



U.D. Electronic Corp.

Handbook for the 2022 Annual Meeting of Shareholders

Meeting Time: June 16, 2022

Meeting Place: No.13, Ln. 68, Neixi Rd., Luzhu
Dist., Taoyuan City
(U.D. Electronic Corp.)

Table of Contents

I.	Meeting Agenda	1
II.	Reporting Matters	2
III.	Adoption Matters	3
IV.	Discussion Matters	4
V.	Motions.....	4
VI.	Appendixes	
	1. 2021 Business Report	5
	2. 2021 Audit Committee Audit Report.....	8
	3. 2021 Independent Auditor’s Report.....	9
	4. 2021 Profit Distribution Sheet.....	19
	5. Comparison List before and after Amendment of the “Regulations Governing the Acquisition and Disposal of Assets”	20
	6. Comparison List before and after Amendment of the “Rules of Procedure for Shareholders Meetings”.....	37
	7. Current shareholding of Directors	57

U.D. Electronic Corp.

Agenda for the 2022 Shareholders' Meeting

Meeting Time: 9:00 AM on Thursday, June 16, 2022

Meeting Place: No.13, Ln. 68, Neixi Rd., Luzhu Dist., Taoyuan City (U.D. Electronic Corp.)

1. Call the meeting to order (report the number of shares in attendance)
2. Chairperson remarks
3. Reporting Matters
 - (1) 2021 Business Report.
 - (2) 2021 Audit Committee Audit Report.
 - (3) 2021 profit distribution of employees' bonus and compensation of directors.
 - (4) Report on the distribution of 2021 profits.
 - (5) Domestic Issuance of Secured Convertible Bond.
4. Adoption Matters
 - (1) Adoption of the 2021 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2021 Profits
5. Discussion Matters
 - (1) Partial Amendment of the Company's "Regulations Governing the Acquisition and Disposal of Assets".
 - (2) Partial Amendment of the Company's "Rules of Procedure for Shareholders Meetings".
6. Motions
7. Adjournment

Reporting Matters

1. 2021 Business Report. Please review.

Description: 2021 Business Report, please refer to Page 5 (Appendix 1) for details.

2. 2021 Audit Committee audit report. Please review.

Description: 2021 Audit Committee audit report, please refer to Page 8(Appendix 2) for details.

3. 2021 distribution of employees' bonus and compensation of directors.

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.
- (2) The Company's earnings in 2021, i.e. the profit before tax prior to subtracting the distribution of employees' bonus and compensation of directors, are \$306,436,143. We propose to appropriate 7.34% or \$22,500,000 to the employees' bonus, and 2.12% or \$6,500,000 to the compensation of directors. Both appropriations are in cash.

4. Report on the distribution of 2021 profits. Please Review.

Description:

- (1) The Article 21 of the Articles of Incorporation of the Company authorizes the Board of Directors to distribute all or partial dividends by cash, and report to the shareholders.
- (2) Upon approval by the Board of Directors, the 2021 profit distribution is proposed to be \$176,984,558 NTD or \$2.3 per share. The Chairperson is authorized to set the ex-dividend date, ex-rights date and other relevant issues.
- (3) 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.

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

Corporate Bond	Third Domestic Issuance of Secured Convertible Bond
Issue date	December 11 th , 2020
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 December 11 th , 2023
Reason of offering	Payback of Second Domestic Issuance of Secured Convertible Bond and the loan to the bank
Outstanding Balance	NT\$ 47,900,000
Note	As of April 18, 2022, the closing date of transfer, 7,518,553 ordinary shares have been converted.

Adoption Matters

Item 1. Proposed by the Board of Directors

Proposal: Adoption of the 2021 Business Report and Financial Statements. Please adopt.

Description:

- (1)The Company's consolidated financial statements and its subsidiaries in 2021 were audited by independent auditors, Yu Cheng-Chuan, CPA, and Chen Jung-Cheng, CPAs, of Deloitte and Touche. In addition, the Audit committee have reviewed the Business Report and an the Audit committee 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 5 (Appendix 1) and Page 9 (Appendix 3).
- (3)Please adopt.

Resolution:

Item 2. Proposed by the Board of Directors.

Proposal: Proposal for the Distribution of 2021 Profits. Please adopt.

Description:

- (1) Please refer to Page 19 (Appendix 4) for the Distribution of 2021 Earnings which was approved by the Board of Directors and reviewed by the Audit committee.
- (2)Please adopt.

Resolution:

Discussion Matters

Item 1. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company’s “Regulations Governing the Acquisition and Disposal of Assets”.

Please discuss.

Description:

- (1) To cooperate with FSC to revise “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” partially, the Company’s “Regulations Governing the Acquisition and Disposal of Assets” are partially amended.
- (2) Please refer to Page 20 (Appendix 5) for the comparison list before and after amendment of the company’s “Regulations Governing the Acquisition and Disposal of Assets”
- (3) Please discuss.

Resolution:

Item 2. Proposed by the Board of Directors

Proposal: Partial Amendment of the Company’s “Rules of Procedure for Shareholders Meetings”

Please discuss.

Description:

- (1) To cooperate with Taipei Exchange to revise “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” , the Company’s “Rules of Procedure for Shareholders Meetings” are partially amended.
- (2) Please refer to Page 37 (Appendix 6) for the comparison list before and after amendment of the company’s “Rules of Procedure for Shareholders Meetings”.
- (3) Please discuss.

Resolution:

Motions

Adjournment

2021 Business Report

1. 2021 Operating Results

(1) Operating results

The Company's operating revenue was \$5,197,764 thousands in 2021, a increase of 19% of the revenue of \$ 4,358,993 thousands in 2020. The net income was \$240,191 thousands, an increase of 152% of the income in 2020. The increase was mainly the increased net profit of the subsidiaries and operating income increased for the current year.

(2) Budget achievement: No budget achievement is deemed necessary, as our 2021 financial projection was not offered to the public.

(3) Financial Income and Profitability Analysis

Unit: %; Dollars

Item		2020	2021	
Financial Structure	Liability to Asset ratio (%)	52.59	46.66	
Solvency	Current ratio (%)	74.47	83.17	
Profitability	To paid-in capital ratio (%)	Operating Profit	5.07	14.61
		Profit before tax	15.15	37.37
	Net Profit Margin (%)		1.19	4.62
	Earnings per share (Dollar)		1.37	3.28

The Company's financial structure 2021 are better than in 2020. The main reason was that the CB3 of NT\$300 million Converted in 2020 and the liability decreased. Because the increased net profit of the subsidiaries, the profitability indicators are better than in 2020.

(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. 2021 Operating Plan Summary

(1) Business Policy

Looking forward in 2021, due to the status of COVID-19 pandemic is still severe. The global demand is vague. 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 2021 sales to be stable based on actual 2020 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.
AUDIT COMMITTEE 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 2021 (from January 1, 2021 to December 31, 2021). 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 Audit Committee of the Company. According to Article 219 of the Company Law, we hereby submit this report.

To
2022 Shareholders’ Meeting

U.D. Electronic Corp.

Audit Committee Chairman: Hsuehyu Liu

March 03, 2022

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, 2021 and 2020, 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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, 2021. 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, 2021 is stated as follows:

The Group transacts with a large number of customers. The total revenue of the export trade customers accounted for over 50% of the consolidated revenue. Due to the revenue growth of some significant export trade customers exceeded the average growth of all export trade customers, there are a significant impact on the financial performance of the Group. Therefore, the occurrence of sales transactions attribute to the revenue growth which exceeded the average growth among all the export trade customers is considered a key audit matter. Refer to Note 4 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 in order to confirm and evaluate the effectiveness of the inter control while conducting a sale transaction.
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.
3. We compared the differences of the change in revenue and analyzed the differences of account receivables turnover and the credit condition of the above mentioned customers between the current and previous year, and verified it's rationality.

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, 2021 and 2020 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with 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, 2021 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 21, 2022

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 356,284	6	\$ 705,028	12
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4, 7 and 20)	4,221	-	6,686	-
Financial assets at amortized cost - current (Notes 4, 9, 10 and 33)	21,326	-	115,079	2
Notes receivable (Notes 4, 11 and 24)	52,333	1	83,957	1
Trade receivables (Notes 4, 11 and 24)	1,717,307	30	1,274,332	23
Other receivables (Notes 4 and 11)	84,376	2	48,914	1
Current tax assets (Notes 4 and 26)	8,662	-	-	-
Inventories (Notes 4 and 12)	1,481,224	26	1,165,489	21
Other current assets (Note 18)	<u>124,929</u>	<u>2</u>	<u>110,168</u>	<u>2</u>
Total current assets	<u>3,850,662</u>	<u>67</u>	<u>3,509,653</u>	<u>62</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVIOCI) - non-current (Notes 4 and 8)	74,558	1	117,855	2
Property, plant and equipment (Notes 4, 14 and 33)	1,486,861	26	1,524,963	27
Right-of-use assets (Notes 4 and 15)	121,772	2	149,220	3
Other intangible assets (Notes 4 and 17)	37,600	1	37,782	1
Goodwill (Notes 4, 16 and 28)	12,219	-	12,233	-
Deferred tax assets (Notes 4 and 26)	88,837	2	93,196	2
Other non-current assets (Notes 4 and 18)	<u>87,596</u>	<u>1</u>	<u>200,342</u>	<u>3</u>
Total non-current assets	<u>1,909,443</u>	<u>33</u>	<u>2,135,591</u>	<u>38</u>
TOTAL	<u>\$ 5,760,105</u>	<u>100</u>	<u>\$ 5,645,244</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	\$ 964,320	17	\$ 683,000	12
Financial liabilities at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	-	-	310	-
Contract liabilities - current (Notes 4 and 24)	40,757	1	25,188	-
Trade payables	636,372	11	550,047	10
Lease liabilities - current (Notes 4 and 15)	23,333	-	25,749	-
Other payables (Notes 21 and 29)	682,745	12	653,943	12
Current tax liabilities (Notes 4 and 26)	23,533	1	4,590	-
Current portion of long-term borrowings and bonds payable (Notes 4, 19, 20 and 33)	125,754	2	654,795	12
Other current liabilities	<u>6,573</u>	<u>-</u>	<u>6,625</u>	<u>-</u>
Total current liabilities	<u>2,503,387</u>	<u>44</u>	<u>2,604,247</u>	<u>46</u>
NON-CURRENT LIABILITIES				
Bond payables (Notes 4, 20 and 33)	-	-	284,778	5
Long-term borrowings (Notes 19 and 33)	234,000	4	-	-
Lease liabilities - non-current (Notes 4 and 15)	50,257	1	73,764	2
Deferred tax liabilities (Notes 4 and 26)	9,093	-	10,344	-
Guarantee deposits received	<u>1,561</u>	<u>-</u>	<u>825</u>	<u>-</u>
Total non-current liabilities	<u>294,911</u>	<u>5</u>	<u>369,711</u>	<u>7</u>
Total liabilities	<u>2,798,298</u>	<u>49</u>	<u>2,973,958</u>	<u>53</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 23)				
Share capital				
Ordinary shares	742,418	13	696,758	12
Capital collected in advance	<u>24,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total share capital	<u>766,665</u>	<u>13</u>	<u>696,758</u>	<u>12</u>
Capital surplus	<u>905,040</u>	<u>15</u>	<u>749,592</u>	<u>13</u>
Retained earnings				
Legal reserve	328,946	6	319,411	5
Special reserve	200,418	3	220,594	4
Unappropriated earnings	<u>953,021</u>	<u>17</u>	<u>836,918</u>	<u>15</u>
Total retained earnings	<u>1,482,385</u>	<u>26</u>	<u>1,376,923</u>	<u>24</u>
Other equity	<u>(235,640)</u>	<u>(4)</u>	<u>(200,418)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	2,918,450	50	2,622,855	46
NON-CONTROLLING INTERESTS (Note 4, 23 and 28)	<u>43,357</u>	<u>1</u>	<u>48,431</u>	<u>1</u>
Total equity	<u>2,961,807</u>	<u>51</u>	<u>2,671,286</u>	<u>47</u>
TOTAL	<u>\$ 5,760,105</u>	<u>100</u>	<u>\$ 5,645,244</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, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 4, 24 and 37)	\$ 6,164,749	100	\$ 4,980,912	100
OPERATING COSTS				
Cost of goods sold (Notes 12 and 25)	<u>(5,009,094)</u>	<u>(81)</u>	<u>(4,078,462)</u>	<u>(82)</u>
GROSS PROFIT	<u>1,155,655</u>	<u>19</u>	<u>902,450</u>	<u>18</u>
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	(246,010)	(4)	(209,712)	(4)
General and administrative expenses	(425,145)	(7)	(369,615)	(8)
Research and development expenses	(253,982)	(4)	(239,691)	(5)
Expected credit gain (loss) (Notes 4 and 11)	<u>12,826</u>	<u>-</u>	<u>(14,776)</u>	<u>-</u>
Total operating expenses	<u>(912,311)</u>	<u>(15)</u>	<u>(833,794)</u>	<u>(17)</u>
PROFIT FROM OPERATIONS	<u>243,344</u>	<u>4</u>	<u>68,656</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 25)				
Interest income	5,377	-	7,643	-
Other income	49,293	1	47,416	1
Other gains	18,174	-	18,000	-
Finance costs (Note 20)	<u>(21,021)</u>	<u>-</u>	<u>(28,130)</u>	<u>-</u>
Total non-operating income and expenses	<u>51,823</u>	<u>1</u>	<u>44,929</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	295,167	5	113,585	2
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(42,803)</u>	<u>(1)</u>	<u>(22,645)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>252,364</u>	<u>4</u>	<u>90,940</u>	<u>2</u>
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 4, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(25,873)	(1)	24,211	-
Income tax related to items that would not be reclassified subsequently to profit or loss	<u>4,927</u>	<u>-</u>	<u>(4,020)</u>	<u>-</u>

