speeding up the process of moving the assembly line further inland to diversify workers to address the shortage of labor force in the coastal cities,. We also have restructured the products and introduced smart automatic production process to reduce labor cost, quicken the delivery, and shorten inventory turnover.

In addition, a breakthrough in the expansion of the high-end network connection products is expected. We expect that our leading techniques can help the Company in building a solid foundation in production management and marketplace and experiencing a steady growth along with the expansion of new clients in the high-end network market.

(2) Sales expectation and basis

We expect 2020 sales to be stable based on actual 2019 sales, recent orders, and industry information.

(3) Important Production and Sales Policy

A. Production Policy

All of the Company's factories are 100% indirect investment companies. The production policies expectations are as follows:

- (a) Introduce smart factory operations through robot production to achieve the goals of reducing labor cost and shortening delivery time.
- (b) Effectively reduce inventory through changes of product design and the introduction of automation.

B. Marketing Strategies

Adapt the growing trend in new applications expansion and adding high-end product customers to the client base; solidify business relationships with major domestic and international clients.

3. The Company's Future Development Strategy.

To better respond to future developments, the Company will continue deepening the technology in high-frequency high-speed, magnetic materials, and developing related products. We also plan to build an automated factory for filter element production in Taiwan, introduce a smart automated factory in 100% indirect investment factories to increase automation capabilities, reduce labor costs, inventory management costs and shorten delivery time. We are also actively expanding international markets to maximize profits.

4. The Impacts of Outside Competitions, Regulatory and Macroeconomic Operating Environments

Due to the rise in labor force costs in China, along with the extreme scarcity of labor forces in coastal cities, the Company, despite its attempts to increase the employees' salary in the Company's 100% indirect investment in factories, is under tremendous pressure from deteriorating issues such as rising labor costs and labor force shortages. The Company expects to reduce the labor force demand and lower the impacts of outside competition as well as regulatory, and macroeconomic operating environments by introducing a smart automated factory and expanding the production capability scale in the Sichuan production base.

Chairman: Gary Chen

General Manger: Chris Chen

Accounting Manager: Elton Wu

U.D. Electronic Corp. SUPERVISORS AUDIT REPORT

The Board of Directors has prepared the Consolidated Financial Statements of U.D. Electronic Corp. (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) for the year ended 2019 (from January 1, 2019 to December 31, 2019). Yu Cheng-Chuan, CPA, and Chen Jung-Cheng, CPAs, of Deloitte & Touche audited and certified the Group's Financial Statements and an audit report, the above-mentioned financial statement together with the business report and distribution proposal of the remaining surplus have been issued. The Financial Statements have been reviewed and considered to comply with relevant rules by the undersigned, the supervisor of the Company. According to Article 219 of the Company Law, we hereby submit this report.

To
2020 Shareholders’ Meeting

U.D. Electronic Corp.

Supervisor: Changchun Chien

Supervisor: Chun Feng Capital Inc.
-Terchang Yao

Supervisor: Shihyi Kuo

March 05, 2020

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
U.D. Electronic Corp.

Opinion

We have audited the accompanying consolidated financial statements of U.D. Electronic Corp. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2019 is stated as follows:

The Group is a manufacturer of a variety mass-produced electronic connectors. The Group's consolidated revenue for the year ended December 31, 2019 was \$4,657,720 thousand. With its products' high applicability, the Group transacts with a large number and a wide range of diverse customers. Customer with a contribution that significantly increased the Group's revenues accounted for 30.01% of the Group's total sales for the current year, representing a sales increase by 37.08% compared with 2018. Therefore, revenue recognition with the above mentioned customer is considered a key audit matter. Refer to Note 4 (m) to the consolidated financial statements for detailed information on revenue recognition. For our overall opinion to the consolidated financial statements, refer to the opinion section.

The audit procedures are the followings:

1. We understood and tested the design and operating effectiveness of the key control over revenue recognition.
2. We sampled appropriately from the sales details the above mentioned customer, reviewed invoice, custom declarations and other relevant proof of delivery with signature, and examined the remittance senders and collection process or other alternative audit procedures, to verify the occurrence of sales transactions. We also determined that significant sales returns with the above mentioned customers occurred after the reporting date.

Other Matter

We have also audited the parent company only financial statements of U.D. Electronic Corp. as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chuan Yu and Chung-Chen Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2020

Notice to Readers

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

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

| ASSETS | 2019 | | 2018 | |
|--|---------------------|------------|---------------------|------------|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | \$ 593,371 | 11 | \$ 976,471 | 18 |
| Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7) | 553 | - | 401 | - |
| Notes receivable (Notes 4, 9 and 23) | 5,626 | - | 3,159 | - |
| Trade receivables (Notes 4, 5, 9 and 23) | 1,347,012 | 25 | 1,356,278 | 25 |
| Other receivables (Note 4 and 9) | 44,136 | 1 | 52,030 | 1 |
| Current tax assets (Notes 4 and 25) | 3,752 | - | 3,675 | - |
| Inventories (Notes 4, 5 and 10) | 1,064,782 | 19 | 1,088,945 | 20 |
| Other current assets (Notes 4, 16, 17 and 32) | <u>213,942</u> | <u>4</u> | <u>166,514</u> | <u>3</u> |
| Total current assets | <u>3,273,174</u> | <u>60</u> | <u>3,647,473</u> | <u>67</u> |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8) | 101,850 | 2 | 89,345 | 2 |
| Property, plant and equipment (Notes 4, 12 and 32) | 1,552,675 | 28 | 1,162,758 | 21 |
| Right-of-use assets (Notes 4 and 13) | 163,877 | 3 | - | - |
| Other intangible assets (Notes 4 and 15) | 33,583 | 1 | 8,515 | - |
| Goodwill (Notes 4, 14 and 27) | 12,150 | - | 12,322 | - |
| Deferred tax assets (Notes 4 and 25) | 93,127 | 2 | 63,814 | 1 |
| Long-term prepayments for lease (Note 16) | - | - | 57,455 | 1 |
| Other non-current assets (Notes 4, 17 and 32) | <u>199,032</u> | <u>4</u> | <u>407,654</u> | <u>8</u> |
| Total non-current assets | <u>2,156,294</u> | <u>40</u> | <u>1,801,863</u> | <u>33</u> |
| TOTAL | <u>\$ 5,429,468</u> | <u>100</u> | <u>\$ 5,449,336</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings (Note 18) | \$ 904,780 | 17 | \$ 1,047,834 | 19 |
| Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7) | 3,765 | - | 1,290 | - |
| Contract liabilities - current (Notes 4 and 23) | 13,800 | - | 14,429 | - |
| Trade payables | 442,276 | 8 | 465,388 | 9 |
| Lease liabilities - current (Notes 4 and 13) | 20,352 | 1 | - | - |
| Other payables (Note 20) | 602,199 | 11 | 597,035 | 11 |
| Current tax liabilities (Notes 4 and 25) | 18,306 | - | 23,350 | - |
| Current portion of long-term borrowings and bonds payable (Notes 4, 18, 19 and 32) | 397,309 | 7 | 29,450 | 1 |
| Other current liabilities | <u>6,506</u> | <u>-</u> | <u>8,118</u> | <u>-</u> |
| Total current liabilities | <u>2,409,293</u> | <u>44</u> | <u>2,186,894</u> | <u>40</u> |
| NON-CURRENT LIABILITIES | | | | |
| Lease liabilities - non-current (Notes 4 and 13) | 90,682 | 2 | - | - |
| Bond payables (Notes 4, 19 and 32) | - | - | 287,265 | 5 |
| Long-term borrowings (Notes 18 and 32) | 364,000 | 7 | 265,050 | 5 |
| Deferred tax liabilities (Notes 4 and 25) | 6,852 | - | 4,386 | - |
| Guarantee deposits received | <u>813</u> | <u>-</u> | <u>740</u> | <u>-</u> |
| Total non-current liabilities | <u>462,347</u> | <u>9</u> | <u>557,441</u> | <u>10</u> |
| Total liabilities | <u>2,871,640</u> | <u>53</u> | <u>2,744,335</u> | <u>50</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP (Notes 4 and 22) | | | | |
| Share capital | | | | |
| Ordinary shares | <u>696,758</u> | <u>13</u> | <u>696,758</u> | <u>13</u> |
| Capital surplus | <u>737,456</u> | <u>14</u> | <u>737,456</u> | <u>13</u> |
| Retained earnings | | | | |
| Legal reserve | 314,074 | 6 | 302,055 | 6 |
| Special reserve | 154,427 | 3 | 147,131 | 3 |
| Unappropriated earnings | <u>847,902</u> | <u>15</u> | <u>897,460</u> | <u>16</u> |
| Total retained earnings | <u>1,316,403</u> | <u>24</u> | <u>1,346,646</u> | <u>25</u> |
| Other equity | <u>(220,594)</u> | <u>(4)</u> | <u>(154,427)</u> | <u>(3)</u> |
| Total equity attributable to owners of the Company | 2,530,023 | 47 | 2,626,433 | 48 |
| NON-CONTROLLING INTERESTS (Note 4, 22 and 27) | <u>27,805</u> | <u>-</u> | <u>78,568</u> | <u>2</u> |
| Total equity | <u>2,557,828</u> | <u>47</u> | <u>2,705,001</u> | <u>50</u> |
| TOTAL | <u>\$ 5,429,468</u> | <u>100</u> | <u>\$ 5,449,336</u> | <u>100</u> |

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2019 | | 2018 | |
|---|--------------------|-------------|--------------------|-------------|
| | Amount | % | Amount | % |
| OPERATING REVENUE | | | | |
| Sales (Notes 4, 23 and 37) | \$ 4,657,720 | 100 | \$ 4,477,826 | 100 |
| OPERATING COSTS | | | | |
| Cost of goods sold (Notes 10, 24 and 33) | <u>(3,818,338)</u> | <u>(82)</u> | <u>(3,639,029)</u> | <u>(81)</u> |
| GROSS PROFIT | <u>839,382</u> | <u>18</u> | <u>838,797</u> | <u>19</u> |
| OPERATING EXPENSES (Notes 24) | | | | |
| Selling and marketing expenses | (201,265) | (4) | (190,658) | (5) |
| General and administrative expenses | (369,097) | (8) | (356,464) | (8) |
| Research and development expenses | (270,321) | (6) | (227,081) | (5) |
| Expected credit loss (Notes 4 and 9) | <u>(1,321)</u> | <u>-</u> | <u>(33)</u> | <u>-</u> |
| Total operating expenses | <u>(842,004)</u> | <u>(18)</u> | <u>(774,236)</u> | <u>(18)</u> |
| (LOSS) PROFIT FROM OPERATIONS | <u>(2,622)</u> | <u>-</u> | <u>64,561</u> | <u>1</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Other income (Notes 4 and 24) | 51,243 | 1 | 44,279 | 1 |
| Other gains (Notes 4 and 24) | 20,056 | 1 | 18,622 | 1 |
| Finance costs (Notes 4, 19 and 24) | <u>(41,645)</u> | <u>(1)</u> | <u>(26,882)</u> | <u>(1)</u> |
| Total non-operating income and expenses | <u>29,654</u> | <u>1</u> | <u>36,019</u> | <u>1</u> |
| PROFIT BEFORE INCOME TAX | 27,032 | 1 | 100,580 | 2 |
| INCOME TAX EXPENSE (Notes 4 and 25) | <u>(26,982)</u> | <u>(1)</u> | <u>(22,987)</u> | <u>-</u> |
| NET PROFIT FOR THE YEAR | <u>50</u> | <u>-</u> | <u>77,593</u> | <u>2</u> |
| OTHER COMPREHENSIVE LOSS (Notes 4, 22 and 25) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Unrealized gain on investments in equity instruments at fair value through other comprehensive income | 14,597 | - | 11,047 | - |
| Income tax related to items that would not be reclassified subsequently to profit or loss | <u>(3,348)</u> | <u>-</u> | <u>(2,697)</u> | <u>-</u> |
| | <u>11,249</u> | <u>-</u> | <u>8,350</u> | <u>-</u> |

