



# **Wayi International Digital Entertainment Co., Ltd.**

## **2022 Annual Shareholders Meeting**

### **Meeting Handbook**

Time: Thursday, June. 23, 2022

Place: B1, No. 39, Ln. 141, Xing'ai Rd., Neihu Dist., Taipei City

Wayi International Digital Entertainment Co., Ltd.

2022Annual Shareholders Meeting

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**Wayi International Digital Entertainment Co., Ltd.**  
**2022 Annual Shareholders Meeting**  
**Meeting Procedures**

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report Matters
- IV. Proposed Matters
- V. Discussions
- VI. Election Matters
- VII. Other Matters
- VIII. Extempore Motions
- IX. Adjournment

**Wayi International Digital Entertainment Co., Ltd.**  
**2022Annual Shareholders Meeting**  
**Meeting Agenda**

Time: 9 AM on Thursday, June 23, 2022

Place: B1, No. 39, Ln. 141, Xing'ai Rd., Neihu Dist., Taipei City

Method of Convening the Meeting: Entity Shareholders' Meeting

- I. Call the Meeting to Order (Report the Number of Shareholders Attended)
- II. Chairman Remarks
- III. Report Matters
  1. 2021 Business Report.
  2. 2021 Supervisors' Report.
  3. Report on the distribution of remuneration for directors, supervisors and employees of 2021
  4. Report on Cash Dividends of Earnings Distribution of 2021
  5. Amendments to the “Code of Ethical Conduct for Directors, Supervisors and Managers”
- IV. Proposed Matters
  1. 2021 Business Report, Parent Company Only Financial Statements, and Consolidated Financial Statements
  2. 2021 Profit Distribution Plan
- V. Discussions
  1. Proposal for issuing new shares through capitalization of retained earnings.
  2. Amendments to the “Articles of Incorporation”
  3. Amendments to the “Rules of Procedure for Shareholders' Meetings”
  4. Amendments to the “Rules for Election of Directors and Supervisors”
  5. Amendments to the “Procedures for Acquisition and Disposal of Assets”
  6. Amendments to the “Procedures for Loaning of Funds and Making of Endorsements/Guarantees ”
- VI. Election Matters
  1. Proposal for re-election of Directors
- VII. Other Matters
  1. Proposal to lift the restrictions on non-competition for newly appointed directors and their representatives.
- VIII. Extempore Motions
- IX. Adjournment

## **Report Matters**

### **I. 2021 Business Report**

Explanation: The 2021 Business Report is attached as page 8-9.(Attachment I)

### **II. Supervisor's Review Report on the 2021 Financial Statements**

Explanation: Supervisor's Review Report on the 2021 Financial Statements is attached as page 10.(Attachment II)

### **III. Report on the distribution of remuneration for employees, directors and supervisors in 2021**

Explanation:

- 1.According to Article 25 of the Company's Articles of Association, if the company has a profit in the year, after deducting accumulated losses, the remuneration of directors and supervisors shall not be higher than 3%, and the remuneration of employees shall not be lower than 1%.
- 2.Employee compensation of NT\$943,112 and remuneration for directors and supervisors of NT\$424,401,all in cash. There is no deviation between the estimated and actual distribution amount.

### **IV. To report the distribution of 2021 profit and cash dividend.**

Explanation:

- 1.In accordance with Paragraph 1, Article 25 of the Company's Articles of incorporation, the Board of Directors is authorized to distribute dividends and bonuses in whole or in part in cash. In addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
- 2.The Company's cash dividend in 2021 is NT\$38,738,800, which is equivalent to cash dividend per share of NT\$2 and the total rounded down amount shall be adjusted on the decimal number from big to small and the account number from front to back to accord with the total cash dividend distribution
- 3.The cash dividend distribution plan was approved by the Board of Directors on March 24, 2022, authorizing the chairman to set the ex-dividend base date, distribution date and other related matters; if the number of issued and outstanding shares of the Company is affected by changes in the Company's share capital, it is proposed to authorized the chairman to deal with it.