(Continued)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:	<u>(20,946)</u>	<u>(1)</u>	<u>20,191</u>	<u>-</u>
Exchange differences on translating the financial statements of foreign operations	(21,761)	-	(1,863)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>4,353</u>	<u>-</u>	<u>377</u>	<u>-</u>
	<u>(17,408)</u>	<u>-</u>	<u>(1,486)</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(38,354)</u>	<u>(1)</u>	<u>18,705</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 214,010</u>	<u>3</u>	<u>\$ 109,645</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 240,191	4	\$ 95,358	2
Non-controlling interests	<u>12,173</u>	<u>-</u>	<u>(4,418)</u>	<u>-</u>
	<u>\$ 252,364</u>	<u>4</u>	<u>\$ 90,940</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 202,392	3	\$ 115,534	2
Non-controlling interests	<u>11,618</u>	<u>-</u>	<u>(5,889)</u>	<u>-</u>
	<u>\$ 214,010</u>	<u>3</u>	<u>\$ 109,645</u>	<u>2</u>
EARNINGS PER SHARE (Note 27)				
From continuing operations				
Basic	<u>\$ 3.28</u>		<u>\$ 1.37</u>	
Diluted	<u>\$ 3.03</u>		<u>\$ 1.29</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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital			Retained 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			
	Commercial Stock	Capital Received in Advance	Share Premium	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2020	\$ 696,758	\$ -	\$ 737,456	\$ 314,074	\$ 154,427	\$ 847,902	\$ (237,986)	\$ 17,392	\$ 2,530,023	\$ 27,805	\$ 2,557,828
Appropriation of 2019 earnings (Note 23)											
Legal reserve	-	-	-	5,337	-	(5,337)	-	-	-	-	-
Special reserve	-	-	-	-	66,167	(66,167)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(34,838)	-	-	(34,838)	-	(34,838)
Other changes in capital surplus											
Equity component of convertible bonds issued and redeemed by the Company (Note 20)	-	-	12,136	-	-	-	-	-	12,136	-	12,136
Non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	26,515	26,515
Net profit (loss) for the year ended December 31, 2020	-	-	-	-	-	95,358	-	-	95,358	(4,418)	90,940
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax (Note 23)	-	-	-	-	-	-	(15)	20,191	20,176	(1,471)	18,705
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	95,358	(15)	20,191	115,534	(5,889)	109,645
BALANCE AT DECEMBER 31, 2020	696,758	-	749,592	319,411	220,594	836,918	(238,001)	37,583	2,622,855	48,431	2,671,286
Appropriation of 2020 earnings (Note 23)											
Legal reserve	-	-	-	9,535	-	(9,535)	-	-	-	-	-
Special reserve	-	-	-	-	(20,176)	20,176	-	-	-	-	-
Cash dividends	-	-	-	-	-	(90,579)	-	-	(90,579)	-	(90,579)
Convertible bonds converted to ordinary shares (Note 20)	45,660	24,247	155,448	-	-	-	-	-	225,355	-	225,355
Net profit for the year ended December 31, 2021	-	-	-	-	-	240,191	-	-	240,191	12,173	252,364
Other comprehensive loss for the year ended December 31, 2021, net of income tax (Note 23)	-	-	-	-	-	-	(16,853)	(20,946)	(37,799)	(555)	(38,354)
Total comprehensive loss for the year ended December 31, 2021	-	-	-	-	-	240,191	(16,853)	(20,946)	202,392	11,618	214,010
Disposal of investments in equity instruments at fair value through other comprehensive income (Notes 8 and 23)	-	-	-	-	-	(2,577)	-	2,577	-	-	-
Changes in percentage of ownership interests in subsidiaries (Note 28)	-	-	-	-	-	(41,573)	-	-	(41,573)	(17,467)	(59,040)
Non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	775	775
BALANCE AT DECEMBER 31, 2021	\$ 742,418	\$ 24,247	\$ 905,040	\$ 328,946	\$ 200,418	\$ 953,021	\$ (254,854)	\$ 19,214	\$ 2,918,450	\$ 43,357	\$ 2,961,807

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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 295,167	\$ 113,585
Adjustments for:		
Expected credit (gain) loss recognized on trade receivables	(12,826)	14,776
Depreciation expenses	425,890	389,551
Amortization expenses	9,024	7,775
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(12,384)	(32,442)
Finance costs	21,021	28,130
Interest income	(5,377)	(7,643)
Dividend income	(1,725)	-
Write-downs of inventories	1,139	2,652
Loss on disposal of property, plant and equipment	867	565
Net loss on foreign currency exchange	5,150	30,805
Net loss on redeemed bond payables	-	93
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	22,276	34,267
Notes receivable	31,384	(76,409)
Trade receivables	(435,114)	45,328
Other receivables	(34,796)	(5,146)
Inventories	(319,472)	(88,930)
Other current assets	(14,991)	42,716
Financial liabilities held for trade	(8,077)	(9,523)
Contract liabilities	15,636	11,256
Trade payables	87,820	100,962
Other payables	32,040	53,736
Other current liabilities	(37)	37
Cash generated from operations	102,615	656,141
Interest received	5,439	7,651
Dividend received	1,725	-
Interest paid	(16,302)	(22,081)
Income tax paid	(20,128)	(30,477)
Net cash generated from operating activities	<u>73,349</u>	<u>611,234</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of financial assets at fair value through other comprehensive income	24	-
Return of funds from financial assets at fair value through other comprehensive income	17,400	8,206
Purchase of financial assets at amortized cost	(1,305)	(53,117)
Proceeds from sale of financial assets at amortized cost	95,058	-
Payments for property, plant and equipment	(247,027)	(273,179)
Payments for intangible assets	(8,850)	(4,893)

(Continued)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Proceeds from disposal of property, plant and equipment	6,879	12,179
Decrease in other non-current assets	6,421	11,626
Decrease in refundable deposits	391	7,277
Increase in prepayments for equipment	<u>(18,008)</u>	<u>(99,980)</u>
Net cash used in investing activities	<u>(149,017)</u>	<u>(391,881)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment for the issuance of convertible bonds	(291,300)	(8,700)
Proceeds from issue of convertible bonds	-	306,000
Proceeds from short-term borrowings	529,593	65,960
Repayments of short-term borrowings	(246,000)	(284,941)
Proceeds from long-term borrowings	312,000	-
Repayments of long-term borrowings	(379,600)	(104,000)
Repayment of the principal portion of lease liabilities	(25,656)	(22,761)
Change in non-controlling interests	775	26,515
Proceeds from guarantee deposits received	737	4
Acquisition of additional interests in subsidiary	(59,040)	-
Dividends paid to owners of the Company	(90,579)	(34,838)
Repayment for the issuance of convertible bonds	<u>(1,813)</u>	<u>(5,985)</u>
Net cash used in financing activities	<u>(250,883)</u>	<u>(62,746)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(22,193)</u>	<u>(44,950)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(348,744)	111,657
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>705,028</u>	<u>593,371</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 356,284</u>	<u>\$ 705,028</u>

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

(Concluded)

U.D. Electronic Corp.
2021 Profit Distribution Table

Item	Unit: NTD Amount
Unappropriated earnings – beginning of the year	756, 989, 768
Add: 2021 net income after tax	240, 191, 157
Subtract: Legal reserve	(24, 019, 116)
Subtract: Special reserve	(35, 223, 651)
Accumulated unappropriated earnings	937, 938, 158
Cash dividends (NT\$2.3/share)	(176, 984, 558)
Unappropriated earnings – end of the year	760, 953, 600

Chairman & CEO: General Manager: Accounting manager:

U.D. Electronic Corp.