(Continued)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2019 | | 2018 | |
|--|--------------------|------------|------------------|------------|
| | Amount | % | Amount | % |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating the financial statements of foreign operations | \$ (96,905) | (2) | \$ (23,361) | - |
| Income tax relating to items that may be reclassified subsequently to profit or loss | <u>19,332</u> | <u>1</u> | <u>9,754</u> | <u>-</u> |
| | <u>(77,573)</u> | <u>(1)</u> | <u>(13,607)</u> | <u>-</u> |
| Other comprehensive loss for the year, net of income tax | <u>(66,324)</u> | <u>(1)</u> | <u>(5,257)</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR | <u>\$ (66,274)</u> | <u>(1)</u> | <u>\$ 72,336</u> | <u>2</u> |
| NET PROFIT (LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of the Company | \$ 53,368 | 1 | \$ 120,188 | 3 |
| Non-controlling interests | <u>(53,318)</u> | <u>(1)</u> | <u>(42,595)</u> | <u>(1)</u> |
| | <u>\$ 50</u> | <u>-</u> | <u>\$ 77,593</u> | <u>2</u> |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of the Company | \$ (12,799) | - | \$ 115,099 | 3 |
| Non-controlling interests | <u>(53,475)</u> | <u>(1)</u> | <u>(42,763)</u> | <u>(1)</u> |
| | <u>\$ (66,274)</u> | <u>(1)</u> | <u>\$ 72,336</u> | <u>2</u> |
| EARNINGS PER SHARE (NTD; Note 26) | | | | |
| From continuing operations | | | | |
| Basic | <u>\$ 0.77</u> | | <u>\$ 1.72</u> | |
| Diluted | <u>\$ 0.76</u> | | <u>\$ 1.67</u> | |

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

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)**

| | Equity Attributable to Owners of the Company | | | | | Other Equity | | Non-controlling Interests | Total Equity |
|---|--|-------------------|-------------------|-------------------|-------------------------|---|---|---------------------------|---------------------|
| | Share Capital | Capital Surplus | Retained Earnings | | Unappropriated Earnings | Exchange Differences on Translating the Financial Statement of Foreign Operations | Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | | |
| | | | Legal Reserve | Special Reserve | | | | | |
| BALANCE AT JANUARY 1, 2018 | \$ 696,758 | \$ 728,457 | \$ 277,707 | \$ 87,468 | \$ 1,021,537 | \$ (147,131) | \$ (2,207) | \$ 83,068 | \$ 2,745,657 |
| Appropriation of 2017 earnings (Note 22) | | | | | | | | | |
| Legal reserve | - | - | 24,348 | - | (24,348) | - | - | - | - |
| Special reserve | - | - | - | 59,663 | (59,663) | - | - | - | - |
| Cash dividends | - | - | - | - | (160,254) | - | - | - | (160,254) |
| Other changes in capital surplus | | | | | | | | | |
| Equity component of convertible bonds issued by the Company (Notes 19 and 22) | - | 8,999 | - | - | - | - | - | - | 8,999 |
| Net profit for the year ended December 31, 2018 | - | - | - | - | 120,188 | - | - | (42,595) | 77,593 |
| Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax (Note 22) | - | - | - | - | - | (13,439) | 8,350 | (168) | (5,257) |
| Total comprehensive income (loss) for the year ended December 31, 2018 | - | - | - | - | 120,188 | (13,439) | 8,350 | (42,763) | 72,336 |
| Non-controlling interests (Notes 22 and 27) | - | - | - | - | - | - | - | 38,263 | 38,263 |
| BALANCE AT DECEMBER 31, 2018 | 696,758 | 737,456 | 302,055 | 147,131 | 897,460 | (160,570) | 6,143 | 78,568 | 2,705,001 |
| Appropriation of 2018 earnings (Note 22) | | | | | | | | | |
| Legal reserve | - | - | 12,019 | - | (12,019) | - | - | - | - |
| Special reserve | - | - | - | 7,296 | (7,296) | - | - | - | - |
| Cash dividends | - | - | - | - | (83,611) | - | - | - | (83,611) |
| Net profit (loss) for the year ended December 31, 2019 | - | - | - | - | 53,368 | - | - | (53,318) | 50 |
| Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax (Note 22) | - | - | - | - | - | (77,416) | 11,249 | (157) | (66,324) |
| Total comprehensive income (loss) for the year ended December 31, 2019 | - | - | - | - | 53,368 | (77,416) | 11,249 | (53,475) | (66,274) |
| Non-controlling interests (Notes 22 and 27) | - | - | - | - | - | - | - | 2,712 | 2,712 |
| BALANCE AT DECEMBER 31, 2019 | <u>\$ 696,758</u> | <u>\$ 737,456</u> | <u>\$ 314,074</u> | <u>\$ 154,427</u> | <u>\$ 847,902</u> | <u>\$ (237,986)</u> | <u>\$ 17,392</u> | <u>\$ 27,805</u> | <u>\$ 2,557,828</u> |

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

| | 2019 | 2018 |
|--|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 27,032 | \$ 100,580 |
| Adjustments for: | | |
| Depreciation expenses | 347,452 | 288,297 |
| Amortization expenses | 7,803 | 7,178 |
| Amortization of prepayments for leases | - | 2,460 |
| Expected credit loss recognized on trade receivables | 1,321 | 33 |
| Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss | 2,371 | (739) |
| Finance costs | 41,645 | 26,882 |
| Interest income | (12,378) | (12,666) |
| Dividend income | (1,866) | (2,387) |
| Write-downs of inventories | 12,072 | 2,486 |
| Loss on disposal of property, plant and equipment | 63 | 1,237 |
| Net loss (gain) on foreign currency exchange | 34,199 | (5,312) |
| Changes in operating assets and liabilities | | |
| Financial assets mandatorily classified as at fair value through profit or loss | - | 2,157 |
| Notes receivable | (2,684) | 5,937 |
| Trade receivables | (21,569) | (157,425) |
| Other receivables | 6,488 | (32,452) |
| Inventories | (22,693) | (123,199) |
| Other current assets | 1,784 | (39,187) |
| Contract liabilities | (682) | 6,948 |
| Trade payables | (8,052) | (154) |
| Other payables | (38,625) | 100,204 |
| Other current liabilities | (959) | (10,387) |
| Cash generated from operations | 372,722 | 160,491 |
| Interest received | 12,598 | 12,431 |
| Dividend received | 1,866 | 2,387 |
| Interest paid | (35,844) | (21,093) |
| Income tax paid | (42,731) | (31,800) |
| Net cash generated from operating activities | <u>308,611</u> | <u>122,416</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Return of funds to financial assets at fair value through other comprehensive income | 2,092 | 12,570 |
| Net cash inflow on acquisition of subsidiaries (Note 27) | 1,640 | 17,366 |
| Payments for property, plant and equipment | (304,924) | (242,403) |
| Proceeds from disposal of property, plant and equipment | 4,049 | 7,175 |
| Decrease in other receivables | - | 181,311 |
| Payments for intangible assets | (13,428) | (6,827) |
| Increase in other financial assets | - | (57,270) |
| Decrease in other financial assets | 3,776 | - |

(Continued)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

| | 2019 | 2018 |
|---|-------------------|-------------------|
| Increase in refundable deposits | \$ (9,544) | \$ - |
| Decrease in refundable deposits | - | 3,221 |
| Decrease in other non-current assets | 8,235 | 262 |
| Increase in prepayments for equipment | <u>(278,363)</u> | <u>(218,440)</u> |
| Net cash used in investing activities | <u>(586,467)</u> | <u>(303,035)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short-term borrowings | - | 127,042 |
| Repayments of short-term borrowings | (135,654) | - |
| Proceeds from issuance of convertible bonds | - | 287,890 |
| Proceeds from long-term borrowings | 225,500 | 63,500 |
| Repayments of long-term borrowings | (52,000) | - |
| Repayment of the principal portion of lease liabilities | (18,654) | - |
| Proceeds from guarantee deposits received | 108 | - |
| Refund of guarantee deposits received | - | (150) |
| Dividends paid to owners of the Company | (83,611) | (160,254) |
| Dividends paid to non-controlling interests | <u>-</u> | <u>24,500</u> |
| Net cash (used in) generated from financing activities | <u>(64,311)</u> | <u>342,528</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | | |
| | <u>(40,933)</u> | <u>(3,443)</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | | |
| | (383,100) | 158,466 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | |
| | <u>976,471</u> | <u>818,005</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | |
| | <u>\$ 593,371</u> | <u>\$ 976,471</u> |

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

(Concluded)

U.D. Electronic Corp.
2019 Profit Distribution Table

| Item | Unit: NTD Amount |
|---|---------------------|
| Unappropriated earnings – beginning of the year | 794,545,069 |
| Add: 2018 net income after tax | 53,368,277 |
| Subtract: Legal reserve | (5,336,828) |
| Subtract: Special reserve | (66,168,710) |
| Accumulated unappropriated earnings | 776,407,808 |
| Cash dividends (NT\$0.5/share) | (34,837,904) |
| Unappropriated earnings – end of the year | 741,569,904 |

Chairman & CEO: General Manager: Accounting manager:

**U.D. Electronic Corp.
Comparison List before and after Amendment of the “Codes of Ethical Conduct”**

Appendix 5

| Article | Before the amendment | After the amendment | Reason for amendment |
|-----------|--|---|---|
| Article 2 | This standard applies to the company's directors, supervisors and managers (including general managers, deputy general managers and equivalent ranks, associates and equivalent ranks, financial department heads, and others who have the right to manage affairs and sign for the company). | This standard applies to the company's directors ; supervisors and managers (including general managers, deputy general managers and equivalent ranks, associates and equivalent ranks, financial department heads, and others who have the right to manage affairs and sign for the company). | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 3 | <p>The company ’s ethical code of conduct, which is determined by its individual circumstances and needs, should include at least the following eight items:</p> <p>1. Prevent conflicts of interest: Conflicts of interest arise when personal interests intervene or may intervene in the company ’s overall interests, for example, when the company ’s directors, supervisors or managers are unable to handle official duties in an objective and efficient manner, or based on their position in the company Relatives within oneself, spouse, parents, children, or second relatives have received undue benefits. The company should pay special attention to the relationship with the aforementioned personnel to which the enterprise funds are loaned or provided with guarantees, major asset transactions, and purchases (sales) of goods. When the actions of the above-mentioned personnel may conflict with the interests of the company, the</p> | <p>The company ’s ethical code of conduct, which is determined by its individual circumstances and needs, should include at least the following eight items:</p> <p>1. Prevent conflicts of interest: Conflicts of interest arise when personal interests intervene or may intervene in the company ’s overall interests, for example, when the company ’s directors ; supervisors or managers are unable to handle official duties in an objective and efficient manner, or based on their position in the company Relatives within oneself, spouse, parents, children, or second relatives have received undue benefits. The company should pay special attention to the relationship with the aforementioned personnel to which the enterprise funds are loaned or provided with guarantees, major asset transactions, and purchases (sales) of goods. When the actions of the above-mentioned personnel may conflict with the interests of the company, the</p> | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |

| | | | |
|--|---|---|--|
| | <p>relevant directors, supervisors and managers should proactively indicate whether they have potential conflicts of interest with the company, and should be handled in accordance with relevant laws and regulations of the company.</p> <p>2. Opportunities to avoid self-interest: The company's directors, supervisors or managers should avoid the following matters: (1) through the use of company property, information or by the convenience of the opportunity for personal gain; (2) by using company property, information or by position In order to obtain private profits; (3) Compete with the company. When a company has a profit-making opportunity, directors, supervisors or managers are responsible for increasing the legitimate and legitimate benefits that the company can obtain.</p> <p>3. Confidentiality responsibilities : The directors, supervisors or managers of the company shall have the obligation to keep confidential the information of the company itself or its purchase (sales) customers, unless authorized or disclosed by law. Information that should be kept confidential includes all undisclosed information that may be used or leaked by competitors and may damage the company or customers.</p> <p>4. Fair trade: The company's directors, supervisors or managers should treat the company's incoming (sale) customers, competitors and employees fairly, and must not manipulate, hide or abuse the information they learned based on their positions, make misrepresentations of important matters or other Improper benefits are obtained through fair trading.</p> | <p>relevant directors, supervisors and managers should proactively indicate whether they have potential conflicts of interest with the company, and should be handled in accordance with relevant laws and regulations of the company.</p> <p>2. Opportunities to avoid self-interest: The company's directors ,supervisors or managers should avoid the following matters: (1) through the use of company property, information or by the convenience of the opportunity for personal gain; (2) through the use of company property, information or by position In order to obtain private profits; (3) Compete with the company. When a company has a profit-making opportunity, directors ,supervisors or managers are responsible for increasing the legitimate and legitimate benefits that the company can obtain.</p> <p>3. Confidentiality responsibilities : The directors ,supervisors or managers of the company shall have the obligation to keep confidential the information of the company itself or its purchase (sales) customers, unless authorized or disclosed by law. Information that should be kept confidential includes all undisclosed information that may be used or leaked by competitors and may damage the company or customers.</p> <p>4. Fair trade: The company's directors ,supervisors or managers should treat the company's incoming (sale) customers, competitors and employees fairly, and must not manipulate, hide or abuse the information they learned based on their positions, make misrepresentations of important matters or other Improper benefits are obtained through fair trading.</p> | |
|--|---|---|--|