### **V. Amendments to the "Code of Ethical Conduct for Directors, Supervisors and Managers"**

Explanation: In line with the company's practical needs and relevant laws and regulations, some provisions of the "Code of Ethics and Conduct for Directors, Supervisors and Managerial Personnel" have been revised. For a comparison table of provisions before and after revision, please refer to pages 11-14.(Attachment III)

## **Proposed Matters**

Proposal 1: Proposed by the Board of Directors

Motion: Proposal for the Ratification of the 2021 Business Report, Individual Financial Statements and Consolidated Financial Statements

Explanation:

- 1.The Company's 2021 Individual Financial Statements and Consolidated Financial Statements Business Report prepared by the Board of Directors have been duly audited by CPA Chih Jui-Chuan and Kuo Nai-Hua from Deloitte & Touche. The Financial Statements, along with the Business Report, have been submitted to the supervisor for review.
- 2.For the Business Report, Audit Report and the above-mentioned statements, please refer to pages 8-9(Attachment I)and 15-35(Attachment IV).

Resolution:

Proposal 2: Proposed by the Board of Directors

Motion: Proposal for the Ratification of the 2021 Profit Distribution Plan

Explanation: 2021 Profit Distribution Plan is attached as page 36.(Attachment V)

Resolution:

## **Discussions**

Proposal 1: Proposed by the Board of Directors

Motion: Proposal for issuing new shares through capitalization of retained earnings.

Explanation:

- 1.In order to enrich the working capital and strengthen the capital structure, it is planned to allocate a shareholder dividend of NT\$29,054,100 , and transfer it into capital to issue new shares with a par value of NT\$10 per share, and 2,905,410 ordinary shares will be issued.
- 2.According to the provisions of Article 240 of the Company Law, the capital increase from earnings is planned to be based on the number of shares held by the shareholders as listed in the shareholder register on the capital increase base date, and 150 shares will be allotted free of charge for every 1,000 shares. Within 5 days from the capital increase base date, apply to the company's stock agency for patching matters. If the patching is not completed within the time limit or the patching is still less than one share, the cash will be converted to NTD, and the abnormal shares will authorize the chairman to contact a specific person to pay the denomination of the shares.
- 3.The rights and obligations of the new shares issued for the capital increase are the same as those of the original issued shares. In the event that the Capital Increase is approved by the Shareholders

Meeting, it is proposed that the Shareholders' Meeting authorize the Board of Directors to set another capital increase base date.

4.If, due to factors such as adjustments by the competent authority or the Company's purchase of company shares, which affect the number of shares in circulation, resulting in a change in the ratio of allotment to shareholders, it is proposed to request the Shareholders' Meeting to authorize the Board of Directors to deal with it.

5.If the above matters of capital increase are amended by laws and regulations or approved by the competent authority, it is proposed to request the Shareholders' Meeting to authorize the Board of Directors to handle them with full authority.

Resolution:

Proposal 2: Proposed by the Board of Directors

Motion: Amendments to the “Articles of Incorporation”

Explanation:

1. The company's practical needs and the establishment of an audit committee ,it is proposed to revise some provisions of the Company’s “Articles of Incorporation”.
2. For a comparison table of the “Articles of Incorporation” before and after revision, please refer to pages 37-42.(Attachment VI)

Resolution:

Proposal 3: Proposed by the board of directors

Motion: Amendments to the “Rules of Procedure for Shareholders' Meetings”

Explanation:

1. The company's practical needs and in accordance with relevant laws and regulations, it is proposed to revise some provisions of the Company’s “Rules of Procedure for Shareholders' Meetings”.
2. For a comparison table of the “Rules of Procedure for Shareholders' Meetings” before and after revision, please refer to pages 43-57.(Attachment VII)

Resolution:

Proposal 4: Proposed by the board of directors

Motion: Amendments to the “Procedures for Election of Directors and Supervisors”

Explanation:

- 1.The company's practical needs and in accordance with relevant laws and regulations, it is proposed to revise some provisions of the Company’s “Procedures for Election of Directors and Supervisors”.
2. For a comparison table of the “Procedures for Election of Directors and Supervisors” before and after revision, please refer to pages 58-64.(Attachment VIII)

Resolution:

Proposal 5: Proposed by the Board of Directors

Motion: Amendments to the “Procedures for Acquisition and Disposal of Assets”

Explanation:

1. The company's practical needs and in accordance with relevant laws and regulations, it is proposed to revise some provisions of the Company’s “Procedures for Acquisition and Disposal of Assets”.
2. For a comparison table of the “Procedures for Acquisition and Disposal of Assets” before and after revision, please refer to pages 65-80.(Attachment IX)