Comparison List before and after Amendment of the “Regulations Governing the Acquisition and Disposal of Assets”

Appendix 5

Article	Before the amendment	After the amendment	Reason for amendment
Article 6	<p>The valuation report obtained by the Company or the opinion of an accountant, lawyer or securities underwriter, such professional appraiser and its appraiser, accountant, lawyer or securities underwriter shall comply with the following requirements:</p> <ol style="list-style-type: none"> 1. Have not been convicted of a fixed-term imprisonment of not less than one year for violating this Law, the Company Law, the Banking Law, the Insurance Law, the Financial Holding Company Law, the Commercial Accounting Law, or for fraud, breach of trust, misappropriation, forgery of documents or for business crimes. This does not apply, however, to the completion of execution, the completion of probation or the completion of three years after pardon. 2. The parties to the transaction shall not be related persons or have substantial relations. 3. If the company should obtain the valuation reports of two or more professional appraisers, different professional appraisers or appraisers shall not be related to each other or have substantial relations. <p>When issuing an appraisal report or opinion, the personnel in the preceding paragraph shall handle the following matters in accordance with the following matters:</p> <ol style="list-style-type: none"> (1) Before accepting a case, one should carefully assess one's own professional ability, practical experience and independence. (2) When examining a case, appropriate operational procedures should be properly planned and implemented to form conclusions and issue reports or opinions on the basis of which; and the procedures carried out, the collection of 	<p>The valuation report obtained by the Company or the opinion of an accountant, lawyer or securities underwriter, such professional appraiser and its appraiser, accountant, lawyer or securities underwriter shall comply with the following requirements:</p> <ol style="list-style-type: none"> 1. Have not been convicted of a fixed-term imprisonment of not less than one year for violating this Law, the Company Law, the Banking Law, the Insurance Law, the Financial Holding Company Law, the Commercial Accounting Law, or for fraud, breach of trust, misappropriation, forgery of documents or for business crimes. This does not apply, however, to the completion of execution, the completion of probation or the completion of three years after pardon. 2. The parties to the transaction shall not be related persons or have substantial relations. 3. If the company should obtain the valuation reports of two or more professional appraisers, different professional appraisers or appraisers shall not be related to each other or have substantial relations. <p>When issuing an appraisal report or opinion, the person referred to in the preceding paragraph shall handle <u>the following matters in accordance with the self-discipline norms of each trade association to which he belongs</u>:</p> <ol style="list-style-type: none"> (1) Before accepting a case, one should carefully assess one's own professional ability, practical experience and independence. (2) When <u>inspecting</u> and <u>enforcing</u> a case, appropriate operational procedures should be properly planned and implemented to form conclusions and issue reports or 	<ol style="list-style-type: none"> 1. Except in accordance with the matters listed in the current paragraphs of item 2, it shall be handled in accordance with the self-discipline norms of each trade association to which it belongs. 2. External experts undertake and execute cases in which valuation reports or reasonableness opinions are issued in accordance with the provisions of this Standard, which does not mean that the audit of financial reports is not referred to, and the word "audit"

	<p>information and conclusions should be published in detail in the case working papers.</p> <p>(3) The completeness, correctness and reasonableness of the sources, parameters and information used shall be assessed item by item as the basis for issuing an appraisal report or opinion.</p> <p>(4) The declaration shall include matters such as the professionalism and independence of the relevant personnel, the reasonableness and correctness of the information used in the assessment, and compliance with relevant laws and regulations.</p>	<p>opinions on the basis of which; and the procedures, information collected, and conclusions to be carried out should be published in detail in the case work paper.</p> <p>(3) The sources, parameters and information used shall be assessed on a case-by-case basis for the completeness, correctness, appropriateness and reasonableness of the information used as the basis for issuing an appraisal report or opinion.</p> <p>(4) The declaration shall include matters such as the professionalism and independence of the relevant personnel, the information used in the assessment is <u>appropriate and</u> reasonable and correct, and compliance with relevant laws and regulations.</p>	<p>cases is amended to "enforcement" cases.</p> <p>3. Completeness and correctness cannot be guaranteed, and appropriateness can only be assessed based on the information obtained.</p>
Article 7	<p>Procedures for acquiring or disposing of immovable property, equipment or assets of the right of use</p> <ol style="list-style-type: none"> 1. Slightly 2. Slightly 3. Slightly 4. Valuation report on the assets of real estate, equipment or right of use <p>The Company acquires or disposes of real estate or equipment, equipment or right of use assets, except for transactions with domestic government machines, self-commissioned construction, leased land commissions, or acquisition or disposal of equipment for business use, the transaction amount reaches 20% of the company's paid-in capital or more than NT\$300 million, and shall first obtain an appraisal report issued by a professional appraiser and meet the following requirements:</p> <p>(1) When, for special reasons, a limited price or a specific price</p>	<p>Procedures for acquiring or disposing of immovable property, equipment or assets of the right of use</p> <ol style="list-style-type: none"> 1. Slightly 2. Slightly 3. Slightly 4. Valuation report on the assets of real estate, equipment or right of use <p>The Company acquires or disposes of real estate or equipment, equipment or right of use assets, except for transactions with domestic government machines, self-commissioned construction, leased land commissions, or acquisition or disposal of equipment for business use, the transaction amount reaches 20% of the company's paid-in capital or more than NT\$300 million, and shall first obtain an appraisal report issued by a professional appraiser and meet the following requirements:</p> <p>(1) When, for special reasons, a limited price or a specific</p>	<p>Considering that Article 6 has been amended to require external experts to issue opinions in accordance with the self-regulatory norms of the associations to which they belong, the procedures for the implementation of the issuance of opinions by accountants have been covered, so the duplication provision has been deleted.</p>

	<p>is required as a reference basis for the transaction price, the transaction shall first be submitted to the resolution of the Board of Directors;</p> <p>(2) Where the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be asked to appraise.</p> <p>(3) In any of the following circumstances, the valuation results of professional appraisers should be consulted to handle them in accordance with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) and express specific opinions on the reasons for the difference and the fairness of the transaction price:</p> <ol style="list-style-type: none"> 1. The difference between the valuation result and the transaction amount is more than 20% of the transaction amount. 2. The difference between the valuation results of two or more professional appraisers is more than 10% of the transaction amount. <p>(4) Where the appraisal is made before the date of the establishment of the contract, the date of issuance of the report and the date of the establishment of the contract shall not exceed three months. However, if the present value of the same period of announcement applies and it has not exceeded six months, the original professional appraiser may issue an opinion letter.</p>	<p>price is required as a reference basis for the transaction price, the transaction shall first be submitted to the resolution of the Board of Directors;</p> <p>(2) Where the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be asked to appraise.</p> <p>(3) In any of the following circumstances, the valuation results of professional appraisers shall be consulted to be handled in accordance with the provisions of The Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) and shall be consulted Specific opinions on the reasons for the discrepancy and the fairness of the transaction price:</p> <ol style="list-style-type: none"> 1. The difference between the valuation result and the transaction amount is more than 20% of the transaction amount. 2. The difference between the valuation results of two or more professional appraisers is more than 10% of the transaction amount. <p>(4). For appraisers before the date of establishment of the contract, the date of the report issued by <u>the professional appraiser</u> and the date of the establishment of the contract shall not exceed three months. However, if the present value of the same period of announcement applies and it has not exceeded six months, the original</p>	
--	--	--	--

	(5) If the company acquires or disposes of assets through the court auction procedure, the valuation report or accountant's opinion may be replaced by the certification documents issued by the court.	professional appraiser may issue an opinion letter. (5) If the company acquires or disposes of assets through the court auction procedure, the valuation report or accountant's opinion may be replaced by the certification documents issued by the court.	
Article 8	<p>Procedures for obtaining or disposing of securities investments</p> <p>1. Assessment and operating procedures The purchase and sale of securities of the Company shall be handled in accordance with the investment cycle operation of the Company's internal control system.</p> <p>2. Procedures for determining transaction conditions and authorization amounts The company obtains or disposes of securities, and shall take the latest financial statements of the target company that have been verified by the accountant or reviewed by the accountant before the occurrence of the facts as a reference for assessing the transaction price, and the responsible unit shall decide according to the market conditions, and the amount shall be approved step by step according to the approval authority, and at the same time put forward an analysis report on the unrealized benefits or losses of the securities. In addition, if the transaction amount reaches 20% of the company's paid-up capital or more than NT\$300 million, the accountant should be consulted to express an opinion on the reasonableness of the transaction price before the occurrence of the facts, and if the accountant needs to use an expert reporter, it should be handled in accordance with the provisions of the Auditing Standards</p>	<p>Procedures for obtaining or disposing of securities investments</p> <p>1. Assessment and operating procedures The purchase and sale of securities of the Company shall be handled in accordance with the investment cycle operation of the Company's internal control system.</p> <p>2. Procedures for determining transaction conditions and authorization amounts The company obtains or disposes of securities, and shall take the latest financial statements of the target company that have been verified by the accountant or reviewed by the accountant before the occurrence of the facts as a reference for assessing the transaction price, and the responsible unit shall decide according to the market conditions, and the amount shall be approved step by step according to the approval authority, and at the same time put forward an analysis report on the unrealized benefits or losses of the securities. In addition, if the transaction amount reaches 20% of the company's paid-up capital or more than NT\$300 million, the accountant should be consulted to express an opinion on the reasonableness of the transaction price before the occurrence of the facts, and if the accountant needs to use an expert reporter, it should be</p>	The reason for the amendment is the same as Article 7.

	<p>Bulletin No. 20 issued by the Accounting Research and Development Foundation. However, this shall not apply unless the securities are publicly quoted in the active market or otherwise stipulated by the Financial Supervisory Commission (hereinafter referred to as the Commission).</p> <p>The Company directly or indirectly holds 100% of the shares in the investment company, except for capital increase due to working capital requirements.</p> <p>3. Executive units</p> <p>When investing in and disposing of securities of the Company, the financial unit shall be responsible for implementation after submitting the approval according to the approval authority.</p> <p>4. If the Company acquires or disposes of assets through the court auction procedure, it may substitute the valuation report or accountant's opinion with the supporting documents issued by the court.</p>	<p>handled in accordance with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation. However, this shall not apply unless the securities are publicly quoted in the active market or otherwise stipulated by the Financial Supervisory Commission (hereinafter referred to as the Commission).</p> <p>The Company directly or indirectly holds 100% of the shares in the investment company, except for capital increase due to working capital requirements.</p> <p>3. Executive units</p> <p>When investing in and disposing of securities of the Company, the financial unit shall be responsible for implementation after submitting the approval according to the approval authority.</p> <p>4. If the Company acquires or disposes of assets through the court auction procedure, it may substitute the valuation report or accountant's opinion with the supporting documents issued by the court.</p>	
Article 8-1	<p>The calculation of the transaction amount of Articles 7, 8 and 10 shall be handled in accordance with the provisions of Paragraph 5 of Paragraph 1 of Article 14, and the so-called one year shall be calculated retroactively on the basis of the date of occurrence of the transaction, and the valuation report or accountant's opinion issued by the professional valuation provider who has obtained the professional valuation in accordance with the provisions of the handling procedures shall be exempted from being re-counted.</p>	<p>The calculation of the transaction amount of Article 7, Article 8 and Article 10 shall be handled in accordance with the provisions of Article 14, Paragraph 1, Paragraph 5, <u>Item 7</u>, and the so-called one year shall be calculated retroactively within one year on the basis of the date of occurrence of the transaction. The valuation report or accountant's opinion issued by a person who has obtained a professional valuation in accordance with the provisions of the handling procedure is exempted from being re-counted.</p>	Adjust the index to the correct item.