| | | | |
|--|---|---|--|
| | <p>5. Protect and properly use company assets: The company's directors, supervisors or managers are all responsible for protecting the company's assets and ensuring that they can be effectively and legally used in official business. Theft, negligence or waste will directly affect the company's profitability.</p> <p>6. Follow laws and regulations: The company's directors, supervisors, managers and personnel should follow the relevant laws and regulations, including the securities trading law and other laws and regulations.</p> <p>7. Encourage reporting any illegal or ethical violations: The company should strengthen the promotion of ethical concepts and encourage employees to report to supervisors, managers, internal audit supervisors or other appropriate personnel when they suspect or discover violations of laws, regulations or ethical codes of conduct. In order to encourage employees to report violations, the company should properly handle the above-mentioned reporting materials in a confidential and responsible manner, and let employees know that the company will do its utmost to protect the safety of the reporters from retaliation.</p> <p>8. Disciplinary measures: When the director, supervisor or manager of the company violates the code of ethical conduct, the case will be reported to the board of directors according to the circumstances and the law or the disciplinary measures in accordance with the relevant regulations of the company, and the public information observatory shall be immediately available Expose information such as the date of violation, cause of violation, violation of the code, and handling of personnel who violated the Code of</p> | <p>5. Protect and properly use company assets: The company's directors ,supervisors or managers are all responsible for protecting the company's assets and ensuring that they can be effectively and legally used in official business. Theft, negligence or waste will directly affect the company's profitability.</p> <p>6. Follow laws and regulations: The company's directors ,supervisors, managers and personnel should follow the relevant laws and regulations, including the securities trading law and other laws and regulations.</p> <p>7. Encourage reporting any illegal or ethical violations: The company should strengthen the promotion of ethical concepts and encourage employees to report to supervisors, managers, internal audit supervisors or other appropriate personnel when they suspect or discover violations of laws, regulations or ethical codes of conduct . In order to encourage employees to report violations, the company should properly handle the above-mentioned reporting materials in a confidential and responsible manner, and let employees know that the company will do its utmost to protect the safety of the reporters from retaliation.</p> <p>8. Disciplinary measures: When the director ,supervisor or manager of the company violates the code of ethical conduct, the case will be reported to the board of directors according to the circumstances and the law or the disciplinary measures in accordance with the relevant regulations of the company, and the public</p> | |
|--|---|---|--|

| | | | |
|-----------|--|---|---|
| | Ethical Conduct. Those who violate the Code of Ethical Conduct may file a remedy for complaints through normal channels. | information observatory shall be immediately available Expose information such as the date of violation, cause of violation, violation of the code, and handling of personnel who violated the Code of Ethical Conduct. Those who violate the Code of Ethical Conduct may file a remedy for complaints through normal channels. | |
| Article 4 | If the company exempts directors, supervisors or managers from following the company's ethical code of conduct ... | If the company exempts directors , supervisors or managers from following the company's ethical code of conduct ... | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 6 | This standard will be implemented after approval by the board of directors, and will be sent to all supervisors and reported to the shareholders' meeting. | This standard is approved by <u>one-half of the entire audit committee, and is submitted to the</u> board of directors for approval and implementation, and is sent to the supervisors and the shareholders' meeting. The same is true when it is amended. | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 7 | Revision date This standard was established on September 23, 2010. The first revision was made on March 12, 2004. | Revision date This standard was established on September 23, 2010. The first revision was made on March 12, 2004. <u>The second amendment was made on March 5, 2009, and will be effective from June 18, 2009.</u> | Add revision date, frequency and effective date of application |

U.D. Electronic Corp.
Comparison List before and after Amendment of the “Ethical Corporate Management Best Practice Principles”

Appendix 6

| Article | Before the amendment | After the amendment | Reason for amendment |
|-----------|--|---|--|
| Article 3 | <p>Prohibition of dishonesty</p> <p>The directors, supervisors, managers, employees, appointed persons or persons with substantive control ability (hereinafter referred to as substantive controllers) of the company shall not directly, indirectly provide, promise, request or accept in the course of engaging in commercial activities Any improper interests, or other acts of dishonesty that violate integrity, lawlessness, or breach of fiduciary duty, in order to obtain or maintain benefits.</p> <p>The objects of the preceding paragraph include public officials, candidates for political participation, political parties or party officials, as well as any public or private enterprises or institutions and their directors (directors), supervisors (supervisors), managers, employees, substantive controllers Or other interested parties.</p> | <p>Prohibition of dishonesty</p> <p>The directors ,-supervisors-, managers, employees, appointed persons or persons with substantive control ability (hereinafter referred to as substantive controllers) of the company shall not directly, indirectly provide, promise, request or accept in the course of engaging in commercial activities Any improper interests, or other acts of dishonesty that violate integrity, lawlessness, or breach of fiduciary duty, in order to obtain or maintain benefits.</p> <p>The objects of the preceding paragraph include public officials, candidates for political participation, political parties or party officials, as well as any public or private enterprises or institutions and their directors (directors) ,- supervisors (supervisors)-, managers, employees, substantive controllers Or other interested parties.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 7 | <p>Preventive measures against dishonesty and its scope</p> <p>According to the business philosophy and policies of the preceding article, when formulating a plan to prevent dishonesty (hereinafter referred to as the prevention plan) in the code, the company should analyze business activities with a high risk of dishonesty in the business scope and strengthen relevant preventive measures . The</p> | <p>Preventive measures against dishonesty and its scope</p> <p>According to the business philosophy and policies of the preceding article, when formulating a plan to prevent dishonesty (hereinafter referred to as the prevention plan) in the code, the company should analyze business activities with a high risk of dishonesty in the business scope and strengthen relevant preventive measures . The</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | <p>company's prevention plan should at least cover the following measures:</p> <ol style="list-style-type: none"> 1. Bribery and bribery are prohibited. The company and the company's directors, supervisors, managers, employees, assignees and substantive controllers shall not directly or indirectly report to customers, agents, contractors, suppliers, public officials or other interests when performing business The related parties provide, promise, request or accept any form of improper benefits. 2. It is prohibited to provide illegal political contributions. The company and the company's directors, supervisors, managers, employees, appointments and substantive controllers, directly or indirectly, make contributions to political parties or organizations or individuals involved in political activities, shall comply with the political contribution law and internal company The operating procedures shall not be used to obtain commercial benefits or trading advantages. 3. Improper charitable donations or sponsorships are prohibited. The company and the company's directors, supervisors, managers, employees, assignees and substantive controllers shall comply with relevant laws and internal procedures for charitable donations or sponsorship, and shall not bribe in disguise. | <p>company's prevention plan should at least cover the following measures:</p> <ol style="list-style-type: none"> 1. Bribery and bribery are prohibited. The company and the company's directors ; supervisors, managers, employees, assignees and substantive controllers shall not directly or indirectly report to customers, agents, contractors, suppliers, public officials or other interests when performing business The related parties provide, promise, request or accept any form of improper benefits. 2. It is prohibited to provide illegal political contributions. The company and the company's directors ; supervisors, managers, employees, appointments and substantive controllers, directly or indirectly, make contributions to political parties or organizations or individuals involved in political activities, shall comply with the political contribution law and internal company The operating procedures shall not be used to obtain commercial benefits or trading advantages. 3. Improper charitable donations or sponsorships are prohibited. The company and the company's directors ; supervisors, managers, employees, assignees and substantive controllers shall comply with relevant | |
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| | <p>is forbidden to provide or accept unreasonable gifts, entertainment or other improper benefits.</p> <p>The company and the company's directors, supervisors, managers, employees, assignees and substantive controllers shall not directly or indirectly provide or accept any unreasonable gifts, hospitality or other improper benefits in order to establish business relationships or affect business Trading behavior.</p> <p>is prohibited to infringe on business secrets, trademark rights, patent rights, copyrights and other intellectual property rights.</p> <p>The company and its directors, supervisors, managers, employees, assignees and substantive controllers should abide by the relevant laws and regulations on intellectual property, the company's internal operating procedures and contract provisions; Leakage, punishment, damage or other infringement of intellectual property rights.</p> <p>6. It is prohibited to engage in unfair competition.</p> <p>The company shall engage in business activities in accordance with relevant competition laws, and shall not fix prices, manipulate bids, limit production and quotas, or share or divide the market by allocating customers, suppliers, operating areas, or types of business.</p> <p>is forbidden to directly or indirectly damage the rights,</p> | <p>laws and internal procedures for charitable donations or sponsorship, and shall not bribe in disguise.</p> <p>is forbidden to provide or accept unreasonable gifts, entertainment or other improper benefits.</p> <p>The company and the company's directors ; supervisors, managers, employees, assignees and substantive controllers shall not directly or indirectly provide or accept any unreasonable gifts, hospitality or other improper benefits in order to establish business relationships or affect business Trading behavior.</p> <p>is prohibited to infringe on business secrets, trademark rights, patent rights, copyrights and other intellectual property rights.</p> <p>The company and its directors ; supervisors, managers, employees, assignees and substantive controllers should abide by the relevant laws and regulations on intellectual property, the company's internal operating procedures and contract provisions; Leakage, punishment, damage or other infringement of intellectual property rights.</p> <p>6. It is prohibited to engage in unfair competition.</p> <p>The company shall engage in business activities in accordance with relevant competition laws, and shall not fix prices, manipulate bids, limit production and quotas, or share or divide the market</p> | |
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| | <p>health and safety of consumers or other interested parties when products and services are researched, purchased, manufactured, provided or sold.</p> <p>The company and its directors, supervisors, managers, employees, assignees and substantive controllers should follow relevant laws and international standards in the process of research and development, procurement, manufacturing, provision or sale of products and services to ensure products Information transparency and security of services and services, formulating and disclosing the protection of the rights of consumers or other stakeholders, and implementing them in operating activities to prevent products or services from directly or indirectly damaging the rights and interests of consumers or other stakeholders, Health and safety. When there are facts sufficient to recognize that their goods and services endanger the safety and health of consumers or other interested parties, in principle, the batch of products should be recycled or their services should be stopped.</p> | <p>by allocating customers, suppliers, operating areas, or types of business.</p> <p>is forbidden to directly or indirectly damage the rights, health and safety of consumers or other interested parties when products and services are researched, purchased, manufactured, provided or sold.</p> <p>The company and its directors supervisors, managers, employees, assignees and substantive controllers should follow relevant laws and international standards in the process of research and development, procurement, manufacturing, provision or sale of products and services to ensure products Information transparency and security of services and services, formulating and disclosing the protection of the rights of consumers or other stakeholders, and implementing them in operating activities to prevent products or services from directly or indirectly damaging the rights and interests of consumers or other stakeholders, Health and safety. When there are facts sufficient to recognize that their goods and services endanger the safety and health of consumers or other interested parties, in principle, the batch of products should be recycled or their services should be stopped.</p> | |
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| Article 10 | <p>Organization and responsibility</p> <p>The company's board of directors, supervisors, managers, employees, assignees and substantive controllers should fulfill the duty of care of kind managers ...</p> | <p>Organization and responsibility</p> <p>The company's board of directors , supervisors, managers, employees, assignees and substantive controllers should fulfill the duty of care of kind managers ...</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 11 | <p>Business execution compliance</p> <p>The directors, supervisors, managers, servants, assignees and substantive controllers of the company shall abide by the laws and regulations and preventive measures when performing business.</p> | <p>Business execution compliance</p> <p>The directors , supervisors, managers, servants, assignees and substantive controllers of the company shall abide by the laws and regulations and preventive measures when performing business.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 12 | <p>Interest avoidance</p> <p>... Directors, supervisors, managers and other stakeholders present or attending the board of directors' proposals to the board of directors, ...</p> <p>The directors, supervisors, managers, employees, assignees and substantive controllers of the company shall not use their positions or influence in the company ...</p> | <p>Interest avoidance</p> <p>... Directors , supervisors, managers and other stakeholders present or attending the board of directors' proposals to the board of directors, ...</p> <p>The directors , supervisors, managers, employees, assignees and substantive controllers of the company shall not use their positions or influence in the company ...</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 14 | <p>Operating procedures and behavior guidelines</p> <p>The company sets the operating procedures and behavior guidelines for the plan to prevent dishonesty, which specifically regulates the matters that should be paid attention to by directors, supervisors, managers, employees and substantive controllers in the execution of business. Its content should at least cover the following matters:</p> | <p>Operating procedures and behavior guidelines</p> <p>The company sets the operating procedures and behavior guidelines for the plan to prevent dishonesty, which specifically regulates the matters that should be paid attention to by directors , supervisors, managers, employees and substantive controllers in the execution of business . The content should at least cover the following</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | <p>1. (Omitted) Second, (omitted) 3. (Omitted) 4. (Omitted) 5. (Omitted) 6. (Omitted) 7. (Omitted) 8. (Omitted)</p> | <p>matters: 1. (Omitted) Second, (omitted) 3. (Omitted) 4. (Omitted) 5. (Omitted) 6. (Omitted) 7. (Omitted) 8. (Omitted)</p> | |
| Article 15 | <p>Education, training and assessment</p> <p>The company's chairman, general manager or senior management should regularly communicate the importance of integrity to directors, employees and assignees.</p> <p>The company regularly conducts educational training and advocacy on directors, supervisors, managers, employees, incumbents and substantive controllers, and each business undertaker should advertise with its counterparts in the company 's business conduct to fully understand The company's determination to operate in good faith, policies, preventive programs and violations of dishonest consequences.</p> <p>The company combines the integrity management policy with employee performance appraisal and human resources policy to establish a clear and effective reward and punishment system.</p> | <p>Education, training and assessment</p> <p>The company's chairman, general manager or senior management should regularly communicate the importance of integrity to directors, employees and assignees.</p> <p>The company regularly conducts educational training and advocacy on directors , supervisors, managers, employees, incumbents and substantive controllers, and each business undertaker should advertise with its counterparts in the company 's business conduct to fully understand The company's determination to operate in good faith, policies, preventive programs and violations of dishonest consequences.</p> <p>The company combines the integrity management policy with employee performance appraisal and human resources policy to establish a clear and effective reward and punishment system.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| Article 16 | <p>Whistleblowing and discipline</p> <p>Directors, supervisors, managers, servants, assignees and substantive controllers of the company who have discovered violations of the integrity management regulations shall proactively report to the board of directors, managers, internal audit supervisors or other appropriate supervisors. The company will keep confidential the identity of the informant and the content of the report, and actively verify and handle it. If an investigation reveals a major violation or the company is at risk of major damage, it shall immediately make a report and notify the independent director or supervisor in writing. Anyone who violates the integrity management regulations will be reported and punished according to the relevant personnel regulations according to the seriousness of the circumstances, and the information of the person 's job title, name, date of violation, content of violation and handling situation shall be disclosed on the company 's internal website.</p> | <p>Whistleblowing and discipline</p> <p>Directors , supervisors, managers, servants, assignees and substantive controllers of the company who have discovered violations of the integrity management regulations shall proactively report to the board of directors, managers, internal audit supervisors or other appropriate supervisors. The company will keep confidential the identity of the informant and the content of the report, and actively verify and handle it. If an investigation reveals a major violation or the company is at risk of major damage, it shall immediately make a report and notify the independent director or supervisor in writing . Anyone who violates the integrity management regulations will be reported and punished according to the relevant personnel regulations according to the seriousness of the circumstances, and the information of the person 's job title, name, date of violation, content of violation and handling situation shall be disclosed on the company 's internal website.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 18 | <p>Review and revision of integrity management policies and measures</p> <p>The company should always pay attention to the development of domestic and foreign standards of integrity management, and encourage directors, supervisors, managers and employees to make suggestions to review and improve the company's integrity management policies and measures to promote the company's integrity management Implementation results.</p> | <p>Review and revision of integrity management policies and measures</p> <p>The company should always pay attention to the development of domestic and foreign standards of integrity management, and encourage directors , supervisors, managers and employees to make suggestions to review and improve the company's integrity management policies and measures to promote</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | | the company's integrity management Implementation results. | |
| Article 19 | <p>Implement changes</p> <p>This code will be implemented after approval by the board of directors, and will be sent to all supervisors and reported to the shareholders' meeting.</p> <p>When submitting the Code of Integrity Management to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of the independent directors shall be fully considered, and the opinions of their objections or reservations shall be stated in the minutes of the board meeting; if the independent directors cannot attend the board of directors in person to express their objections or reservations In addition, unless there is a legitimate reason, a written opinion should be issued in advance and set out in the minutes of the board meeting.</p> | <p>Implement changes</p> <p>This code is approved by <u>one-half of the entire audit committee, and is submitted to the board of directors</u> for approval and implementation, and is sent to the supervisors to the shareholders' meeting, and the amendment is the same.</p> <p>When submitting the Code of Integrity Management to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of the independent directors shall be fully considered, and the opinions of their objections or reservations shall be stated in the minutes of the board meeting; if the independent directors cannot attend the board of directors in person to express their objections or reservations In addition, unless there is a legitimate reason, a written opinion should be issued in advance and set out in the minutes of the board meeting.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 20 | <p>Revision date</p> <p>This Code was established on September 23, 2010 in the Republic of China.</p> <p>The first revision was made on March 12, 2004.</p> | <p>Revision date</p> <p>This Code was established on September 23, 2010 in the Republic of China.</p> <p>The first revision was made on March 12, 2004.</p> <p>The second amendment was made on March 5, 2009,</p> | <p>Add the date and number of revisions.</p> |