Resolution:

Proposal 6: Proposed by the board of directors

Motion: Amendments to “Procedures for Loaning of Funds and Making of Endorsements/Guarantees”

Explanation:

1. The company's practical needs and in accordance with relevant laws and regulations, it is proposed to revise some provisions of the Company’s “Procedures for Loaning of Funds and Making of Endorsements/Guarantees”.
2. For a comparison table of the “Procedures for Loaning of Funds and Making of Endorsements/Guarantees” before and after revision, please refer to pages 81-90.(Attachment X)

Resolution:

## **Election Matters**

Proposal 1: Proposed by the Board of Directors

Motion: Full re-election of directors.

Explanation:

- 1.The current term of Directors and Supervisors will expire on June 24, 2022, and it is planned to cooperate with this General Shareholders’ Meeting to conduct full re-election. The term of office of the current Directors and Supervisors will end at the completion of this General Shareholders’ Meeting.
- 2.According to the Wayi’s Articles of Incorporation, the Corporation should elect 7 Directors (including 3 Independent Directors), with a term of office of 3 years starting from June 23, 2022 to June 22, 2025, and an Audit Committee composed of all Independent Directors to replace the Supervisor.
- 3.Mr. Hsiao Feng-Hsiung has served as the Independent Director of the company for more than three consecutive terms. Because of his rich experience in finance, industrial economy and operation and management, he can provide important advices to the company, which is of obvious benefit and importance to the Company. He is professional who provides timely supervision and professional



advice to the Board of Directors when he performs his duties as an Independent Director. Therefore, he will continue to be nominated as an Independent Director candidate.

4. For the list of candidates for Directors (including Independent Directors) that is reviewed and approved by the Board of Directors of the Company, please refer to pages 91 to 93. (Attachment XI)

5. Please vote.

Election results:

## **Other Matters**

Proposal 1: Proposed by the board of directors

Motion: The proposal to lift the restriction on non-competitive behavior of new directors and their representatives is proposed for discussion.

Explanation:

1. According to Article 209 of the Company Act, if a Director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. With the help of the expertise Company's Directors and their relevant experience, it is proposed to submit the approval of the Shareholders' Meeting to lift the restrictions on non-competition for newly appointed directors and their representatives. For details of the proposal, please refer to page 94. (Attachment XII)

Resolution:

## **Extempore Motions**

## **Adjournment**

## 2021 Business Report

### I. 2021 Business Report

#### (I) Result of implementation of business plan in 2021

The Company's 2021 net consolidated operating revenue was NT\$248,364 thousand, which increased by approximately 114% compared with the net consolidated operating revenue of NT\$115,951 thousand in the same period in 2020.

The consolidated net profit for the period was NT\$92,944 thousand, of which the owner of the Company profit NT\$92,944 thousand, and the non-controlling interest lost NT\$0 thousand. The total consolidated comprehensive profit for the period was NT\$92,944 thousand, of which the owner of the Company profit NT\$92,944 thousand, and the non-controlling interest profit NT\$0 thousand. The Earnings per share after tax is NT\$4.80.

#### (II) 2021 Budget implementation:

The Company did not issue financial forecasts for the year 2021, so there is no budget execution.

#### (III) Analysis of receipts, expenditures, and profitability

Item		2020	2021
Financial revenue and expenditure	Interest income(NT\$ thousands)	956	283
	Interest expenditure(NT\$ thousands)	2,055	275
Profitability	Return on Asset (%)	0.72	26.63
	Owners' equity return ratio(%)	0.33	34.50
	Paid-in capital ratio	Operating income (%)	49.53
		Income before tax (%)	47.98
	Net margin (%)		37.42
	Earning per share retroactively adjusted (NT\$)		4.80

#### (IV) Research and development work

The Company will cooperate with the gaming product release schedule and continue the update and development of the game version. It is expected to provide better gaming services and products to gamers to enhance the competitiveness of the Company's gaming products.

### II. Summary of 2022 Business Plan

#### (I) Business Policy

##### 1. Game agent operation part

The expectation for 2022 is to distribute more than 2 games, including Japanese and Korean titles. Constantly looking for new game distributors, game types include leisure development, MMORPG, or FPS, etc., increasing the diversity of game projects.