<p>Article 9</p>	<p>Procedures for obtaining immovable property or assets of the right of use from a related party</p> <p>1. The Company and its related parties shall acquire or dispose of assets, in addition to the procedures for obtaining real estate in accordance with Article 7, shall also handle the relevant resolution procedures and assess the reasonableness of the transaction conditions in accordance with the following provisions, and the transaction amount shall reach more than 10% of the company's total assets, and shall also obtain the valuation report or accountant's opinion issued by the professional appraiser in accordance with the provisions of the preceding section.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be handled in accordance with the provisions of Article 8-1.</p> <p>When judging whether the transaction object is a related party, in addition to paying attention to its legal form, the substantive relationship should be considered.</p> <p>2. Assessment and operating procedures</p> <p>If the Company acquires or disposes of immovable property or right of use assets from a related party, or acquires or disposes of assets other than real estate or right of use assets with a related party and the transaction amount reaches 20% of the company's paid-in capital, 10% of total assets or more than NT\$300 million, in addition to buying and selling domestic public bonds, bonds with buy-back or sell-back conditions, and subscription or redemption of domestic money market funds,</p>	<p>Procedures for obtaining immovable property or assets of the right of use from a related party</p> <p>1. The Company and its related parties shall acquire or dispose of assets, in addition to the procedures for obtaining real estate in accordance with Article 7, shall also handle the relevant resolution procedures and assess the reasonableness of the transaction conditions in accordance with the following provisions, and the transaction amount shall reach more than 10% of the company's total assets, and shall also obtain the valuation report or accountant's opinion issued by the professional appraiser in accordance with the provisions of the preceding section.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be handled in accordance with the provisions of Article 8-1.</p> <p>When judging whether the transaction object is a related party, in addition to paying attention to its legal form, the substantive relationship should be considered.</p> <p>2. Assessment and operating procedures</p> <p>If the Company acquires or disposes of immovable property or right of use assets from a related party, or acquires or disposes of assets other than real estate or right of use assets with a related party and the transaction amount reaches 20% of the company's paid-in capital, 10% of total assets or more than NT\$300 million, in addition to buying and selling domestic public bonds, bonds with buy-back or sell-back</p>	<p>1. The calculation of the amended transaction amount shall be included in the transaction submitted to the shareholders' meeting for approval.</p> <p>2. Adjust the paragraph order.</p>
------------------	--	---	---

	<p>the following information shall be submitted to the Audit Committee, with the consent of more than one-half of the members of the Audit Committee, and after the resolution of the Board of Directors, To sign a transaction contract and make payments:</p> <p>(1) the purpose, necessity and expected benefits of acquiring or disposing of assets.</p> <p>(2) the reasons for selecting the related person as the transaction object.</p> <p>(3) The relevant information on the acquisition of immovable property or the assets of the right of use from a related party in accordance with the provisions of paragraphs 1 and 4 of paragraph 3 of this Article to assess the reasonableness of the predetermined transaction conditions.</p> <p>(4) The date and price of the original acquisition of the related party, the transaction object and its relationship with the company and related persons, etc.</p> <p>(5) a forecast statement of cash receipts and expenditures for each month of the coming year from the beginning of the contracted month, and an assessment of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>(6) An appraisal report issued by a professional appraiser obtained in accordance with the provisions of the preceding article, or the opinion of an accountant.</p> <p>(7) The restrictions and other important agreed matters of the transaction.</p>	<p>conditions, and subscription or redemption of domestic money market funds, the following information shall be submitted to the Audit Committee, with the consent of more than one-half of the members of the Audit Committee, and after the resolution of the Board of Directors, To sign a transaction contract and make payments:</p> <p>(1) the purpose, necessity and expected benefits of acquiring or disposing of assets.</p> <p>(2) the reasons for selecting the related person as the transaction object.</p> <p>(3) The relevant information on the acquisition of immovable property or the assets of the right of use from a related party in accordance with the provisions of paragraphs 1 and 4 of paragraph 3 of this Article to assess the reasonableness of the predetermined transaction conditions.</p> <p>(4) The date and price of the original acquisition of the related party, the transaction object and its relationship with the company and related persons, etc.</p> <p>(5) a forecast statement of cash receipts and expenditures for each month of the coming year from the beginning of the contracted month, and an assessment of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>(6) An appraisal report issued by a professional appraiser obtained in accordance with the provisions of the preceding article, or the opinion of an accountant.</p>	
--	--	--	--

	<p>Where independent directors have been established in accordance with the law, the opinions of each independent director shall be fully considered when submitting to the board of directors for discussion in accordance with the provisions of paragraph 1, and if the independent directors have objections or reservations, they shall be recorded in the proceedings of the board of directors.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Article 14, Paragraph 1, and the so-called one year shall be calculated retroactively on the basis of the date of occurrence of the transaction, and shall be submitted to the Board of Directors for recognition in accordance with the provisions of these Handling Procedures.</p> <p>The Board of Directors may, in accordance with Article 7, Paragraph 2, authorize the Chairman of the Board of Directors to make a decision within NT\$50 million and then submit it to the latest Board of Directors for post-approval in accordance with Article 7, Paragraph 2:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets for business use. 2. Acquisition or disposal of assets with the right to use immovable property for business use. <p>When the Company submits to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of the independent directors shall be</p>	<p>(7) The restrictions and other important agreed matters of the transaction.</p> <p>Where independent directors have been established in accordance with the law, the opinions of each independent director shall be fully considered when submitting to the board of directors for discussion in accordance with the provisions of paragraph 1, and if the independent directors have objections or reservations, they shall be recorded in the proceedings of the board of directors.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Article 14, Paragraph 1, and the so-called one year shall be calculated retroactively on the basis of the date of occurrence of the transaction, and shall be submitted to the Board of Directors for recognition in accordance with the provisions of these Handling Procedures.</p> <p>The Board of Directors may, in accordance with Article 7(21), engage in the following transactions between the Company and the parent company, its subsidiaries or their subsidiaries which directly or indirectly hold 100% of the issued shares or total capital <u>ph 2</u> Authorize the chairman of the board of directors to make a decision within NT\$50 million, and then report to the latest board of directors for posthumous recognition:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets for business use. 	
--	---	--	--

	<p>fully considered, and if the independent directors have objections or reservations, they shall be recorded in the proceedings of the Board of Directors.</p> <p>3. Assessment of the reasonableness of transaction costs Outline.</p>	<p>2. Acquisition or disposal of assets with the right to use immovable property for business use.</p> <p>When the Company submits to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of the independent directors shall be fully considered, and if the independent directors have objections or reservations, they shall be recorded in the proceedings of the Board of Directors.</p> <p><u>The Company has set up an audit committee in accordance with the law, which shall first obtain the consent of more than one-half of the members of the audit committee and propose a resolution of the board of directors to approve the provisions of Article 17.</u></p> <p><u>If a public offering company or its subsidiaries that are not domestic public offering companies have the first transaction, and the transaction amount reaches more than 10% of the total assets of the public offering company, the public offering company shall submit the information listed in the first paragraph to the shareholders' meeting for approval before signing the transaction contract and making payments.</u></p> <p><u>However, this does not apply to transactions between a publicly issued company and its parent company, subsidiaries, or its subsidiaries.</u></p> <p><u>The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Article 14, Paragraph 1, and the so-called one year shall be calculated retroactively from the date of occurrence of the</u></p>	
--	--	--	--

		<p><u>transaction facts, and shall be submitted to the shareholders' meeting and the board of directors for partial exemption in accordance with the provisions of these Handling Procedures.</u></p> <p>3. Assessment of the reasonableness of transaction costs Outline.</p>	
Article 10	<p>Procedures for obtaining or disposing of membership cards or right-of-use assets or intangible assets</p> <p>1. Assessment and operating procedures</p> <p>The Company's acquisition or disposal of membership cards or right-of-use assets or intangible assets shall be handled in accordance with the Company's internal control system for the circulation procedures of real estate, equipment or right-of-use assets.</p> <p>2. Procedures for determining transaction conditions and authorization amounts</p> <p>(1) To obtain or dispose of the membership card, the fair market price shall be referred to, the transaction conditions and transaction price shall be resolved, and an analysis report shall be made, and the amount shall be submitted to the chairman of the board of directors for approval; if it exceeds NT\$500 million, it shall be mentioned and approved by the board of directors.</p> <p>(2) The acquisition or disposal of the right of use assets or intangible assets shall refer to the fair market price of the market, decide on the trading conditions and transaction price, and make an analysis report, and the amount of which shall be less than 10% of the paid-up capital or less</p>	<p>Procedures for obtaining or disposing of membership cards or right-of-use assets or intangible assets</p> <p>1. Assessment and operating procedures</p> <p>The Company's acquisition or disposal of membership cards or right-of-use assets or intangible assets shall be handled in accordance with the Company's internal control system for the circulation procedures of real estate, equipment or right-of-use assets.</p> <p>2. Procedures for determining transaction conditions and authorization amounts</p> <p>(1) To obtain or dispose of the membership card, the fair market price shall be referred to, the transaction conditions and transaction price shall be resolved, and an analysis report shall be made, and the amount shall be submitted to the chairman of the board of directors for approval; if it exceeds NT\$500 million, it shall be mentioned and approved by the board of directors.</p> <p>(2) The acquisition or disposal of the right of use assets or intangible assets shall refer to the fair market price of the market, decide on the trading conditions and transaction price, and make an analysis report, and the amount of which shall be less than 10% of the paid-up capital or</p>	<p>The reason for the amendment is the same as Article 7.</p>

	<p>than NT\$50 million, shall be submitted to the chairman of the board of directors for approval; those exceeding NT\$50 million shall be submitted to the board of directors after approval.</p> <p>3. Executive units</p> <p>When the Company obtains or disposes of the membership card or the right of use assets or intangible assets, it shall be approved according to the approval authority, and the user department and the financial unit or management unit shall be responsible for implementation.</p> <p>4. Membership card or right of use assets or intangible assets expert appraisal opinion report</p> <p>(1) The company shall request an expert to issue a price appraisal report if the transaction amount of the membership card obtained or disposed of is 1% of the paid-in capital or more than NT\$500,000.</p> <p>(2) The transaction amount of the assets or intangible assets of the right of use obtained or disposed of by the Company reaches 10% of the paid-in capital or more than NT\$50,000,000, and the expert shall be requested to issue an appraisal report.</p> <p>(3) If the transaction amount of the assets or intangible assets of the right to use the membership card of the Company reaches 20% or more than NT\$300 million or more, in addition to transactions with government agencies on the island, the accountant shall be consulted to express an opinion on the reasonableness of the transaction price, and</p>	<p>less than NT\$50 million, shall be submitted to the chairman of the board of directors for approval; those exceeding NT\$50 million shall be submitted to the board of directors after approval.</p> <p>3. Executive units</p> <p>When the Company obtains or disposes of the membership card or the right of use assets or intangible assets, it shall be approved according to the approval authority, and the user department and the financial unit or management unit shall be responsible for implementation.</p> <p>4. Membership card or right of use assets or intangible assets expert appraisal opinion report</p> <p>(1) The company shall request an expert to issue a price appraisal report if the transaction amount of the membership card obtained or disposed of is 1% of the paid-in capital or more than NT\$500,000.</p> <p>(2) The transaction amount of the assets or intangible assets of the right of use obtained or disposed of by the Company reaches 10% of the paid-in capital or more than NT\$50,000,000, and the expert shall be requested to issue an appraisal report.</p> <p>(3) If the transaction amount of the assets or intangible assets of the right to use the membership card of the Company reaches 20% or more than NT\$300 million or more, in addition to transactions with government agencies on the island, the accountant shall be consulted to express an opinion on the reasonableness of the transaction price,-</p>	
--	---	---	--

	the accountant shall handle it in accordance with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.	and the accountant shall handle it in accordance with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.	
Article 14	<p>After public offering, information disclosure procedures</p> <p>1. The items to be declared and the standards for announcing the declaration:</p> <p>(1) Acquire or dispose of immovable property or right of use assets from a related party, or acquire or dispose of assets other than real estate or right of use assets with a related party and the transaction amount reaches 20% of the company's paid-in capital, 10% of total assets or more than NT\$300 million. However, this does not apply to the purchase and sale of domestic bonds, bonds subject to buy-back or sell-back conditions, and money market funds issued by domestic securities investment trusts.</p> <p>(2) merger, division, acquisition or transfer of shares.</p> <p>(3) the maximum amount of the total or individual contractual losses specified in the prescribed procedures for trading derivatives.</p> <p>(4) The type of assets acquired or disposed of are machinery and equipment for business use or right of use assets, and the transaction object is not a related person, and the transaction amount reaches NT\$500 million or more.</p> <p>(5) The Company expects to invest more than NT\$500 million in the form of real estate acquisition by means of self-land</p>	<p>After public offering, information disclosure procedures</p> <p>1. The items to be declared and the standards for announcing the declaration:</p> <p>(1) Acquire or dispose of immovable property or right of use assets from a related party, or acquire or dispose of assets other than real estate or right of use assets with a related party and the transaction amount reaches 20% of the company's paid-in capital, 10% of total assets or more than NT\$300 million. However, this does not apply to the purchase and sale of domestic bonds, bonds subject to buy-back or sell-back conditions, and money market funds issued by domestic securities investment trusts.</p> <p>(2) merger, division, acquisition or transfer of shares.</p> <p>(3) the maximum amount of the total or individual contractual losses specified in the prescribed procedures for trading derivatives.</p> <p>(4) The type of assets acquired or disposed of are machinery and equipment for business use or right of use assets, and the transaction object is not a related person, and the transaction amount reaches NT\$500 million or more.</p> <p>(5) The Company expects to invest more than NT\$500 million</p>	<p>Guidelines for the disposal of assets in cooperation with the acquisition or disposal of assets"</p> <p>The relaxation of the issuance of bonds for trading bonds is not lower than that of Foreign State Bonds of China's sovereign rating, and they may also be exempted from making announcement declarations.</p>