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| | | <u>and will be effective from June 18, 2009.</u> | |
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**U.D. Electronic Corp.
Comparison List before and after Amendment of the “Articles of Incorporation”**

Appendix 7

| Article | Before the amendment | After the amendment | Reason for amendment |
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| Article 6 | The company's stock is registered, issued or signed by three or more directors, and issued after a legal visa. After the company's stock is publicly issued, the issued shares may be exempt from printing stocks, or may be combined printing stocks for each total issuance, but they should contact the securities centralized storage institution for registration or custody. Its stock issuance measures are handled in accordance with the company law and relevant laws and regulations. | The company's shares are registered, issued or signed by three or more directors representing the company , <u>and issued after obtaining a bank visa that is legally a visa issuer.</u> The company shares after the public offering of shares issued may be exempted printed stock, or have it printed for each issue combined total shares, but should contact the centralized securities depository enterprise agencies login <u>Shares to be issued, and in accordance with the provisions of the institutions</u> or custody. Its stock-issuance measures are handled in accordance with the company law and relevant laws and regulations. | Cooperate with the revision of the company law. |
| Chapter Four | Directors and supervisors | <u>Audit Committee of Directors and Supervisors</u> | The audit committee is set up according to law, so the name of this chapter is revised. |
| Article 14 | The company has five to nine directors and two to three supervisors. The term of office is three years and is re-elected. Among the number of directors in the preceding paragraph, the number of independent directors must be less than two, and the number of directors should be less | The company has five to nine directors and two to three <u>supervisors.</u> The term of office is three years and is re-elected. Among the number of directors in the preceding paragraph, the number of independent directors must be less than two, and the number of directors should be less | The audit committee was established in accordance with the law, so the supervisory authority was |

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| | <p>than one fifth of the number of directors.</p> <p>The company's directors and supervisors are elected by the candidate nomination system 度, which is selected by the shareholders' meeting on the list of candidates for directors and supervisors.</p> <p>The election of directors and supervisors of the company adopts the cumulative voting system. Each share has the same voting rights as the number of directors or supervisors to be elected. One person may be elected collectively, or several persons may be allocated. Director or supervisor.</p> <p>The board of directors of the company may set up a remuneration committee or other functional committees for business operations.</p> | <p>than one fifth of the number of directors.</p> <p>The company's directors and supervisors are elected by the candidate nomination system 度, which is selected by the shareholders' meeting on the list of candidates for directors and supervisors.</p> <p>The election of directors and supervisors of the company adopts the cumulative voting system. Each share has the same voting rights as the number of directors or supervisors to be elected. One person may be elected collectively, or several persons may be allocated. Director or supervisor.</p> <p>The company's board of directors may set up a salary and compensation committee or other functional committees for business operations.</p> | <p>deleted.</p> |
| Article 14 of 一 | <p>The company may purchase liability insurance for its directors, supervisors and key staff.</p> | <p>The Company may, for its directors , supervisors and key employees to purchase liability insurance.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 14bis | <p>When the vacancies of directors reach one-third or all supervisors are dismissed, the board of directors shall convene an interim shareholders' by-election within sixty days, and the term of office shall be limited to the period for making up the original office.</p> | <p>When the directors are short of one-third or all independent directors are dismissed, all supervisors are dismissed, the board of directors shall convene an interim meeting of shareholders for by-election within sixty days, and the term of office shall be limited to the time for making up the original appointment.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| Article 14ter | delete. | <p>delete.</p> <p><u>The company set up the Audit Committee in accordance with Article 14 of the Securities Exchange Act Four, and by all independent directors, is responsible for the implementation of the Companies Act, the Securities and Exchange Act and other laws and regulations powers supervisors.</u></p> <p><u>The members of the audit committee, the exercise of powers and other matters that should be complied with are understood to be handled in accordance with the relevant laws and regulations, and their organizational rules shall be separately formulated by the board of directors.</u></p> | Make clear the composition of the company's audit committee. |
| One of Article 16 | <p>The board of directors is convened quarterly. The reasons for the convening shall be clearly stated and the directors and supervisors shall be notified seven days before.</p> <p>However, in case of emergency, they may be called at any time. Mail (E-Mail) and other methods.</p> | <p>The Board of Directors to convene a quarterly basis, should be subject to convene states, seven day notice of the directors and supervisors; but when there are urgent circumstances, convened at any time, the Board of Directors convened notice, consent by the relative who is in writing, fax ,or E-mail and other methods replace written notifications .</p> | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 17 | <p>The remuneration of all directors and supervisors is authorized by the board of directors to be negotiated according to the level of directors and supervisors' participation in the operation of the company, the value of contributions and the normal level of the industry. The remuneration of the aforementioned directors and supervisors shall be paid regardless of operating profit or</p> | <p>The remuneration of all directors and supervisors is authorized by the board of directors to be negotiated according to the level of directors and supervisors' participation in the operation of the company, the value of contributions and the normal level of the industry. The remuneration of the aforementioned directors and supervisors shall be paid regardless of operating profit or</p> | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |

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| | loss. | loss. | |
| Article 19 | <p>At the end of each fiscal year of the company, the board of directors shall compile the following list and submit it to the supervisor for verification 30 days before the regular meeting of the shareholders, and then request recognition at the shareholders' meeting.</p> <p>(1) Business report. (2) Financial statements. (3) Proposal for distribution of surplus or compensation for loss.</p> | <p>At the end of each fiscal year of the company, the board of directors shall compile the following (1) <u>business report</u> (2) <u>financial statements</u> (3) <u>the surplus distribution or loss compensation proposal and other schedules,</u> which shall be submitted to the supervisor for verification 30 days before the shareholders' meeting, in accordance with legal procedures mentioned for the post of shareholders will be requested to admit.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 20 | <p>If the company makes a profit in the year (the so-called profit refers to the pre-tax benefit minus the benefits before the distribution of employees' compensation and the compensation of the directors and supervisors), 3% to 15% of the employees' compensation should be set aside. Or cash distribution, the object of distribution includes employees who meet certain conditions of control or subordinate companies; the company is able to open the amount of profit, the board of directors decided not to allocate more than 3% for directors and supervisors. However, when the company still has accumulated losses, it should reserve the amount of compensation in advance,</p> | <p>If the company's annual profit (profit refers to the so-called pre-tax interest deduction dispatch staff remuneration and directors monitor <u>what</u> interests before the reward), should set aside three percent to fifteen percent compensation for employees, by resolution of the Board of Directors stock or cash distribution payment, which were issued in line with certain conditions including the control of or subordinate employees; the company was open more than the amount of profit, by resolution of the Board of Directors to set aside no more than three per cent for the directors supervisor <u>things</u> reward.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | and then remunerate employees and directors and supervisors according to the proportions in the preceding paragraph. | But there are accumulated losses of the company, it should be reserved in advance the amount of make up, then set aside under the preceding paragraph proportion of employee remuneration and directors supervisor <u>things</u> reward. <u>Before the establishment of the audit committee of the company, the remuneration of the supervisors was distributed in accordance with the first provision.</u> | |
| Article 24 | This constitution was established on March 04, 1994. The first revision was on February 01, 1996. The second revision was on August 07, 1996. The third revision was on December 24, 1996. The fourth revision was on May 28, 1997. The fifth revision was on June 30, 1997. The sixth revision was on June 30, 1998. The seventh revision was on June 30, 1999. The eighth revision was made on June 17, 100. The ninth revision was on November 17, 100. The tenth revision was made on June 21, 101. The eleventh revision was made on June 17, 104. The twelfth revision was on June 16, 105. The thirteenth revision was on June 14, 107. The fourteenth revision was on June 18, 108. | This constitution was established on March 04, 1994. The first revision was on February 01, 1996. The second revision was on August 07, 1996. The third revision was on December 24, 1996. The fourth revision was on May 28, 1997. The fifth revision was on June 30, 1997. The sixth revision was on June 30, 1998. The seventh revision was on June 30, 1999. The eighth revision was made on June 17, 100. The ninth revision was on November 17, 100. The tenth revision was made on June 21, 101. The eleventh revision was made on June 17, 104. The twelfth revision was on June 16, 105. The thirteenth revision was on June 14, 107. The fourteenth revision was on June 18, 108. | Add revision Date and frequency |