##### 2. Improve the efficiency of the operation team

Adjust the duties and manpower of the operation team, carry out labor cost control, strengthen the ability improvement of supervisors, the training process for new personnel, and improve the team to achieve the goal of improving the efficiency of the department. Strengthen the marketing operation ability of the operating colleagues to improve the accuracy of the marketing budget application and control the marketing expenses.

3. Development of art design

Continue to undertake the OEM art business, including characters, scenes, interface design, and 3D models. Cooperate with internal units to provide relevant art design, reduce the cost of outsourcing and developing time. Improve the skills of the personnel and the speed and quality of the finished draft to create more profit.

(II) Estimated sales volume and supporting info

1. Mobile and online games will continue to introduce new products and continuous version updates.
2. Sales income from OEM art business.

(III) Important Production and Sales Policies

1. Production strategy: Continue to promote the sale of virtual gaming products, reduce the Company's process expenses and physical inventories.
2. Sales strategy: Increase online payment channels and strengthen cash flow of virtual channels to reduce distribution costs.

III. The Company's Future Development Strategy

Due to the rapid development of mobile devices, the Company will actively represent a variety of mobile games to increase revenue and improve service quality and promote game products.

IV. The effect of external competition, regulatory environment, and the macro-operating environment

Evaluate the effect of the external competition, the regulatory environment, and the macro-operating environment. Although the external competitive environment is becoming increasingly fierce, under the active control of the management, the Company proposed appropriate measures aiming at the rapidly changing digital content industry. In terms of the regulatory environment, current and future regulations and changes will be continuously tracked, updated and complied. In the macro-operating environment, the domestic gaming industry as a whole is still growing. With the popularity of the Internet, the changes of the internet users in lifestyle, consumption, learning, and entertainment, the development and application of the digital content industry still has considerable business opportunities and space for development. Digital entertainment services combined with the Internet, communication, entertainment and popular gaming industries are the direction of operation and development.

In the future, all colleagues in the Company will continue to focus on the operation and development of gaming products and improve operational performance, actively achieve the Company's objectives, and expect to give back to shareholders with excellent business results, thank you to all shareholders for your long-term support and encouragement of the Company.

Wishing all the shareholders

Good health

Good luck

Chairman: Chang Hsieh-chien

Manager: Chang Hsieh-chien

Accounting Supervisor: Huang Ya-ling

## **Supervisors' Report**

The Board of Directors has passed the solution to the Company's 2021 parent company only financial statement, consolidated financial statement, business report, and Earnings Distribution Proposal. The parent company only financial statements and consolidated financial statements were audited by Deloitte Touche Tohmatsu Limited's CPA appointed by the Board and has issued an unqualified opinion in the audit report.

This Supervisor is responsible for overseeing the Company's financial reporting process.

In certifying the Company's 2021 parent company only financial statements and consolidated financial statements, the CPA had communicated with the Supervisor for the following matters:

1. There are no significant findings in the time and audit covering a scope planned by the CPA.
2. The CPA provides the Supervisor with a statement that personnel subject to the firm's independent guidelines has complied with the independence of the accountant's professional ethics. No other relationships and matters that may be considered to affect the independence of the accountant have been identified.
3. Communication between the CPA and the Supervisor on the important auditing matters, they decided that Recognition of related party's revenue of artwork design and foundry services should be critical audited items that needs to be addressed in the audit report.

A resolution of the parent company only financial statements, consolidated financial statements, business report, and proposal for deficit compensation in 2021 was passed by the Board and were reviewed by the Supervisor. It is believed to comply with the relevant laws and regulations. The report was made in accordance with Article 219 of the Company Act.

Please approve.

Sincerely,

2022 Annual Shareholders Meeting of Wayi International Digital Entertainment Co., Ltd.

Supervisor:

Lin Wen-peng

Huang Xin Investment Co., Ltd.