	<p>commissioning, leased land commissioning, joint construction and sub-housing, joint construction and sub-sale, and the transaction object is not a related person.</p> <p>(6) Asset transactions other than the preceding five paragraphs, the disposal of creditor's rights by financial institutions or investments in mainland China, the transaction amount of which reaches 20% of the company's paid-up capital or more than NT\$300 million. However, this does not apply in the following cases:</p> <ol style="list-style-type: none"> 1. Buying and selling domestic bonds. 2. Buying and selling bonds with buy-back or sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trusts. <p>(7) The transaction amount in (1)~(6) mentioned above is calculated as follows, and the so-called one year is calculated retroactively according to the date of the occurrence of the transaction facts, and has been partially exempted from re-calculation in accordance with the prescribed announcement.</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. The amount of transactions of the same nature that are obtained or disposed of with the same counterparty within one year. 3. The amount of assets acquired or disposed of (acquired and disposed of) of immovable property or right of use assets of the same development plan within one year. 4. The amount of the same securities that has been acquired 	<p>in the form of real estate acquisition by means of self-land commissioning, leased land commissioning, joint construction and sub-housing, joint construction and sub-sale, and the transaction object is not a related person.</p> <p>(6) Asset transactions other than the preceding five paragraphs, the disposal of creditor's rights by financial institutions or investments in mainland China, the transaction amount of which reaches 20% of the company's paid-up capital or more than NT\$300 million. However, this does not apply in the following cases:</p> <ol style="list-style-type: none"> 1. Buying and selling domestic public bonds <u>or credit ratings are bonds of foreign countries that are not lower than china's sovereign rating.</u> 2. Buying and selling bonds with buy-back or sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trusts. <p>(7) The transaction amount in (1)~(6) mentioned above is calculated as follows, and the so-called one year is calculated retroactively according to the date of the occurrence of the transaction facts, and has been partially exempted from re-calculation in accordance with the prescribed announcement.</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. The amount of transactions of the same nature that are obtained or disposed of with the same counterparty 	
--	--	---	--

	<p>or disposed of (acquired and disposed of) within one year.</p> <p>2. Time limit for handling announcements and declarations The Company acquires or disposes of assets, has the items to be announced in the first paragraph of this article and the transaction amount meets the reporting standards that should be announced in this article, and shall handle the announcement declaration within two days from the date of occurrence of the facts.</p> <p>3. Procedures for announcing declarations</p> <p>(1) The company shall apply the relevant information to the designated website of the Association for announcement and declaration.</p> <p>(2) The Company and its subsidiaries that are not domestic public offering companies shall be engaged in derivatives trading as of the end of the previous month in accordance with the prescribed format and entered into the information declaration website designated by the Financial Supervision and Administration Commission before the 10th of each month on a monthly basis.</p> <p>(3) If the items to be announced by the Company in accordance with the provisions are corrected due to errors or omissions in the announcement, all projects shall be re-announced and declared within two days from the date of knowledge.</p> <p>(4) The Company shall acquire or dispose of assets in the Company by keeping the relevant contracts, minutes of proceedings, memorandums, valuation reports, opinions</p>	<p>within one year.</p> <p>3. The amount of assets acquired or disposed of (acquired and disposed of) of immovable property or right of use assets of the same development plan within one year.</p> <p>4. The amount of the same securities that has been acquired or disposed of (acquired and disposed of) within one year.</p> <p>2. Time limit for handling announcements and declarations The Company acquires or disposes of assets, has the items to be announced in the first paragraph of this article and the transaction amount meets the reporting standards that should be announced in this article, and shall handle the announcement declaration within two days from the date of occurrence of the facts.</p> <p>3. Procedures for announcing declarations</p> <p>(1) The company shall apply the relevant information to the designated website of the Association for announcement and declaration.</p> <p>(2) The Company and its subsidiaries that are not domestic public offering companies shall be engaged in derivatives trading as of the end of the previous month in accordance with the prescribed format and entered into the information declaration website designated by the Financial Supervision and Administration Commission before the 10th of each month on a monthly basis.</p> <p>(3) If the items to be announced by the Company in accordance with the provisions are corrected due to</p>	
--	---	---	--

	<p>of accountants, lawyers or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.</p> <p>(5) After the Company announces and declares a transaction in accordance with the preceding article, in any of the following circumstances, it shall apply the relevant information to the designated website of the Association within two days from the date of occurrence of the facts:</p> <ol style="list-style-type: none"> 1. There is a change, termination or termination of the relevant contract signed in the original transaction. 2. The merger, division, acquisition or transfer of shares is not completed according to the schedule specified in the contract. 3. There are changes to the content of the original announcement declaration. 	<p>errors or omissions in the announcement, all projects shall be re-announced and declared within two days from the date of knowledge.</p> <p>(4) The Company shall acquire or dispose of assets in the Company by keeping the relevant contracts, minutes of proceedings, memorandums, valuation reports, opinions of accountants, lawyers or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.</p> <p>(5) After the Company announces and declares a transaction in accordance with the preceding article, in any of the following circumstances, it shall apply the relevant information to the designated website of the Association within two days from the date of occurrence of the facts:</p> <ol style="list-style-type: none"> 1. There is a change, termination or termination of the relevant contract signed in the original transaction. 2. The merger, division, acquisition or transfer of shares is not completed according to the schedule specified in the contract. 3. There are changes to the content of the original announcement declaration. 	
Article 17	<p>Implementation and revision</p> <p>The Company's "Procedures for Handling the Acquisition or Disposal of Assets" shall be approved by one-half of the Audit Committee and submitted to the Board of Directors for approval, and shall be submitted to the Shareholders' Meeting for approval, as amended. If there is a record or written</p>	<p>Implementation and revision</p> <p>The Company's "Procedures for Handling the Acquisition or Disposal of Assets" shall be approved by one-half of the Audit Committee and submitted to the Board of Directors for approval, and shall be submitted to the Shareholders' Meeting for approval, as amended. <u>If more than one-half of the</u></p>	<p>Adjust the order of the paragraphs of the provisions and add a provision that is not one-half of the totality of the Audit Committee.</p>

	<p>statement of the director's objection, the company shall also send the director's objection information to the Audit Committee and submit it to the shareholders' meeting for discussion.</p> <p>Where the Company has established independent directors, when submitting the "Procedures for Handling the Acquisition or Disposal of Assets" to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of the independent directors shall be fully considered and the opinions and reasons for their consent or opposition shall be included in the minutes of the meeting.</p>	<p><u>members of the Audit Committee are not approved, the consent of more than two-thirds of all directors may be carried out, and the resolution of the Audit Committee shall be set out in the proceedings of the Board of Directors. When the Company has established independent directors in accordance with the law and submits the "Procedures for Handling the Acquisition or Disposal of Assets" to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, it shall fully consider the opinions of each independent director and include the opinions and reasons for their consent or opposition in the minutes of the meeting.</u> If there is a record or written statement of the director's objection, the company shall also send the director's objection information to the Audit Committee and submit it to the shareholders' meeting for discussion.</p> <p>Where the Company has established independent directors, when submitting the "Procedures for Handling the Acquisition or Disposal of Assets" to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of the independent directors shall be fully considered and the opinions and reasons for their consent or opposition shall be included in the minutes of the meeting.</p>	
Article 19	<p>This procedure was established in Taiwan on June 30, 2009.</p> <p>The first revision was made on June 17, 2011.</p> <p>The second revision was made on November 17, 2011.</p> <p>The third revision was made on June 21, 2012.</p> <p>The fourth revision was made on June 20, 2013.</p>	<p>This procedure was established in Taiwan on June 30, 2009.</p> <p>The first revision was made on June 17, 2011.</p> <p>The second revision was made on November 17, 2011.</p> <p>The third revision was made on June 21, 2012.</p> <p>The fourth revision was made on June 20, 2013.</p>	Add the date and number of revisions.

	<p>The fifth revision was made on June 13, 2014.</p> <p>The sixth revision was made on June 15, 2017.</p> <p>The seventh revision was made on June 18, 2019.</p> <p>The eighth revision was made on June 18, 2020.</p>	<p>The fifth revision was made on June 13, 2014.</p> <p>The sixth revision was made on June 15, 2017.</p> <p>The seventh revision was made on June 18, 2019.</p> <p>The eighth revision was made on June 18, 2020.</p> <p><u>The ninth revision was made on June 16, 2022.</u></p>	
--	--	--	--

U.D. Electronic Corp.

Comparison List before and after Amendment of the “Rules of Procedure for Shareholders Meetings”

Appendix 6

Article	Before the amendment	After the amendment	Reason for amendment
Article 3	<p>The meeting of shareholders of the Company shall be convened by the Board of Directors unless otherwise required by decree. The Company shall, 30 days before the meeting of the ordinary meeting of shareholders or 15 days before the extraordinary meeting of shareholders, make electronic files and transmit the causes and explanatory materials of the notice of the meeting of the shareholders' meeting, the paper for the power of attorney, the relevant acknowledgement cases, discussion bills, the selection or dismissal of directors, etc. to the Public Information Observatory. And 21 days before the meeting of the ordinary meeting of shareholders or 15 days before the extraordinary meeting of shareholders, the shareholders' meeting manual and supplementary information of the meeting, the electronic file is produced and transmitted to the public information observatory. Fifteen days before the meeting of the shareholders' meeting, the manual of the shareholders' meeting and the supplementary information of the meeting shall be prepared for the shareholders to read at any time, and displayed in the company and the professional stock agencies appointed by the company, and shall be distributed on the spot at the shareholders' meeting. Notices and announcements shall specify the reasons for the convocation, and the notices thereof may be made electronically with the consent of the counterparty. The selection or dismissal of directors, the change of articles of association, the reduction of capital, the application for the suspension of public offerings, the non-competition license of directors, the conversion of surpluses into capital, the conversion of reserves into capital, the dissolution, merger, division of companies, or the paragraphs of Article 185, paragraph 1 of the Company Law, Articles 26-1, 43-6 of the</p>	<p>The meeting of shareholders of the Company shall be convened by the Board of Directors unless otherwise required by decree.</p> <p><u>Changes to the manner in which the shareholders' meeting of the Company shall be convened shall be resolved by the Board of Directors and shall be made no later than the notice of the meeting of the shareholders' meeting is sent.</u></p> <p>The Company shall, 30 days before the meeting of the ordinary meeting of shareholders or 15 days before the extraordinary meeting of shareholders, make electronic files and transmit the causes and explanatory materials of the notice of the meeting of the shareholders' meeting, the paper for the power of attorney, the relevant acknowledgement cases, discussion bills, the selection or dismissal of directors, etc. to the Public Information Observatory. And before the 21st day of the ordinary meeting of shareholders or the 15th day of the extraordinary meeting of shareholders, the shareholders' meeting manual and supplementary information of the meeting shall be produced and transmitted to the public information <u>observatory, but the Company shall open the transmission of electronic files before the completion of the 30 days before the completion of the ordinary meeting of shareholders 30 billion yuan or the total foreign and land capital shareholding ratios recorded in the shareholders' books of the company at the latest fiscal year ordinary meeting</u> .</p> <p>Fifteen days before the meeting of the shareholders' meeting, the manual of the shareholders' meeting and the supplementary information of the meeting shall be prepared for the shareholders to read at any time, and displayed in the company and the professional stock agencies appointed by the</p>	<p>Cooperate with the competent authorities in revision.</p>