U.D. Electronic Corp.
Comparison List before and after Amendment of the “Procedures for Acquisition and Disposal of Assets”

Appendix 8

| Article | Before the amendment | After the amendment | Reason for amendment |
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| Article 9 | <p>Procedures for obtaining real estate or right-of-use assets from related parties</p> <p>1. (Omitted)</p> <p>2. Evaluation and operation procedures</p> <p style="padding-left: 20px;">The company obtains or disposes of real estate or right-of-use assets from related parties, or acquires or disposes other assets other than real estate or right-of-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and total assets Those with a ten or NT \$ 300 million or more, in addition to buying and selling domestic government bonds, bonds with buy-back and sell-back conditions, subscribing or redeeming domestic money market funds, the following information should be submitted to the board of directors for approval and approval by the supervisor, Before signing the transaction contract and payment:</p> <p>(1) (omitted)</p> <p>(2) (omitted)</p> <p>(3) (omitted)</p> <p>(4) (omitted)</p> <p>(5) (omitted)</p> | <p>Procedures for obtaining real estate or right-of-use assets from related parties</p> <p>1. (Omitted)</p> <p>2. Evaluation and operation procedures</p> <p style="padding-left: 20px;">The company obtains or disposes of real estate or right-of-use assets from related parties, or acquires or disposes other assets other than real estate or right-of-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and total assets Those with a value of ten or NT \$ 300 million or more, in addition to buying and selling domestic government bonds, bonds with buy-back and sell-back conditions, and subscribing to or redeeming domestic money market funds, the following information should be submitted to the <u>Audit Committee, approved by all members of the Audit Committee More than one-half agreed, and after the</u> board of directors passed the resolution and the supervisor's approval, they must sign the transaction contract and pay the payment:</p> <p>(1) (omitted)</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | <p>(6) (omitted) (7) (omitted)</p> <p>If an independent director has been established according to law, when submitting to the board of directors for discussion in accordance with the first provision, the opinions of each independent director shall be fully considered. If the independent director has any objections or reservations, they shall be stated in the minutes of the board meeting.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of the first paragraph of Article 14, and the so-called within one year is based on the date of the fact that this transaction occurred. The board of directors approved and the supervisor acknowledged that part of the exemption will not be counted.</p> <p>(Omitted below)</p> <p>3. Reasonable evaluation of transaction costs</p> <p>(1) (omitted) (2) (omitted) (3) (omitted) (4) (omitted)</p> <p>company obtains real estate or right-of-use assets from related parties, if the evaluation results in accordance with the provisions of paragraphs 1 and 2 of paragraph 3 of this article are lower than the transaction price, the following matters shall be handled:</p> | <p>(2) (omitted) (3) (omitted) (4) (omitted) (5) (omitted) (6) (omitted) (7) (omitted)</p> <p>If an independent director has been established according to law, when submitting to the board of directors for discussion in accordance with the first provision, the opinions of each independent director shall be fully considered. If the independent director has any objections or reservations, they shall be stated in the minutes of the board meeting.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of the first paragraph of Article 14, and the so-called within one year is based on the date of the fact that this transaction occurred. The approval of the board of directors and the approval of the supervisors are exempted.</p> <p>(Omitted below)</p> <p>3. Reasonable evaluation of transaction costs</p> <p>(1) (omitted) (2) (omitted) (3) (omitted) (4) (omitted)</p> <p>company obtains real estate or right-of-use assets from</p> | |
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| | <p>mitted)</p> <p>2. Supervisors shall handle in accordance with the provisions of <u>Article 28 of the Company Law</u> .</p> <p>3. (Omitted)</p> <p>(Omitted below)</p> | <p>related parties, if the evaluation results in accordance with the provisions of paragraphs 1 and 2 of paragraph 3 of this article are lower than the transaction price, the following matters shall be handled:</p> <p>mitted)</p> <p>2. The supervisor shall handle the deletion in accordance with Article 28 of the Company Law .</p> <p>3. (Omitted)</p> <p>(Omitted below)</p> | |
| Article 12 | <p>Procedures for obtaining or disposing of derivative commodities</p> <p>1. Trading principles and guidelines</p> <p>(1) (omitted)</p> <p>(2) (omitted)</p> <p>(3) Division of powers and responsibilities</p> <p>1. Finance Department (slightly)</p> <p>2. Accounting Department (slightly)</p> <p>3. Audit department</p> <p>Responsible for understanding the admissibility of the internal control of derivative commodity transactions and checking the compliance of the trading department with the operating procedures, and analyzing the transaction cycle, making an</p> | <p>Procedures for obtaining or disposing of derivative commodities</p> <p>1. Trading principles and guidelines</p> <p>(1) (omitted)</p> <p>(2) (omitted)</p> <p>(3) Division of powers and responsibilities</p> <p>1. Finance Department (slightly)</p> <p>2. Accounting Department (slightly)</p> <p>3. Audit department</p> <p>Responsible for understanding the admissibility of the internal control of derivative commodity transactions and checking the compliance of the transaction department with the operating procedures, and analyzing the transaction cycle, making</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | <p>audit report, and submitting it to the supervisor for inspection before the end of the month after the completion of the audit project; When a major violation is found or the company is at risk of major losses, a report shall be immediately submitted for review and the supervisor shall be notified.</p> <p>4. The company obtains or disposes of assets that should be approved by the board of directors in accordance with the prescribed processing procedures or other legal requirements. If the directors have objections and have records or written statements, the company should also send the directors' objections to the supervisors. In addition, if the company has set up independent directors, when reporting the acquisition or disposal of asset transactions to the board of directors for discussion, the opinions of each independent director should be fully considered, and the opinions and reasons for their approval or opposition should be included in the minutes of the meeting.</p> <p>(4) (omitted)</p> <p>(5) The total contract amount and the maximum loss amount</p> <p>1. Total contract (slightly)</p> | <p>an audit report, and submitting it to the supervisory <u>audit committee</u> for inspection before the end of the following month after completion of the audit project ; If personnel find major violations or the company is in danger of major losses, they should immediately make a report for review and notify the supervisory <u>audit committee</u> .</p> <p>4. The company obtains or disposes of assets that should be approved by the board of directors in accordance with the prescribed processing procedures or other legal requirements. If the directors have objections and have records or written statements, the company should also send the directors' objections to the supervisory <u>audit committee</u> . In addition, if the company has set up independent directors, when reporting the acquisition or disposal of asset transactions to the board of directors for discussion, the opinions of each independent director should be fully considered, and the opinions and reasons for their approval or opposition should be included in the minutes of the meeting.</p> <p>(4) (omitted)</p> <p>(5) The total contract amount and the maximum loss amount</p> <p>1. Total contract</p> | |
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| | <p>2. Loss cap safe-haven transaction does not calculate the upper limit of loss because the cost has been calculated when the contract was concluded.</p> <p>The loss of speculative trading contracts, the total loss shall not exceed 1% of the paid-in capital, and the losses of individual transactions shall not exceed USD 10,000 or equivalent in other currencies.</p> <p>Second, (omitted)</p> <p>3. Internal audit system</p> <p>1) Internal auditors should regularly understand the admissibility of the internal control of derivative commodity transactions, and check the compliance of the transaction department with the transaction procedures of derivative commodity transactions on a monthly basis and analyze the transaction cycle to make an audit report, if a major violation is found , Each supervisor shall be notified in writing.</p> <p>2) (omitted)</p> <p>(Omitted below)</p> | <p>(slightly)</p> <p>2. Loss cap cost of the hedging transaction has been calculated when the contract was concluded, so the <u>total loss of the loss limit and individual losses should not exceed the input cost .</u></p> <p>The loss of speculative trading contracts, the total loss shall not exceed 1% of the paid-in capital, and the losses of individual transactions shall not exceed USD 10,000 or equivalent in other currencies.</p> <p>Second, (omitted)</p> <p>3. Internal audit system</p> <p>1) Internal auditors should regularly understand the admissibility of the internal control of derivative commodity transactions, and check the compliance of the transaction department with the transaction procedures of derivative commodity transactions on a monthly basis and analyze the transaction cycle to make an audit report, if a major violation is found , The <u>audit committee of</u> each supervisor shall be notified in writing .</p> <p>2) (omitted)</p> <p>(Omitted below)</p> | |
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| Article 17 | <p>Implementation and revision</p> <p>After the approval of the board of directors, the company's "procedure for disposing of or disposing of assets" was sent to the supervisors and reported to the shareholders' meeting for approval, as was the case with amendments. If any director has objections and has a record or written statement, the company shall also send the director's objection materials to the supervisors.</p> <p>(Omitted below)</p> | <p>Implementation and revision</p> <p>The Company's "Procedure for Obtaining or Disposing of Assets" was approved by <u>half of the entire audit committee, and after being reported to the board of directors for approval, it was sent to the supervisors and reported to the shareholders' meeting for approval.</u> The same applies to amendments. If the directors have objections and have records or written statements, the company should also send the directors' objections to the supervisors <u>to the audit committee and report to the shareholders' meeting for discussion.</u></p> <p>(Omitted below)</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 19 | <p>This procedure was established on June 30, 1998.</p> <p>The first revision was on June 17, 2000.</p> <p>The second revision was on November 17, 2000.</p> <p>The third revision was made on June 21, 2011.</p> <p>The fourth revision was on June 20, 2002.</p> <p>The fifth revision was on June 13, 2013.</p> <p>The sixth revision was on June 15, 2006.</p> <p>The seventh revision was on June 18, 2008.</p> | <p>This procedure was established on June 30, 1998.</p> <p>The first revision was on June 17, 2000.</p> <p>The second revision was on November 17, 2000.</p> <p>The third revision was made on June 21, 2011.</p> <p>The fourth revision was on June 20, 2002.</p> <p>The fifth revision was on June 13, 2013.</p> <p>The sixth revision was on June 15, 2006.</p> <p>The seventh revision was on June 18, 2008.</p> <p><u>The eighth revision was on June 18, 2009.</u></p> | <p>Add the date and number of revisions.</p> |

U.D. Electronic Corp.
Comparison List before and after Amendment of the “Management of Loans to Others”