Representative : Lu Shih-yun

March 24, 2022

[Attachment III]

**Wayi International Digital Entertainment Co., Ltd., Comparison table for the “Code of Ethical Conduct for Directors, Supervisors and Managers” before and after revision**

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
Code of Ethical Conduct	Code of Ethical Conduct for <u>Directors, Supervisors and Managers</u>	The amendment is in accordance with the laws and regulations.
Article 1 The Code of Ethical Conduct was established for the Directors and Managerial Personnel of the Company in order to comply with ethical standards, and helping interested parties better understand the ethical standards of the company, the code of ethical conduct is established with reference to the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”	Article 1 The Code of Ethical Conduct was established for the Directors, <u>Supervisors</u> and Managerial Personnel of the Company in order to comply with ethical standards, and helping interested parties better understand the ethical standards of the company, the code of ethical conduct is established with reference to the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”	The amendment is in accordance with the establishment of Audit Committee.
Article 2 Scope of Application Directors and executive officers of the Company and its subsidiaries (including president or its equivalent, vice president or its equivalent, senior vice president or its equivalent, finance department manager, accounting department manager, and other managing personnel authorized to sign on behalf of the company) shall abide by this Code of Ethical Conduct.	Article 2 Scope of Application Directors, <u>Supervisors</u> and Managerial Personnel of the Company and its subsidiaries (including president or its equivalent, vice president or its equivalent, senior vice president or its equivalent, finance department manager, accounting department manager, and other managing personnel authorized to sign on behalf of the company) shall abide by this Code of Ethical Conduct.	The amendment is in accordance with the establishment of Audit Committee.
Article 3 (I) Prevention of conflicts of interest Directors <u>or</u> Managerial personnel must be objective and effective in handling company business and must not use their role in the Company to allow themselves, their spouses, parents, children or second-degree relatives to obtain inappropriate benefits. The Company must avoid any conflict of interest when providing capital loans or guarantees, or conducting major asset trading or buying (selling) transactions for enterprises related to the above- <u>mentioned</u> personnel. These persons must voluntarily explain if there is any potential conflict of interest between themselves and the Company.	Article 3 (I) Prevention of conflicts of interest When a Director, <u>Supervisor</u> or Managerial Personnel takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the third degree of kinship. The Company must avoid any conflict of interest when providing capital loans or guarantees, or conducting major asset trading or buying (selling) transactions for enterprises related to the above- <u>mentioned</u> personnel. These persons must voluntarily explain if there is any potential conflict of interest between themselves and the Company.	The amendment is in accordance with the laws and regulations, and the establishment of Audit Committee.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>(II) Avoid opportunities for personal gain The Directors <u>or</u> Managerial Personnel should not engage in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using the Company's property or information or taking advantage of their positions. (2) Obtaining personal gain by using the Company's property or information or taking advantage of their positions; (3) Compete with the Company. When the Company has an opportunity for profit, it is the responsibility of the Directors and Managerial Personnel to maximize the reasonable and proper benefits that can be obtained by the Company.</p> <p>(III) Avoid dishonesty The Directors, <u>or</u> Managerial Personnel, in the process of engaging in business activities, shall be conducted in a fair, honest and transparent manner and they must not directly or indirectly provide, promise, request or accept any improper benefits or commit other dishonest acts that violate integrity, lawlessness, or breach of fiduciary duty in order to obtain or maintain benefits.</p> <p>(IV) Duty of confidentiality Directors <u>or</u> Managerial Personnel of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or its customers.</p> <p>(V) Fair Trade Directors <u>or</u> Managerial Personnel shall treat all customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.</p>	<p>(II) Avoid opportunities for personal gain The Directors, <u>Supervisors</u> and Managerial Personnel shall not be responsible for the following matters: (1) Seeking an opportunity to pursue personal gain by using the Company's property or information or taking advantage of their positions. (2) Obtaining personal gain by using the Company's property or information or taking advantage of their positions; (3) Compete with the Company. When the Company has an opportunity for profit, it is the responsibility of the Directors, <u>Supervisors</u> and Managerial Personnel to maximize the reasonable and proper benefits that can be obtained by the Company.</p> <p>(III) Avoid dishonesty Directors, <u>Supervisors</u> and Managerial Personnel, in the process of engaging in business activities, shall be conducted in a fair, honest and transparent manner and they must not directly or indirectly provide, promise, request or accept any improper benefits or commit other dishonest acts that violate integrity, lawlessness, or breach of fiduciary duty in order to obtain or maintain benefits.</p> <p>(IV) Duty of confidentiality Directors, <u>Supervisors</u> and Managerial Personnel of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company and its customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or its customers.</p> <p>(V) Fair Trade Directors, <u>Supervisors</u> and Managerial Personnel shall treat customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.</p>	