<p>Securities Exchange Law, Articles 56-1 and 60bis of the Guidelines for the Handling of Securities Offering and Issuance by Issuers shall be listed in the cause of the call and the main contents of which shall not be raised by provisional motion. The reasons for the convening of the shareholders' meeting have set out the full re-election of the directors and the date of their appointment, and after the re-election of the shareholders' meeting is completed, the same meeting shall not change the date of their appointment by provisional motion or other means. Shareholders who hold more than one percent of the total number of issued shares may submit in writing to the Company an ordinary meeting of shareholders, subject to one item, and if there is more than one proposal, it will not be included in the proposal. However, the Shareholders' Proposal is a recommendation to urge the Company to promote the public interest or fulfill its social responsibilities, and the Board of Directors may still include it in the proposal. In addition, if the proposed case of the shareholder has one of the circumstances of the paragraphs of Item 4 of Article 172-1 of the Company Law, the board of directors may not be listed as a proposal. The Company shall announce the acceptance of the shareholder's proposal, written or electronic acceptance method, acceptance place and acceptance period before the date of suspension of the transfer of shares before the ordinary meeting of shareholders, and the acceptance period shall not be less than 10 days.</p> <p>The proposal proposed by the shareholder shall be limited to 300 words, and those exceeding 300 words shall not be included in the proposal; the proposed shareholder shall attend the ordinary meeting of shareholders in person or entrust others to participate in the discussion of the proposal.</p> <p>The Company shall notify the proposed shareholders of the results of the processing before the notice of the convocation of the shareholders' meeting, and the proposals in accordance with the provisions of this article shall be included in the notice of meeting. For shareholder proposals that are not included in the proposal, the board of directors shall explain the reasons for the</p>	<p>company, and shall be distributed on the spot at the shareholders' meeting. <u>The Handbook and Supplementary Information for the Meeting referred to in the preceding paragraph shall be provided to shareholders for reference by the Company on the day of the meeting of shareholders in the following ways:</u></p> <ol style="list-style-type: none"> <u>1. When a meeting of physical shareholders is convened, it shall be issued at the shareholders' meeting.</u> <u>2. When a video-assisted shareholders' meeting is convened, it shall be distributed at the shareholders' meeting site and transmitted to the video conference platform by electronic files.</u> <u>3. When a video shareholders' meeting is held, it shall be transmitted to the video conference platform by electronic file.</u> <p>Notices and announcements shall specify the reasons for the convocation, and the notices thereof may be made electronically with the consent of the counterparty. The selection or dismissal of directors, the change of articles of association, the reduction of capital, the application for the suspension of public offerings, the non-competition license of directors, the conversion of surpluses into capital, the conversion of reserves into capital, the dissolution, merger, division of companies, or the paragraphs of article 185, paragraph 1 of the Company Law, articles 26-1, 43-6 of the Securities Exchange Law, articles 56-1 and 60bis of the Guidelines for the Handling of Securities Offering and Issuance of Securities by issuers, shall be listed and the main contents of articles 60bis of the cause of convening , may not be made by provisional motion.</p> <p>The reasons for the convening of the shareholders' meeting have set out the full re-election of the directors and the date of their appointment, and after the re-election of the shareholders' meeting is completed, the same meeting shall not change the date of their appointment by provisional motion or other means.</p> <p>Shareholders who hold more than one percent of the total</p>	
---	--	--

	failure to include it at the shareholders' meeting.	<p>number of issued shares may submit in writing to the Company an ordinary meeting of shareholders, subject to one item, and if there is more than one proposal, it will not be included in the proposal. However, the Shareholders' Proposal is a recommendation to urge the Company to promote the public interest or fulfill its social responsibilities, and the Board of Directors may still include it in the proposal. In addition, if the proposed case of the shareholder has one of the circumstances of the paragraphs of Item 4 of Article 172-1 of the Company Law, the board of directors may not be listed as a proposal.</p> <p>The Company shall announce the acceptance of the shareholder's proposal, written or electronic acceptance method, acceptance place and acceptance period before the date of suspension of the transfer of shares before the ordinary meeting of shareholders, and the acceptance period shall not be less than 10 days.</p> <p>The proposal proposed by the shareholder shall be limited to 300 words, and those exceeding 300 words shall not be included in the proposal; the proposed shareholder shall attend the ordinary meeting of shareholders in person or entrust others to participate in the discussion of the proposal.</p> <p>The Company shall notify the proposed shareholders of the results of the processing before the notice of the convocation of the shareholders' meeting, and the proposals in accordance with the provisions of this article shall be included in the notice of meeting. For shareholder proposals that are not included in the proposal, the board of directors shall explain the reasons for the failure to include it at the shareholders' meeting.</p>	
Article 4	<p>Shareholders may issue a power of attorney issued by the Company at each shareholders' meeting, specifying the scope of the authorization, and appoint an agent to attend the shareholders' meeting.</p> <p>A shareholder shall issue a power of attorney and entrust one</p>	<p>Shareholders may issue a power of attorney issued by the Company at each shareholders' meeting, specifying the scope of the authorization, and appoint an agent to attend the shareholders' meeting.</p> <p>A shareholder shall issue a power of attorney and entrust one</p>	Cooperate with the competent authorities in revision.

	<p>person to the extent that it is required to deliver it to the Company five days before the meeting of the shareholders' meeting, and if there is any repetition of the power of attorney, the first to be served shall prevail. However, this does not apply to the principal before the declaration is revoked.</p> <p>After the power of attorney is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting in person, he shall give the company a written notice of revocation of the proxy two days before the meeting of the shareholders' meeting; in the case of late revocation, the voting rights of the proxy shall be present and exercised.</p>	<p>person to the extent that it is required to deliver it to the Company five days before the meeting of the shareholders' meeting, and if there is any repetition of the power of attorney, the first to be served shall prevail. However, this does not apply to the principal before the declaration is revoked.</p> <p>After the power of attorney is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting in person <u>or to exercise his or her voting rights in writing or electronically</u>, he shall give notice of revocation of the entrustment to the Company in writing two days before the meeting of the shareholders' meeting;</p> <p><u>After the power of attorney is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting by video, he shall notify the Company in writing to revoke the proxy two days before the meeting of the shareholders' meeting;</u></p>	
Article 5	<p>The place where the shareholders' meeting is convened shall be at the place where the Company is located or at a place suitable for the attendance of shareholders and suitable for the convening of the shareholders' meeting, and the meeting shall not start at 9:00 a.m. or later than 3:00 p.m. After the establishment of independent directors in the Company, the place and time of the meeting shall be fully considered by the opinions of the independent directors.</p>	<p>The place where the shareholders' meeting is convened shall be at the place where the Company is located or at a place suitable for the attendance of shareholders and suitable for the convening of the shareholders' meeting, and the meeting shall not start at 9:00 a.m. or later than 3:00 p.m. After the establishment of independent directors in the Company, the place and time of the meeting shall be fully considered by the opinions of the independent directors.</p> <p><u>When the Company convenes a video shareholders' meeting, it shall not be restricted by the place of the meeting mentioned</u></p>	<p>Cooperate with the competent authorities in revision.</p>

		<u>in the preceding paragraph.</u>	
Article 6	<p>The Company shall indicate in the notice of meeting the time of acceptance of shareholder registration, the place of registration, and other matters to be taken into account.</p> <p>The registration time of the shareholders accepted in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the registration shall be clearly marked and the appropriate and suitable personnel shall be dispatched to handle it.</p> <p>The Company shall set up a signature book for the shareholders present or the proxy appointed by the shareholders (hereinafter referred to as the shareholders) to sign in, or the shareholders present shall pay the sign-in card to sign in their place.</p> <p>The Company shall deliver the handbook, annual report, certificate of attendance, speech slip, voting vote and other meeting materials to the shareholders present at the shareholders' meeting;</p> <p>Shareholders shall attend the shareholders' meeting with a certificate of attendance, attendance card or other certificate of attendance, and the Company shall not arbitrarily add other supporting documents to the supporting documents relied upon by the shareholders to attend; it is the person soliciting for a proxy and shall carry the identity documents for verification.</p>	<p>The Company shall indicate in the notice of the meeting the time, place of registration, and other matters to be taken by the <u>accepting shareholders, solicitors, and trustees (hereinafter referred to as the shareholders).</u></p> <p>The registration time of the shareholders accepted in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the registration office shall be clearly marked and the appropriate and suitable personnel <u>shall be dispatched to handle it; the video meeting of the shareholders' meeting shall be accepted and registered on the platform of the shareholders' meeting 30 minutes before the start of the meeting, and the shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.</u></p> <p><u>Shareholders shall attend the shareholders' meeting with a certificate of attendance, attendance card or other certificate of attendance, and the Company shall not arbitrarily add other supporting documents to the supporting documents relied upon by the shareholders to attend; it is the person soliciting for a proxy and shall carry the identity documents for verification.</u></p> <p>The Company shall set up a signature book for the</p>	Cooperate with the competent authorities in revision.

	<p>When the government or legal person is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a legal person is entrusted with attending a meeting of shareholders, only one person may be appointed to represent him.</p>	<p>shareholders present or the proxy appointed by the shareholders (hereinafter referred to as the shareholders) to sign in, or the shareholders present shall pay the sign-in card to sign in their place.</p> <p>The Company shall deliver the handbook, annual report, certificate of attendance, speech slip, voting vote and other meeting materials to the shareholders present at the shareholders' meeting;</p> <p>Shareholders shall attend the shareholders' meeting with a certificate of attendance, attendance card or other certificate of attendance, and the Company shall not arbitrarily add other supporting documents to the supporting documents relied upon by the shareholders to attend; it is the person soliciting for a proxy and shall carry the identity documents for verification.</p> <p>When the government or legal person is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a legal person is entrusted with attending a meeting of shareholders, only one person may be appointed to represent him.</p> <p><u>If the shareholders' meeting is convened by video, and the shareholders wish to participate in the meeting by video, they should register with the Company two days before the meeting of the shareholders' meeting.</u></p> <p><u>If the shareholders' meeting is convened by video conference, the Company shall upload the meeting manual, annual report and other relevant materials to the video meeting platform of</u></p>	
--	---	---	--

		<u>the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.</u>	
Article 6-1	New to this article	<p><u>The Company shall convene a video meeting of the Shareholders' Meeting and shall specify the following matters in the Notice of Convocation of the Shareholders' Meeting:</u></p> <p><u>1. Methods for shareholders to participate in video meetings and exercise their rights.</u></p> <p><u>2. The handling of obstacles arising from the video conference platform or the participation of video parties due to natural disasters, incidents or other force majeure circumstances includes at least the following matters:</u></p> <p><u>(1) The continuation of the pre-opening obstacle shall not exclude the time for which the meeting shall be postponed or renewed, and the date on which the assembly shall be postponed or renewed if it is necessary.</u></p> <p><u>(2) who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponement or renewal of the meeting.</u></p> <p><u>(3) To convene a video-assisted shareholders' meeting, if it is not possible to renew the video meeting, after deducting the number of shares present at the shareholders' meeting by video, and the total number of shares attended reaches the statutory</u></p>	Cooperate with the competent authorities in revision.