Appendix 9

| Article | Before the amendment | After the amendment | Reason for amendment |
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| Article 5 | <p>Capital loan and total amount and limit of individual objects for those who have business contacts, the group’s parent and subsidiary capital loans and total amount shall not exceed 50% of the net value of the company’s most recent financial statements checked or reviewed by accountants.</p> <p>(1) For companies that directly and indirectly hold 100% of the voting shares, the total amount of funds and loans shall not exceed 50% of the net value of the company's most recent financial statements that have been verified or reviewed by accountants, and the limit for individual objects shall not exceed The net value of the company's most recent financial statements checked or reviewed by accountants is 50%.</p> <p>(2) For companies that do not directly and indirectly hold 100% of the voting shares, the total loan and amount shall not exceed 40% of the net value of the company’s most recent financial statements that have been verified or reviewed by accountants. More than 20% of the net value of the company's most recent financial statements checked or reviewed by accountants.</p> <p>there is a need for short-term financing, the total amount of capital loans and total loans of the group’s parent and subsidiary companies shall not exceed 40% of the net value of the company’s latest financial statements that</p> | <p>Capital loan and total amount and limit of individual objects for those who have business dealings, the Group parent company capital loans to total no more than the company's most recent audit by an accounting or financial net worth statement <u>Scrutiny of fifty percent limited business limited amounts of both sides, the amount of the alleged business dealings</u> It refers to the <u>higher of the actual purchase and sales amount that can be estimated by the two parties in the most recent year or the next year, and it does not exceed 10% of the company's net value.</u></p> <p>(1) For companies that directly and indirectly hold 100% of the voting shares, the total amount of funds and loans shall not exceed 50% of the net value of the company's most recent financial statements that have been verified or reviewed by accountants, and the limit for individual objects shall not exceed The net value of the company's most recent financial statements checked or reviewed by accountants is 50%.</p> <p>(2) For companies that do not directly and indirectly hold 100% of the voting shares, the total loan and amount shall not exceed 40% of the net value of the company’s most recent financial statements that have been verified or reviewed by accountants. More than 20% of the net value of the company's most recent financial statements checked or reviewed by accountants.</p> | Cooperate with the amendment of laws and regulations. |

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| | <p>have been verified or reviewed by accountants.</p> <p>(1) For a company that directly and indirectly holds 100% of the voting shares, the total amount of funds and loans shall not exceed 40% of the net value of the company's most recent financial statements that have been checked or reviewed by accountants, and the limit for individual objects shall not exceed The net value of the company's most recent financial statements checked or reviewed by accountants is 40%.</p> <p>(2) For companies that do not directly and indirectly hold 100% of the voting shares, the total loan and amount shall not exceed 20% of the net value of the company's most recent financial statements checked or reviewed by accountants. Exceeds 10% of the net value of the company's most recent financial statements checked or reviewed by accountants.</p> <p>reign companies that directly or indirectly hold 100% of the voting shares of the company engage in capital lending, or foreign companies that directly and indirectly hold 100% of the voting shares of the company engage in fund lending to the company. The second paragraph restricts, except that the capital loan and the net value of the foreign company can be calculated in accordance with the parent company 's owner 's equity in accordance with Article 4, paragraph 3.</p> | <p>reviewed by accountants.</p> <p>2. If short-term financing is necessary, the capital loans and total amount of the parent and subsidiary of the group shall not exceed 40% of the net value of the financial statements recently checked or <u>reviewed</u> by accountants of the <u>loaned</u> company.</p> <p>(1) For a company that directly and indirectly holds 100% of the voting shares, the total amount of funds and loans shall not exceed 40% of the net value of the <u>company</u> 's most recent financial statements that have been checked or reviewed by accountants, and the limit for individual objects shall not exceed The net value of the company's most recent financial statements checked or <u>reviewed</u> by an accountant is 40%.</p> <p>(2) For companies that do not directly and indirectly hold 100% of the voting shares, the total loan and the amount shall not exceed 20% of the net value of the most recent financial statements checked or <u>reviewed</u> by accountants from the <u>loaned</u> company It shall not exceed 10% of the net value of the most recent financial statements checked or <u>reviewed</u> by accountants of the <u>loaned</u> company.</p> <p>reign companies that directly or indirectly hold 100% of the voting shares of the company engage in capital lending, or foreign companies that directly and indirectly hold 100% of the voting shares of the company engage in fund lending to the company. paragraph restrictions, but the loan funds and net foreign company party, may, based on the third paragraph of Article parent owners' equity of the company is calculated.</p> | |
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| <p>Article 10</p> | <p>Internal Control 1. (Omitted) The internal auditors of the company shall audit the operating procedures and execution of loans to others at least quarterly and make written records. If any major violations are found, they shall notify the supervisors and the board of directors in writing. When the company changes due to circumstances, the loan and the object do not comply with the operating procedures or the balance exceeds the limit, the audit unit should urge the financial unit to set a deadline to recover the excess loan and funds, and send the improvement plan to each supervisor, and complete the improvement according to the schedule.</p> | <p>Internal Control 1. (Omitted) The internal auditors of the company shall audit the operating procedures and implementation of loans to others at least quarterly and make written records. If major violations are discovered, they shall notify the supervisory committee and the board of directors in writing. When the company changes due to circumstances, the loan and the object do not comply with the operating procedures or the balance exceeds the limit, the audit unit should urge the financial unit to set a deadline to recover the excess loan and funds, and send the improvement plan to each supervisor. <u>Submit it to the audit committee</u> and complete the improvement according to the schedule.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| <p>Article 12</p> | <p>Control procedures for subsidiary loans and others 1. (Omitted) Second, (omitted) The internal auditors of the subsidiary company should also audit the operating procedures and implementation of the loans to others at least quarterly, and make a written record. If a major violation is found, they should immediately notify the audit unit of the company in writing. The audit unit of the company should Send written materials to the supervisors. (omitted)</p> | <p>Control procedures for subsidiary loans and others 1. (Omitted) Second, (omitted) The internal auditors of the subsidiary company should also audit the operating procedures and implementation of the loans to others at least quarterly, and make a written record. If a major violation is found, they should immediately notify the audit unit of the company in writing. The audit unit of the company should Send written materials to the <u>audit committee of each supervisor</u>.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | | mitted) | |
| Article 15 | <p>Effectiveness and amendment</p> <p>The company has set the operating procedures for loaning funds to others, and after approval by the board of directors, it will be sent to the supervisors and reported to the shareholders' meeting for approval. People and the shareholders' meeting will be discussed, and the amendment will be the same.</p> <p>(Omitted below)</p> | <p>Effectiveness and amendment</p> <p>The company has set the operating procedures for the loan of funds and others. After <u>the approval of half of the entire audit committee</u>, it is reported to the board of directors for approval, and then sent to the supervisors and reported to the shareholders 'meeting for approval. Therefore, the company should submit its objections to the supervisors and submit them to the <u>audit committee</u> and the shareholders 'meeting for discussion, and the amendments are the same.</p> <p>(Omitted below)</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
| Article 16 | <p>This procedure was established on June 30, 1997.</p> <p>The first revision was on June 30, 1998.</p> <p>The second revision was on June 30, 1999.</p> <p>The third revision was on June 17, 2000.</p> <p>The fourth revision was on June 20, 2002.</p> <p>The fifth revision was on June 18, 2008.</p> | <p>This procedure was established on June 30, 1997.</p> <p>The first revision was on June 30, 1998.</p> <p>The second revision was on June 30, 1999.</p> <p>The third revision was on June 17, 2000.</p> <p>The fourth revision was on June 20, 2002.</p> <p>The fifth revision was on June 18, 2008.</p> <p><u>The sixth revision was on June 18, 2009.</u></p> | <p>Add the date and number of revisions.</p> |

U.D. Electronic Corp.

Comparison List before and after Amendment of the “Management of Endorsement and Guarantees”

Appendix 10

| Article | Before the amendment | After the amendment | Reason for amendment |
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| Article 4 | <p>Endorsement guarantee for companies with business dealings</p> <p>The company's endorsement guarantees that the total amount does not exceed 40% of the company's most recent net financial statements, and the limit for a single enterprise does not exceed 20% of the company's most recent financial statements.</p> | <p>Endorsement guarantee for companies with business dealings</p> <p>Those who have business dealings, Group mother of this- company endorsement and guarantee total to no more than forty percent of the net value of the Company's most recent financial statements, the limit for a single enterprise not to exceed 20% of the net value of the Company's most recent financial statements. The amount of business transactions between the two parties is limited. The term “business transaction amount” refers to the higher of the actual purchase and sales amount that can be estimated by the two parties in the latest year or the next year, and does not exceed 10% of the company's net value.</p> | Cooperate with the amendment of laws and regulations. |
| Article 6 | <p>Endorsement guarantee procedures</p> <p>1. (Omitted)</p> <p>Second, (omitted)</p> <p>3. (Omitted)</p> <p>4. (Omitted)</p> <p>5. (Omitted)</p> <p>When the company changes due to circumstances, the endorsement guarantee object originally conforms to the provisions of the enforcement measures and then does not</p> | <p>Endorsement guarantee procedures</p> <p>1. (Omitted)</p> <p>Second, (omitted)</p> <p>3. (Omitted)</p> <p>4. (Omitted)</p> <p>5. (Omitted)</p> <p>When the company changes due to circumstances, the endorsement guarantee object originally conforms to the provisions of the enforcement measures and then does</p> | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |

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| | comply with the regulations, or the endorsement guarantee amount exceeds the set limit due to the change in the basis for calculating the limit. The limited part shall be eliminated when the contract period expires or the improvement plan is fixed within a certain period, and the relevant improvement plan shall be sent to each supervisor and reported to the board of directors. | not comply with the regulations, or the endorsement guarantee amount exceeds the set limit due to the change in the basis for calculating the limit. The limited part should be eliminated when the contract period expires or the improvement plan is set within a certain period, and the relevant improvement plan should be sent to the supervisors <u>to the audit committee</u> , and the report should be reported to the board of directors <u>with more than half of the members of the audit committee</u> . Afterwards, the board of directors' resolution is proposed. | |
| Article 11 | Control procedures for handling endorsement guarantees for subsidiaries 1. (Omitted) Second, (omitted) The internal auditors of the subsidiary shall audit the endorsement of the operating procedures and their implementation at least quarterly, and make a written record. If a major violation is found, they shall immediately notify the audit unit of the company in writing. The audit unit of the company shall provide the written information Send to the supervisors. | Control procedures for handling endorsement guarantees for subsidiaries 1. (Omitted) Second, (omitted) The internal auditors of the subsidiary shall audit the endorsement of the operating procedures and their implementation at least quarterly, and make a written record. If a major violation is found, they shall immediately notify the audit unit of the company in writing. The audit unit of the company shall provide the written information Send to the audit committee of each supervisor . | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 13 | Implementation and modification After this procedure is approved by the board of directors, it will be sent to the supervisors and reported to the shareholders 'meeting for approval. If the director has objections and has a record or written statement, the | Implementation and modification This procedure is approved by <u>more than one-half of all members of the audit committee</u> , and after passing the resolution of the board of directors , it is sent to the supervisors and reported to the shareholders' meeting for | The audit committee was established in accordance with the law, so the supervisory |

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| | <p>company shall send the objections to the supervisors and the shareholders' meeting for discussion and amendment the same time.</p> <p>When the company has established independent directors, when submitting this procedure to the board of directors for discussion in accordance with the preceding paragraph, the opinions of each independent director should be fully considered. If the independent director has objections or reservations, it should be stated in the minutes of the board meeting. .</p> | <p>approval. The objections are sent to the supervisors and the shareholders' meeting for discussion, and the amendments are the same.</p> <p>When the company has established independent directors, when submitting this procedure to the board of directors for discussion in accordance with the preceding paragraph, the opinions of each independent director should be fully considered. If the independent director has objections or reservations, it should be stated in the minutes of the board meeting. .</p> | <p>authority was deleted.</p> |
| Article 14 | <p>This procedure was established on June 30, 1997.</p> <p>The first revision was on June 30, 1998.</p> <p>The second revision was on June 30, 1999.</p> <p>The third revision was on June 17, 2000.</p> <p>The fourth revision was on June 20, 2002.</p> <p>The fifth revision was on June 18, 2008.</p> | <p>This procedure was established on June 30, 1997.</p> <p>The first revision was on June 30, 1998.</p> <p>The second revision was on June 30, 1999.</p> <p>The third revision was on June 17, 2000.</p> <p>The fourth revision was on June 20, 2002.</p> <p>The fifth revision was on June 18, 2008.</p> <p>The sixth revision was on June 18, 2009.</p> | <p>Add the date and number of revisions.</p> |

U.D. Electronic Corp.
Comparison List before and after Amendment of the “Rules of Procedure for Shareholders Meetings”