		<p><u>quota of the shareholders' meeting, the shareholders' meeting shall continue, and the shareholders participating in the shareholders by video shall be counted in the total number of shareholders' shares present, and all the proposals of the shareholders' meeting shall be regarded as abstaining.</u></p> <p><u>(4) In the event that the results of all motions have been announced, but no provisional motion has been made, the manner of handling them shall be handled.</u></p> <p><u>3. A video shareholders' meeting shall be convened and shall specify the appropriate alternative measures provided to shareholders who may have difficulties participating in the shareholders by video.</u></p>	
Article 8	<p>The Company shall continuously and uninterruptedly record and video the shareholder registration process, the meeting process and the voting and counting process from the time of accepting the shareholders' registration.</p> <p>The audio-visual materials referred to in the preceding paragraph shall be kept for at least one year. However, a shareholder who initiates a lawsuit in accordance with Article 189 of the Company Law shall keep it until the end of the lawsuit.</p>	<p>The Company shall continuously and uninterruptedly record and video the shareholder registration process, the meeting process and the voting and counting process from the time of accepting the shareholders' registration.</p> <p>The audio-visual materials referred to in the preceding paragraph shall be kept for at least one year. However, a shareholder who initiates a lawsuit in accordance with Article 189 of the Company Law shall keep it until the end of the lawsuit.</p> <p><u>If the shareholders' meeting is convened by video conference, the company shall record and keep the shareholders' registration, registration, registration, questioning, voting and</u></p>	Cooperate with the competent authorities in revision.

		<p><u>the results of the company's vote count, and record and record the video conference continuously and uninterruptedly. The information and audio and video recordings mentioned in the preceding paragraph shall be properly preserved by the Company during the period of existence, and the audio and video recordings shall be provided to the person entrusted with the affairs of the video conference for preservation. The shareholders' meeting is held by video conference, and the company should record and record the background operation interface of the video conference platform.</u></p>	
Article 9	<p>Attendance at shareholders' meetings shall be based on shares. The number of shares present is calculated on the basis of a signature book or a sign-in card paid in addition to the number of shares exercising voting rights in writing or electronically. At the time of the meeting, the Chairman shall immediately announce the meeting and announce the number of non-voting rights and the number of shares present. However, in the absence of a representative of a majority of the shareholders representing a majority of the total number of issued shares, the Chairman may announce the postponement of the meeting to a limited time of two times, and the total delay shall not exceed one hour. When the second postponement is still insufficient to have more than one-third of the shareholders representing the total number of issued shares present, the chairman shall announce the flow of the meeting.</p> <p>If the shareholders representing more than one-third of the total number of issued shares are present after the second</p>	<p>Attendance at shareholders' meetings shall be based on shares. The number of shares present is calculated based on the number of shares registered in the signature book or the sign-in card paid <u>and the video conferencing platform</u>, plus the number of shares that exercise voting rights in writing or electronically.</p> <p>At the time of the meeting, the Chairman shall immediately announce the meeting and announce the number of non-voting rights and the number of shares present. However, in the absence of a representative of a majority of the shareholders representing a majority of the total number of issued shares, the Chairman may announce the postponement of the meeting to a limited time of two times, and the total delay shall not exceed one hour. When the second postponement is still insufficient to have more than one-third of the shareholders representing the total number of issued shares present, the chairman shall announce the flow of the meeting. <u>If the</u></p>	<p>Cooperate with the competent authorities in revision.</p>

	<p>postponement of the preceding paragraph, they may make a false resolution in accordance with the provisions of Article 175, Paragraph 1 of the Company Law, and notify the shareholders of the false resolution to convene another shareholders' meeting within one month.</p> <p>Before the conclusion of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the false resolution to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.</p>	<p><u>shareholders' meeting is convened by video meeting, the Company shall also announce the flow meeting on the video meeting platform of the shareholders' meeting.</u></p> <p>When there is a shareholder representing more than one-third of the total number of issued shares in the preceding paragraph, a false resolution may be made in accordance with the provisions of Article 175, Paragraph 1 of the Company Law, and the shareholders shall be notified of the false resolution to convene another <u>shareholders' meeting</u> within one month;</p> <p>Before the conclusion of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the false resolution to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.</p>	
Article 11	<p>Before attending the speech of shareholders, they must first fill in the speech slip stating the main purpose of the speech, the shareholder account number (or attendance card number) and the account name, and the chairman shall determine the order of his speech.</p> <p>Shareholders present only mention the note and do not speak shall be deemed to have not spoken. If the content of the speech does not match the record of the speech, the content of the speech shall prevail.</p> <p>Each shareholder of the same proposal shall not speak more than twice without the consent of the Chairman, and each time shall not exceed five minutes, provided that the shareholder</p>	<p>Before attending the speech of shareholders, they must first fill in the speech slip stating the main purpose of the speech, the shareholder account number (or attendance card number) and the account name, and the chairman shall determine the order of his speech.</p> <p>Shareholders present only mention the note and do not speak shall be deemed to have not spoken. If the content of the speech does not match the record of the speech, the content of the speech shall prevail.</p> <p>Each shareholder of the same proposal shall not speak more than twice without the consent of the Chairman, and each time shall not exceed five minutes, provided that the shareholder</p>	Cooperate with the competent authorities in revision.

	<p>speaks in violation of the regulations or exceeds the scope of the topic, and the Chairman may stop him from speaking.</p> <p>When attending the speech of shareholders, other shareholders shall not interfere with their speech except with the consent of the chairman and the shareholder who spoke, and the chairman of the violator shall stop it.</p> <p>When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.</p> <p>After the shareholders present speak, the chairman may respond in person or by designating relevant personnel.</p>	<p>speaks in violation of the regulations or exceeds the scope of the topic, and the Chairman may stop him from speaking.</p> <p>When attending the speech of shareholders, other shareholders shall not interfere with their speech except with the consent of the chairman and the shareholder who spoke, and the chairman of the violator shall stop it.</p> <p>When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.</p> <p>After the shareholders present speak, the chairman may respond in person or by designating relevant personnel.</p> <p><u>Shareholders who convene a video meeting of shareholders' meetings and shareholders who participate by video may, after the chairman announces the meeting, until the announcement of the adjournment of the meeting, ask questions in words on the platform of the video meeting of the shareholders' meeting, and the number of questions asked on each proposal shall not exceed two times, each time limited to 200 words, and the provisions of items 1 to 5 shall not apply.</u></p> <p><u>If the questions asked in the preceding paragraph do not violate the provisions or do not exceed the scope of the proposal, it is advisable to disclose the questions on the video meeting platform of the shareholders' meeting for the sake of understanding.</u></p>	
--	---	--	--

<p>Article 13</p>	<p>Shareholders shall have one vote per share, except where they are restricted or have no voting rights listed in Article 179, Paragraph 2 of the Companies Act.</p> <p>When the Company convenes a general meeting of shareholders, it shall adopt the exercise of its voting rights electronically and in writing, and when it exercises its voting rights in writing or electronically, the method of exercising its voting rights shall be set out in the notice of convocation of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to be present in person at the shareholders' meeting. However, the Provisional Motion and amendments to the original proposal at the Meeting of Shareholders shall be deemed to be waived and the Company should refrain from proposing provisional motions and amendments to the original proposal.</p> <p>Where the voting rights are exercised in writing or electronically in the preceding paragraph, the expression of intent shall be served on the company two days before the meeting of the shareholders' meeting, and if there is a duplication of the expression of intent, the first to do so shall prevail. However, this shall not apply to those who express their intention before the declaration is revoked.</p> <p>After a shareholder has exercised his voting rights in writing or electronically, if he or she wishes to attend the shareholders' meeting in person, he shall revoke the expression of intent to exercise the voting rights in the same manner as in the exercise of voting rights in the same manner as the exercise of voting</p>	<p>Shareholders have one vote per share; however, subject to restriction or subject to Section 179 of the Companies Act Except for those listed in subparagraph 2 of Article <u>179</u> who do not have the right to vote.</p> <p>When the Company convenes a general meeting of shareholders, it shall adopt the exercise of its voting rights electronically and in writing, and when it exercises its voting rights in writing or electronically, the method of exercising its voting rights shall be set out in the notice of convocation of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to be present in person at the shareholders' meeting. However, the Provisional Motion and amendments to the original proposal at the Meeting of Shareholders shall be deemed to be waived and the Company should refrain from proposing provisional motions and amendments to the original proposal.</p> <p>Where the voting rights are exercised in writing or electronically in the preceding paragraph, the expression of intent shall be served on the company two days before the meeting of the shareholders' meeting, and if there is a duplication of the expression of intent, the first to do so shall prevail. However, this shall not apply to those who express their intention before the declaration is revoked.</p> <p>After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the shareholders' meeting in person <u>or by video</u>, he shall revoke the expression of intent to exercise the voting rights in the same manner as in the exercise of voting rights in the same manner as the</p>	<p>Cooperate with the competent authorities in revision.</p>
-------------------	--	---	--

	<p>rights two days before the shareholders' meeting; in the case of late revocation, the voting rights exercised in writing or electronic means shall prevail. If the voting rights are exercised in writing or electronically and the proxy is entrusted with a proxy to attend the shareholders' meeting, the voting rights present and exercised by the proxy shall prevail.</p> <p>The vote on the proposal shall, except as otherwise provided in the Company Law and the Articles of Association of the Company, be passed by the consent of a majority of the voting rights of the shareholders present.</p> <p>The proposal shall be deemed to have been passed by all shareholders present at the request of the chairman and shall be deemed to have the same effect as the voting;</p> <p>When there is an amendment or substitution bill to the same motion, the Chairman shall determine the order in which it shall be voted on together with the original bill. If one of the bills is passed, the other bills shall be considered rejected and shall not be put to a further vote.</p> <p>The scrutineer and counting officer for voting on the proposal shall be designated by the Chairman, provided that the scrutineer shall be a shareholder. The counting of votes shall be made public in the shareholders' meeting hall, and the results of the voting shall be reported on the spot and recorded.</p>	<p>exercise of voting rights two days before the meeting of the shareholders' meeting; If the voting rights are exercised in writing or electronically and the proxy is entrusted with a proxy to attend the shareholders' meeting, the voting rights present and exercised by the proxy shall prevail.</p> <p>The vote on the proposal shall, except as otherwise provided in the Company Law and the Articles of Association of the Company, be passed by the consent of a majority of the voting rights of the shareholders present.</p> <p>The proposal shall be deemed to have been passed by all shareholders present at the request of the chairman and shall be deemed to have the same effect as the voting;</p> <p>When there is an amendment or substitution bill to the same motion, the Chairman shall determine the order in which it shall be voted on together with the original bill. If one of the bills is passed, the other bills shall be considered rejected and shall not be put to a further vote.</p> <p>The scrutineer and counting officer for voting on the proposal shall be designated by the Chairman, provided that the scrutineer shall be a shareholder. The counting of votes shall be made public in the shareholders' meeting hall, and the results of the voting shall be reported on the spot and recorded.</p> <p><u>Shareholders who participate in the video meeting of the Company shall vote on various proposals and election proposals through the video meeting platform after the chairman announces the meeting, and shall complete the</u></p>	
--	--	--	--

		<p><u>voting on the proposals and election proposals before the chairman announces the end of the voting, and shall be deemed to abstain if the meeting is overdue.</u></p> <p><u>The convener of the shareholders' meeting by video conference shall count the votes in one lump sum and announce the voting and election results after the chairman announces the end of the voting.</u></p> <p><u>When the Company convenes a video-assisted shareholders' meeting, a shareholder who has registered to attend the shareholders' meeting by video in accordance with Article 6 shall, if he wishes to attend the physical shareholders' meeting in person, deregister the registration in the same manner as the registration two days before the meeting of the shareholders' meeting;</u></p> <p><u>A person who exercises the right to vote in writing or electronically, without revoking his expression of intent, and participates in the shareholders' meeting by video, shall not exercise the right to vote on the original proposal or propose amendments to the original proposal or to exercise the right to exercise the right to vote on the original proposal, except for provisional motions.</u></p>	
Article 15	<p>Matters to be decided by the shareholders' meeting shall be made into a record and handled in accordance with Article 183 of the Company Law.</p> <p>The distribution of the proceedings referred to in the preceding paragraph may be entered into the method of public information observation station announcement.</p>	<p>Matters to be decided by the shareholders' meeting shall be made into a record and handled in accordance with Article 183 of the Company Law.</p> <p>The distribution of the proceedings referred to in the preceding paragraph may be entered into the method of public information observation station announcement.</p>	Cooperate with the competent authorities in revision.

	<p>The minutes of proceedings shall indeed be recorded in accordance with the year, month, day, venue, name of the chairman, method of resolution, the main points of deliberations and voting results (including the number of statistical powers) and when electing directors, the number of votes of each candidate shall be disclosed. It shall be kept permanently during the existence of the Company.</p>	<p>The minutes of proceedings shall indeed be recorded in accordance with the year, month, day, venue, name of the chairman, method of resolution, the main points of deliberations and voting results (including the number of statistical powers) and when electing directors, the number of votes of each candidate shall be disclosed. It shall be kept permanently during the existence of the Company.</p> <p><u>Where a meeting of shareholders is convened by video, the minutes of the shareholders' meeting shall, in addition to the matters to be recorded in accordance with the preceding paragraph, record the time from the meeting to the date of the meeting, the manner of convening the meeting, the name of the chairman and the record, and the handling method and handling situation of the video conference platform or the video participation in the event of obstacles due to natural disasters, incidents or other force majeure circumstances. The Company shall convene a video shareholders' meeting, in addition to the provisions of the preceding paragraph, and shall indicate in the proceedings that there will be alternative measures provided by shareholders who will have difficulties participating in the shareholders by video.</u></p>	
Article 16	<p>On the day of the meeting of the shareholders' meeting, the Company shall clearly disclose the number of shares solicited by the solicited person and the number of shares represented by the entrusted agent in accordance with the prescribed format in the shareholders' meeting.</p> <p>If there is any material information stipulated by the laws and</p>	<p>The Company shall, on the day of the meeting of the shareholders' meeting, compile a statistical table in accordance with the prescribed format of the number of shares solicited by the solicitor, the number of shares represented by the entrusted agent <u>and the number of shares attended by the shareholders in writing or electronically</u>, For the purpose of</p>	<p>Cooperate with the competent authorities in revision.</p>

	<p>regulations and stipulated by the Taiwan Stock Exchange Co., Ltd. (Republic of China Securities Counter Trading Center) the Company shall transmit the content to the Public Information Observatory within the prescribed time.</p>	<p>clear disclosure in the shareholders' <u>meeting, if the shareholders' meeting is convened by video meeting, the Company shall upload the above information to the video meeting platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.</u></p> <p><u>The Company shall hold a video meeting of the Shareholders' Meeting and announce the meeting, and the total number of shareholders' shares present shall be disclosed on the video meeting platform. The same shall apply if the total number of shares and voting rights of the shareholders present at the meeting is also counted.</u></p> <p>If there is any material information stipulated by the laws and regulations and stipulated by the Taiwan Stock Exchange Co., Ltd. (Republic of China Securities Counter Trading Center) the Company shall transmit the content to the Public Information Observatory within the prescribed time.</p>	
<p>Article 19</p>	<p>These Rules shall be implemented after they have been adopted by the General Meeting of Shareholders and shall be amended as such.</p>	<p>These Rules shall be implemented after they have been adopted by the General Meeting of Shareholders and shall be amended as such.</p> <p><u>The Company shall, immediately after the conclusion of the voting, disclose the voting results of the proposals and the results of the election on the video meeting platform of the Shareholders' Meeting in accordance with the regulations and shall continue to disclose them for at least fifteen minutes after the Chairman announces the adjournment of the meeting.</u></p>	<p>Cooperate with the competent authorities in revision.</p>

Article 20	<p>These Rules were established on June 30, 2008.</p> <p>This Rule was first revised on June 17, 2011 in the Republic of China.</p> <p>This rule was revised for the second time on November 17, 2011 of the Republic of China.</p> <p>This rule was revised for the third time on June 21, 2012 in the Republic of China.</p> <p>This Rule was revised for the fourth time on June 20, 2013 in the Republic of China.</p> <p>This Rule was amended for the fifth time on June 17, 2015 in the Republic of China.</p> <p>This Rule was revised for the sixth time on June 18, 2020 in the Republic of China.</p> <p>This Rule was amended for the seventh time on August 27, 2021 in the Republic of China.</p>	<p>These Rules were established on June 30, 2008.</p> <p>This Rule was first revised on June 17, 2011 in the Republic of China.</p> <p>This rule was revised for the second time on November 17, 2011 of the Republic of China.</p> <p>This rule was revised for the third time on June 21, 2012 in the Republic of China.</p> <p>This Rule was revised for the fourth time on June 20, 2013 in the Republic of China.</p> <p>This Rule was amended for the fifth time on June 17, 2015 in the Republic of China.</p> <p>This Rule was revised for the sixth time on June 18, 2020 in the Republic of China.</p> <p>This Rule was amended for the seventh time on August 27, 2021 in the Republic of China.</p> <p><u>When the Company convenes a video shareholders' meeting, the Chairman and the record-keeper shall be at the same place in the Mainland, and the Chairman shall announce the address of that place at the time of the meeting.</u></p>	Cooperate with the competent authorities in revision.
Article 21	(New to this article)	<p><u>If the shareholders' meeting is convened by video conference, the Company may provide a simplified connection test for shareholders before the meeting and provide relevant services immediately and during the meeting to assist in handling the technical issues of communication.</u></p> <p><u>If the shareholders' meeting is convened by video meeting, the Chairman shall, at the time of announcing the meeting, separately announce that, except for the circumstances stipulated in Article 44-24(4) of the Guidelines for the Handling of Shares of Publicly Issued Companies, which do not require an extension or continuation of the meeting, before the Chairman announces the adjournment of the</u></p>	Cooperate with the competent authorities in revision.

		<p><u>meeting, due to natural disasters, events or other force majeure circumstances, due to natural disasters, accidents or other force majeure circumstances, the video conference platform or video participation in the obstacles, lasting more than 30 minutes, The date on which the assembly shall be postponed or renewed within five days shall not apply to the provisions of Article 182 of the Company Law.</u></p> <p><u>The meeting shall be postponed or renewed in the event of the preceding paragraph, and shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponement or renewal of the meeting.</u></p> <p><u>The number of shares, exercised voting rights and voting rights of shareholders who have registered to participate in the original shareholders' meeting by video and completed the registration shall be included in the total number of shares, voting rights and voting rights of the shareholders present at the original shareholders' meeting in accordance with the provisions of subsection 2, and the number of voting rights and the number of voting rights of the shareholders present at the postponement or renewal meeting.</u></p> <p><u>When postponing or renewing the meeting of shareholders in accordance with the provisions of paragraph 2, there is no need to re-discuss and resolve the proposal that has completed the voting and counting, and announces the voting results or the list of directors and supervisors elected.</u></p> <p><u>If the Company convenes a video-assisted shareholders' meeting and the second video meeting cannot be renewed, if the total number of shares present at the shareholders' meeting by video is deducted, and the total number of shares present at the shareholders' meeting still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue without the need to postpone or renew the meeting in accordance with the provisions of paragraph 2.</u></p> <p><u>In the event of the continuation of the meeting in the preceding paragraph, the number of shares present at the shareholders' meeting shall be included in the total number of shares of the shareholders present, but shall be deemed to be abstaining from all the proposals of the shareholders' meeting.</u></p> <p><u>The Company shall postpone or renew its assembly in accordance</u></p>	
--	--	--	--

		<p><u>with the provisions of Item 2, and shall handle the relevant pre-operations in accordance with the provisions of Item 7 of Article 44-20 of the Standard for the Treatment of Shares of Publicly Issued Stock Companies, in accordance with the date of the original shareholders' meeting and the provisions of each of these Articles. The period specified in Article 12 of the Rules Governing the Use of Power of Attorney by a Public Offering Company attending a Shareholders' Meeting and Item 3 of Article 13, And Item 2 of Article 44-5, Article 44-15 and Article 44-17 of the Guidelines for the Handling of Shares of Publicly Issued Stock Companies shall be postponed or renewed in accordance with the date of the shareholders' meeting specified in Item 2.</u></p>	
Article 22		<p><u>These Rules shall be implemented after they have been adopted by the General Meeting of Shareholders and shall be amended as such.</u></p>	Bar number adjustment.
Article 23		<p><u>These Rules were established on June 30, 2008.</u></p> <p><u>This Rule was first revised on June 17, 2011 in the Republic of China.</u></p> <p><u>This rule was revised for the second time on November 17, 2011 of the Republic of China.</u></p> <p><u>This rule was revised for the third time on June 21, 2012 in the Republic of China.</u></p> <p><u>This Rule was revised for the fourth time on June 20, 2013 in the Republic of China.</u></p> <p><u>This Rule was amended for the fifth time on June 17, 2015 in the Republic of China.</u></p> <p><u>This Rule was revised for the sixth time on June 18, 2020 in the Republic of China.</u></p>	<p>1. Article number adjustment</p> <p>2. Add the date and number of revisions.</p>

		<p><u>This Rule was amended for the seventh time on August 27, 2021 in the Republic of China.</u></p> <p><u>This Rule was amended for the seventh time on June 16, 2022 in the Republic of China.</u></p>	
--	--	---	--

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

1. Total owners' equity as of April 18, 2022, the book closure date of the regular shareholder's meeting, is NTD\$771,943,600. Total Issued shares: 77,194,360 shares.
2. In accordance with Article 26 of the Security Exchange Act, the minimum required combined shareholding of all directors is 6,175,548 shares and the company has an audit committee, so there is no statutory shareholding for supervisors.
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	2.44%
Director	Chris Chen	1,887,559	2.45%
Director	Chiling Chen	1,210,489	1.57%
Director	Eric Shih	734,006	0.95%
Director	Chun Feng Capital Inc. -Terchang Yao	1,116,394	1.45%
Director	Changchun Chien	281,000	0.36%
Independent Director	Hsuehyu Liu	0	0
Independent Director	Kuangchao Fan	0	0
Independent Director	Hsulin Wang	0	0
Total supervisors' share ownership		7,115,747	9.22%

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.