Appendix 11

| Article | Before the amendment | After the amendment | Reason for amendment |
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| Article 3 | <p>The shareholders' meeting of the company shall be convened by the board of directors unless otherwise provided by law.</p> <p>The company shall, before 30 days before the shareholders' general meeting or 15 days before the shareholders' temporary meeting, send the proposals for the shareholders' meeting notice, power of attorney, relevant recognition, discussion, election or dismissal of directors, supervisors, etc. And the explanation data is made into an electronic file and sent to the public information observatory. And before the 21st meeting of the shareholders' general meeting or the 15th day of the shareholders' interim meeting, the shareholders' meeting manual and the meeting supplementary materials will be produced and electronic files will be sent to the public information observatory. Fifteen days before the shareholders' meeting, the handbook and supplementary materials of the current shareholders' meeting shall be prepared for shareholders to request for reading at any</p> | <p>The shareholders' meeting of the company shall be convened by the board of directors unless otherwise provided by law.</p> <p>The company shall, before 30 days before the shareholders' general meeting or 15 days before the shareholders' temporary meeting, send the proposals for the shareholders' meeting notice, power of attorney, relevant recognition, discussion, election or dismissal of directors , supervisors, etc. And the explanation data is made into an electronic file and sent to the public information observatory.</p> <p>And before the 21st meeting of the shareholders' general meeting or the 15th day of the shareholders' interim meeting, the shareholders' meeting manual and the meeting supplementary materials will be produced and electronic files will be sent to the public information observatory. Fifteen days before the shareholders' meeting, the handbook and supplementary materials of the current shareholders' meeting shall be prepared for shareholders to request for reading at any time, and</p> | <ol style="list-style-type: none"> 1. The audit committee was established in accordance with the law, so the supervisory authority was deleted. 2. Cooperate with the amendment of laws |

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| <p>time, and displayed on the company and the professional stock agency appointed by the company, and shall be distributed on the spot at the shareholders' meeting.</p> <p>The notice and announcement shall contain the reason for the convening ; the notification can be done electronically if the counterpart agrees.</p> <p>Election or dismissal of directors, supervisors, changes in articles of association, company dissolution, merger, division, or each of the first paragraphs of Article 185 of the Company Law; 6. The issues of Article 56a and Article 60bis of the issuer 's handling guidelines for the collection and issuance of marketable securities shall be listed in the cause of the convening and shall not be raised by a temporary motion.</p> <p>Shareholders holding more than 1% of the total number of issued shares can submit to the company a written general meeting of shareholders. However, to the limit of one item, those with more than one proposal will not be included in the proposal. There are other shareholders upon the proposal of the Companies Act Yibai Qi Shier article a first Si one key sections of circumstances, the Board could not be classified as motion.</p> <p>The company shall announce the acceptance of</p> | <p>displayed on the company and the professional stock agency appointed by the company, and shall be distributed on the spot at the shareholders' meeting.</p> <p>The notice and announcement shall contain the reason for the convening ; the notification can be done electronically if the counterpart agrees.</p> <p>Election or dismissal of directors , supervisors, change of articles of association, <u>capital reduction, application for suspension of public offering, directors 'business license, surplus capital increase, surplus capital increase,</u> company dissolution, merger, division or company law Article 185 key sections , Securities Exchange Act one of Article 26, Article forty-six or one of Article 56 of the issuer offering and issuing securities processing criteria and Article 60 bis of the matter, <u>The main content</u> should be listed <u>and explained</u> in the convening reasons, <u>and</u> no temporary motion can be proposed ; <u>Its main content may be placed on the website designated by the securities authority or the company, and its website shall be stated in the notice .</u></p> <p><u>The convening of the shareholders 'meeting has stated the full re-election of directors and the date of appointment. After the election of the shareholders'</u></p> | |
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| <p>shareholders' proposals, acceptance premises and acceptance period before the date of the cessation of stock transfer before the shareholders' general meeting; the acceptance period shall not be less than ten days.</p> <p>Proposals proposed by shareholders shall be limited to three hundred words, and those exceeding three hundred words shall not be included in the proposal; the proposed shareholders shall attend the shareholders' regular meeting in person or entrust others and participate in the discussion of the proposal.</p> <p>The company shall notify the shareholders of the proposal to the shareholders of the meeting before the date of the notice of the convening of the shareholders' meeting, and shall list the proposals stipulated in this article in the notice of the meeting. For shareholder proposals not included in the proposal, the board of directors shall explain the reasons for the non-inclusion in the shareholders meeting.</p> | <p><u>meeting is completed, the same meeting shall not change its appointment date by temporary motion or other means.</u></p> <p>Shareholders holding more than 1% of the total number of issued shares can submit to the company a written general meeting of shareholders . However, to the limit of one, if the proposal exceeds one, it will not be included in the proposal. <u>However, the shareholder proposal is a proposal to urge the company to promote public interest or fulfill social responsibilities, and the board of directors must still include the proposal.</u> There are other shareholders upon the proposal of the Companies Act Yibai Qi Shier article a first Si one key sections of circumstances, the Board could not be classified as motion.</p> <p>The company shall announce the acceptance of shareholders' proposals, <u>written or electronic acceptance methods,</u> acceptance premises and acceptance period before the shareholders' meeting is closed before the shareholders' general meeting is held; the acceptance period shall not be less than ten days.</p> <p>Proposals proposed by shareholders shall be limited to three hundred words, and those exceeding three hundred</p> | |
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| | | <p>words shall not be included in the proposal; the proposed shareholders shall attend the shareholders' regular meeting in person or entrust others and participate in the discussion of the proposal.</p> <p>The company shall notify the shareholders of the proposal to the shareholders of the meeting before the date of the notice of the convening of the shareholders' meeting, and shall list the proposals stipulated in this article in the notice of the meeting. For shareholder proposals not included in the proposal, the board of directors shall explain the reasons for the non-inclusion in the shareholders meeting.</p> | |
| Article 6 | <p>The company shall specify the time for accepting the shareholders' registration, the location of the registration place, and other matters to be noted in the notice of meeting.</p> <p>The registration time of the shareholders in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the registration place shall be clearly marked and adequately qualified personnel shall be assigned to handle it.</p> <p>The company shall set up a signature book for the attending shareholders or the agents entrusted by the shareholders (hereinafter referred to as shareholders) to sign in, or the attending shareholders shall pay the sign-in card to sign in instead.</p> <p>The company shall deliver the discussion manual, annual</p> | <p>The company shall specify the time for accepting the shareholders' registration, the location of the registration place, and other matters to be noted in the notice of meeting.</p> <p>The registration time of the shareholders in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the registration place shall be clearly marked and adequately qualified personnel shall be assigned to handle it.</p> <p>The company shall set up a signature book for the attending shareholders or the agents entrusted by the shareholders (hereinafter referred to as shareholders) to sign in, or the attending shareholders shall pay the sign-in card to sign in instead.</p> <p>The company shall deliver the discussion manual, annual</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |

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| | report, attendance card, speech, voting paper and other meeting materials to the shareholders present at the shareholders' meeting. Those who elect directors and supervisors shall attach additional votes. (Omitted below) | report, attendance card, speech, voting and other meeting materials to the shareholders present at the shareholders' meeting; if there is an election of directors and supervisors , additional voting papers shall be attached. (Omitted below) | |
| Article 7 | (slightly) The shareholders' meeting convened by the board of directors should be presided over by the chairman of the board of directors personally, and more than half of the directors of the board of directors and at least one supervisor should attend in person, and at least one representative of various functional committee members should attend the meeting, and record the attendance in the shareholders record. (Omitted below) | (slightly) The shareholders' meeting convened by the board of directors should be presided over by the chairman of the board of directors personally, and more than half of the directors of the board of directors and at least one supervisor should attend in person , and at least one representative of various functional committee members should attend the meeting, and record the attendance in the shareholders record. (Omitted below) | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 10 | If the shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors, and the meeting shall proceed according to the scheduled agenda, and shall not be changed without the resolution of the shareholders' meeting. Items 2 ~ 3 (omitted) The chairman shall give the opportunity for full explanation and discussion on the motion and the amendments or temporary motions proposed by the shareholders. When he thinks that the voting has reached | If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors. The <u>relevant motions (including temporary motions and amendments to the original motions) shall be voted on by case. The meeting shall be conducted according to the scheduled agenda. .</u> Items 2 ~ 3 (omitted) The chairman shall give the opportunity for full explanation and discussion of the motions and amendments or temporary motions proposed by | Cooperate with the amendment of laws |

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| | <p>the level of voting, he may declare to stop the discussion and put the voting.</p> <p>Shareholders will table resolutions counting jobs should be open to shareholders of the venue at the resort, and should be completed after the vote count, voting results announced on the spot, it contains statistics of the right , and made a record.</p> | <p>shareholders. When he thinks that the voting has reached the level of voting, he may declare that the discussion shall be stopped, the voting shall be put forward , and <u>adequate voting time shall be arranged .</u></p> <p>Shareholders will table resolutions counting jobs should be open to shareholders of the venue at the resort, and should be completed after the vote count, voting results announced on the spot, it contains statistics of the right , and made a record.</p> | |
| Article 13 | <p>The first item (omitted)</p> <p>When the company convenes a shareholders 'meeting, it may exercise its voting rights in writing or electronically; when it exercises its voting rights in writing or electronically, the method of exercise shall be stated in the notice of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the provisional motion of the shareholders' meeting and the amendment of the original proposal shall be regarded as abstention.</p> <p>(Omitted below)</p> | <p>The first item (omitted)</p> <p>When the Company's shareholders will be held, was adopted in writing or <u>should adopt in order</u> electronically and have to adopt in writing to exercise their right to vote; the exercise of their voting rights in writing or electronically, the exercise method should be set out in the shareholders' meeting convened Notice. Shareholders who exercise their voting rights in writing or electronically are deemed to attend the shareholders' meeting in person. However, the provisional motion of the shareholders meeting and the amendment of the original motion are regarded as abstentions , <u>so the company should avoid proposing the motion and the amendment of the original motion .</u></p> <p>(Omitted below)</p> | Cooperate with the amendment of laws |

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| Article 14 | When a shareholder elects directors and supervisors, it shall be handled in accordance with the relevant selection rules stipulated by the company, and the results of the election shall be announced on the spot. Contains the list of elected directors and supervisors and the number of their election rights. (Omitted below) | When a shareholder elects directors and supervisors , it shall be handled in accordance with the relevant selection rules stipulated by the company, and the results of the election shall be announced on the spot. Contains the list of elected directors and supervisors and the number of their election rights. (Omitted below) | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 15 | Items 1 and 2 (omitted) Proceedings shall be recorded in accordance with the year, month, day, place of the meeting, the name of the chairman, the resolution method, the method of discussion and the results, and shall be kept permanently during the duration of the company. | Items 1 and 2 (omitted) Proceedings should do according to the annual meeting, month, date, place, names of the Chairman, the resolution method, the proceedings of the essentials and their <u>voting results (including statistical weights of records of, when the election of directors, each candidate should disclose the The number of votes.</u> During the existence of the company, it should be kept permanently. | Cooperate with the amendment of laws |
| Article 20 | This rule was made on June 30, 1997. This rule was first revised on June 17, 2000. This rule was revised for the second time on November 17, 2000. This rule was revised for the third time on June 21, 2011. This rule was revised for the fourth time on June 20, 2002. The fifth revision of this rule was on June 17, 2004. | This rule was made on June 30, 1997. This rule was first revised on June 17, 2000. This rule was revised for the second time on November 17, 2000. This rule was revised for the third time on June 21, 2011. This rule was revised for the fourth time on June 20, 2002. The fifth revision of this rule was on June 17, 2004. The sixth revision of this rule was on June 18, 2009. | Add the date and number of revisions. |

U.D. Electronic Corp.
Comparison List before and after Amendment of the “Director and Supervisor Election Procedure”

Appendix 12

| Article | Before the amendment | After the amendment | Reason for amendment |
|-----------|--|---|--|
| name | Director and Supervisor Election Procedure | Director and Supervisors Election Procedure | The audit committee was established in accordance with the law, so the name of these measures was revised. |
| Article 1 | For fair, just and open selection of directors and supervisors, this procedure is formulated in accordance with the provisions of Articles 21 and 41 of the "Code of Practice for the Administration of Listed OTC Companies". | Fair, just and open elected directors , supervisors, Yuan Yi "publicly traded corporate governance code of practice" Di twenty-one and Article 41 for the stated final version of the program approach . | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 2 | The selection of directors and supervisors of the company shall be governed by this procedure unless otherwise provided by laws or regulations . | Company directors and supervisors of the elected, except as otherwise provided by statute or the articles of association shall be under this program-way out. | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |

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| Article 4 | <p>The company's supervisor should have the following conditions:</p> <ol style="list-style-type: none"> 1. Honesty and integrity. 2. Fair judgment. 3. Professional knowledge. 4. Rich experience. 5. Ability to read financial statements. <p>In addition to the requirements of the preceding paragraph, at least one of the supervisors of the company must be an accounting or financial professional.</p> <p>The setting of the supervisor should refer to the independent directors of the public issuing company and the independence provisions of the measures to be followed, and select an appropriate supervisor to strengthen the company's risk management and financial and operational control.</p> <p>Between supervisors or supervisors and directors, there should be at least one or more seats, and must not have a kinship relationship within a spouse or second parent.</p> <p>Supervisors may not concurrently serve as company directors, managers or other employees, and at least one of the supervisors must have a domicile in the country to perform the supervisory function immediately.</p> | <u>Delete clause.</u> | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
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| <p>Article 6</p> | <p>of directors and supervisors of the company shall be in accordance with the 100th of the company law two one and section two hundred and sixteenth of nominations procedures. or is dismissed for any reason, to five people, the company should s' by-election. However, the director's vacancy amounted to three-thirds of the seats reserved in the charter npany should convene shares within ten days from the date of the fact ected in the East. ector of the board of directors 數 不 full stock exchange law Article 14bis first tions, relevant regulations of the Republic of China Securities Counter Trading Center, by-election at the most recent shareholders meeting; when all the independent directors are discharged, made within 10 days from the date of the fact rvisor is dismissed due to any reason, to the person stipulated in the articles of association of the company, it is advisable ection at the most recent shareholders meeting. But all the supervisors were dismissed the shareholders should be convened within 六 within ten days from the date of the fact Will by-election.</p> | <p>The election of directors and supervisors of the company shall be conducted in accordance with the procedures for the nomination of candidates in accordance with <u>Article 192</u> and Article 216 of the Company Law . If the director is dismissed due to any reason and there are five members, the company shall make a by-election at the most recent shareholders meeting. However, if the director's vacancy is up to one third of the seats specified in the articles of association, the company shall, within 10 days from the date of the facts, by-elections will be held when the shareholders are held. Independent Directors for any reason dismissed , caused by the insufficient number of articles of association provisions of return, two first article 14 of the Securities-Exchange Act but the book, the Taiwan Stock Exchange to review the relevant provisions of the guidelines or the Republic of China OTC exchange-related provisions, The by-election shall be conducted at the latest shareholders 'meeting; when all the independent directors are terminated, they shall be elected by the shareholders' meeting within ten days from the date of the fact. If the supervisor is dismissed for some reason, and the person is stipulated in the articles of association of the company, it should be by election at the latest shareholders' meeting. However, when all supervisors are dismissed from office, they shall be elected by election within 六 within 10 days from the date of the fact.</p> | <p>The audit committee was established in accordance with the law, so the supervisory authority was deleted.</p> |
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| Article 7 | The election of directors and supervisors of the company shall adopt the cumulative voting system. Each share shall have the same number of voting rights as the number of directors or supervisors to be elected. One person may be elected collectively or several persons shall be allocated. | The election of directors and supervisors of the company shall adopt the cumulative voting system. Each share shall have the same number of voting rights as the number of directors or supervisors to be elected. One person may be elected collectively or several persons shall be allocated. | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| eighth | The board of directors shall prepare the same number of electoral votes as the number of directors and supervisors to be elected, add their weights, and distribute the shareholders attending the shareholders' meeting. The names of the electors shall be replaced by the number of attendance cards printed on the electoral votes. | The board of directors shall prepare the same number of electoral votes as the number of directors and supervisors to be elected , add their weights, and distribute the shareholders present at the shareholders' meeting. | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 9 | The directors and supervisors of the company shall calculate the voting rights of independent directors and non-independent directors and supervisors respectively according to the quotas stipulated in the company's articles of association . When it exceeds the stipulated quota, the lottery with the same number of weights will be decided, and the absentee will be drawn by the chairman on behalf of the lottery. | The directors and supervisors of the company shall calculate the voting rights of independent directors and non-independent directors and supervisors respectively according to the quotas stipulated in the company's articles of association . When it exceeds the stipulated quota, the lottery with the same number of weights will be decided, and the absentee will be drawn by the chairman on behalf of the lottery. | The audit committee was established in accordance with the law, so the supervisory authority was deleted. |
| Article 13 | After the voting is completed, the ballot will be issued on the spot. The result of the ballot will be announced by the chairman on the spot. When the shareholders of the company are elected as directors and supervisors at the same time, they should decide to act as directors or supervisors at their own discretion, and not as directors | After the voting is completed on the spot billing, invoicing results announced by the President on the spot directors and supervisors elected list. When the shareholders of the company are elected as directors and supervisors at the same time, they should decide to act as directors or supervisors at their own discretion, and not | The audit committee was established in accordance with the law, so the supervisory authority was |

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| | and supervisors at the same time. | as directors and supervisors at the same time. | deleted. |
| Article 15 | This procedure will be implemented after approval by the shareholders' meeting and will be the same when it is amended. | This program <u>measures</u> implemented after the shareholders' meeting by, likewise Fixed. | Make text corrections as appropriate. |
| Article 16 | These measures were made on June 30, 1997. The first revision was on November 17, 2000. The second revision was on June 17, 2004. The third revision was on June 14, 2007. | These measures were made on June 30, 1997. The first revision was on November 17, 2000. The second revision was on June 17, 2004. The third revision was on June 14, 2007. <u>The fourth revision was on June 18, 2009.</u> | Add the date and number of revisions. |

Director and Independent Director Candidates List

Appendix 13

| Type | Name | Education | Experience | Current job | Shares held |
|----------|--------------|---|--|---|-------------|
| Director | Gary Chen | San Francisco State University MBA | Vice Chairman/General Manager of Speed Tech Corp. | Director/U.D. Electronic Corp. Independent Director/Professional Computer Technology Limited. Director/MELODYTEK LTD. Director/GLOBAL ONNECTION (SAMOA) HOLDING INC. Director/SUNDERLAND INC. Director/SAN FRANCISCO INC. Director/ALL FIRST INT'L CO.LTD. Director/MORNING PARAGON LIMITED. Director/ Ta Yang UDE Limited. | 1,886,299 |
| Director | Chris Chen | Master of Automatic Control, University of Sunderland, UK | Deputy General Manager of Speed Tech Corp. | Director/U.D. Electronic Corp. General Manager/ Dongguan Jian Guan P.E. Co., Ltd. Director and General Manager/Zhong Jiang U.D.E. Electronics Corp. Director and General Manager/ CDE Corp. Director/Yong Fu Investment Co,Ltd. Director/Continuous Growth Investment Co,Ltd. Director/ Ta Yang UDE Limited. | 1,887,559 |
| Director | Chiling Chen | Jenteh Junior College of Medicine, Nursing and Management | Piano teacher | Director/U.D. Electronic Corp. | 1,210,489 |
| Director | Eric Shih | Department of International Trade, Fu Jen Catholic University | Sales Manager of Delta Electronics,Inc. Sales Manager of Speed Tech Corp. | Director/U.D. Electronic Corp. | 734,006 |

| Type | Name | Education | Experience | Current job | Shares held |
|----------------------|------------------------------|--|--|--|-------------|
| Director | Changchun Chien | Cheng-Kung Vocational Senior High School | Deputy General Manager of Daming Paper Industry Co., Ltd. General Manager of Sheng Changrong Trading Co., Ltd. | Supervisor/U.D. Electronic Corp. Chairman/Da Ming Paper Industry Co., Ltd. | 1,116,394 |
| Director | Junfeng Investment Co., Ltd. | no | no | Supervisor/U.D. Electronic Corp. Director/LEDLINK OPTICS, INC. | 281,000 |
| Independent Director | Hsuehyu Liu | Bachelor, Department of Electrical Engineering, Fu Jen Catholic University | Sales Department Manager, Hewlett-Packard Company Vice General Manager, WK Technology Fund | Independent Director/U.D. Electronic Corp. General Manager/NTU Innovation & Incubation Co., Ltd Independent Director/Professional Computer Technology Limited. Supervisor/ELTA TECHNOLOGY CO., LTD. Independent Director/WIESON TECHNOLOGIES CO., LTD. | 0 |
| Independent Director | Kuangchao Fan | Ph.D in Mechanical Engineering, University of Manchester Institute of Science and Technology (UMIST) | Director of the NTU Yen Tjing Ling Industrial Research Institute Director, Institute of Industrial Engineering, National Taiwan University Deam. College of Engineering, National Taiwan University Representative of a juridical person director, NTU Innovation & Incubation Co., Ltd. Professor, Department of Mechanical Engineering, National Taiwan University | Independent Director/U.D. Electronic Corp. Director/3DFAMILY TECHNOLOGY CO., LTD. Director/TEST RESEARCH, INC. | 0 |

| Type | Name | Education | Experience | Current job | Shares held |
|----------------------|-------------|---|---|---|-------------|
| Independent Director | Hsulin Wang | Bachelor, Department of Accounting, National Cheng Chi University | Manager/Hewlett-Packard Company Vice General Manager and CFO,/WK Technology Fund | Independent Director/U.D. Electronic Corp. Director/TEST RESEARCH, INC. Supervisor//NTU Innovation & Incubation Co., Ltd. Director/Po Chung Inc. | 0 shares |

Competition Details of New Directors

Appendix 14

| Name | Currently holding other company positions |
|---------------|---|
| Gary Chen | Independent Director of Professional Computer Technology Limited. Director of Global Connection (Samoa) Holding Inc. Director of Sunderland Inc. Director of San Francisco Inc. Director of ALL FIRST INT ' L CO., LTD. Director of Ta Yang UDE Limited. Director of C.D.E. Corp. (Representative) Director of Furun Investment Co., Ltd. (Representative) Director of Yongchuang Investment Co., Ltd. (Representative) Director of DY-Precision Precision Industry Co., Ltd. (Representative) |
| Chris Chen | General Manager of Dongguan Jian Guan P.E. Co., Ltd. Director and General Manager of Zhong Jiang U.D.E. Electronics Corp. Director and General Manager of C.D.E. Corp. Director of Yong Fu Investment Co, Ltd. Director of Continuous Growth Investment Co,Ltd. Director of Ta Yang UDE Limited. Director of Yong Chung Investment Co, Ltd. (Representative) |
| Eric Shih | Director of Ta Yang UDE Limited. |
| Hsuehyu Liu | General Manager of NTU Innovation & Incubation Co., Ltd Independent Director of Professional Computer Technology Limited. Supervisor of ELTA TECHNOLOGY CO., LTD. Independent Director of WIESON TECHNOLOGIES CO., LTD. Director of HH LEASING & FINANCIAL CORPORATION. (Representative) Director of Po Ta Inc. (Representative) Director of FINEART TECHNOLOGY CO., LTD. (Representative) |
| Kuangchao Fan | Director of 3DFAMILY TECHNOLOGY CO., LTD. Director of TEST RESEARCH, INC. Director of OPTODYNE INTERNATIONAL CO., LTD. (Representative) |
| Hsulin Wang | Director of TEST RESEARCH, INC. Supervisor of /NTU Innovation & Incubation Co., Ltd. Director of Po Chung Inc. |

U.D. Electronic Corp.
Current Shareholding of Directors and Supervisors

1. Total owners' equity as of April 20, 2020, the book closure date of the regular shareholder's meeting, is NTD\$696,758,070. Total Issued shares: 69,675,807 shares.
2. In accordance with Article 26 of the Security Exchange Act, the minimum required combined shareholding of all directors is 5,574,064 shares and the minimum required combined shareholding of all supervisors is 557,406 shares.
3. Total share ownership of all directors and supervisors complies with the regulations is detailed as follows:

| Title | Name | Total share ownership | Percentage |
|------------------------------------|---|-----------------------|------------|
| Chairman & CEO | Gary Chen | 1,886,299 | 2.71% |
| Director | Chris Chen | 1,887,559 | 2.71% |
| Director | Chiling Chen | 1,210,489 | 1.74% |
| Director | Eric Shih | 734,006 | 1.05% |
| Independent Director | Hsuehyu Liu | 0 | 0 |
| Independent Director | Kuangchao Fan | 0 | 0 |
| Independent Director | Hsulin Wang | 0 | 0 |
| Total directors' share ownership | | 5,718,353 | 8.21% |
| Supervisor | Changchun Chien | 1,116,394 | 1.60% |
| Supervisor | Chun Feng Capital Inc. -Terchang Yao | 281,000 | 0.40% |
| Supervisor | Shihyi Kuo | 0 | 0 |
| Total supervisors' share ownership | | 1,397,394 | 2.00% |

Note: In accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if a public company has elected two or more independent directors, the share ownership figures calculated for all directors and supervisors other than the independent directors shall be decreased by 80 percent.