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>(VI) Safeguarding and Proper Use of Company Assets All Directors and Managerial Personnel have the responsibility to safeguard the Company's assets and to ensure that they can be effectively and lawfully used for official business purposes.</p> <p>(VII) Legal Compliance All Directors, <u>or</u> and Managerial Personnel shall strengthen their compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.</p> <p>(VIII) Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial personnel, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p> <p>(IX) Disciplinary Measures When a Director <u>or</u> Managerial Personnel violates the Code of Ethical Conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the Code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the Code violated, and the disciplinary actions taken. The Company may establish a relevant complaint system to provide the violator with remedies.</p>	<p>(VI) Safeguarding <u>and</u> Proper Use of Company Assets All Directors, <u>Supervisors</u> and Managerial Personnel have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes.</p> <p>(VII) Legal Compliance All Directors, <u>Supervisors</u> and Managerial Personnel shall strengthen their compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.</p> <p>(VIII) Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial personnel, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p> <p>(IX) Disciplinary Measures When a Director, <u>Supervisor</u> or Managerial Personnel violates the Code of Ethical Conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the Code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the Code violated, and the disciplinary actions taken. The Company may establish a relevant complaint system to provide the violator with remedies.</p>	
<p>Article 4 Procedure for exemption The Code of Ethical Conduct adopted by the Company must require that any exemption for Directors <u>or</u> Managerial Personnel from compliance with the Code be adopted by a resolution of the board of directors, and that information on the title and name of the</p>	<p>Article 4 Procedure for exemption The Code of Ethical Conduct adopted by the Company must require that any exemption for Directors, <u>Supervisors</u> or Managerial Personnel from compliance with the Code be adopted by a resolution of the Board of Directors, and that information on the title and</p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
person(s) being exempted, the date on which the board of directors adopted the resolution for exemption, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the Code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.	name of the person(s) being exempted, the date on which the board of directors adopted the resolution for exemption, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the Code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.	
<p>Article 6. Implementation</p> <p>The Code of Ethical Conduct shall be implemented after having been approved by the Board of Directors. Subsequent amendments thereto shall be effected in the same manner.</p> <p><u>This Code was formulated on December 26, 2014.</u></p> <p><u>The first amendment was made on March 28, 2015.</u></p> <p><u>The second amendment was made on March 24, 2022.</u></p>	<p>Article 6. Implementation</p> <p>The Code of Ethical Conduct shall be implemented after having been approved by the Board of Directors, <u>and reported to the Shareholders' Meeting</u>. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>The amendment is in accordance with the Company's practical needs.</p> <p>Amended to include amendment date.</p>



[Attachment IV]

## **Independent Auditors' Report**

To Wayi International Digital Entertainment Co., Ltd.

### **Audit opinions:**

The balance sheets as of December 31, 2021 and 2020, and the individual composite income statements, individual statement of changes in equity, individual statement of cash flows and notes to the individual financial statements (including the summary of major accounting policies) from January 1 to December 31, 2021 and 2020 of Wayi International Digital Entertainment Co., Ltd. (Wayi) have been audited by the CPA.

In the opinion of the CPA, the above individual financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, and are sufficient to give a fair representation of the individual financial position of Wayi as at December 31, 2021 and 2020, and the financial performance and cash flow from January 1 to December 31, 2021 and 2020.

### **Basis of Auditors' Comments**

The CPA conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Individual Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS). Our responsibilities under said standards will be detailed in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of the report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

### **Key Audit Matters**

Key audit matters refer to those which, in accordance with the professional judgment of the CPA, are most important for the audit of the individual financial statements of Wayi for the year 2021. These matters were addressed in the context of our audit of the individual 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 matters of the individual financial statements of Wayi for the year 2021 are listed as follows:

Recognition of related party's revenue of artwork design and foundry services

The art design subcontract income of the related party of Wayi was NT\$ 187,562 thousand, accounting for 76% of the net operating income and growing compared with the same period last year. Considering the significant transaction amount of the related party, the art design subcontract income of the related party was identified as a key audit matter.

Please refer to Note 4 (12) for the related accounting policies on the recognition of relevant incomes.

The main audit procedures performed by the CPA on the aforementioned key audit matters are as follows:

1. Obtain a contract to identify the nature and conditions of the transaction.
2. Obtain the relevant plans of the development and design project and the communication records of the related parties as evidence of the authenticity of the transaction.
3. Inquire about transactions by sending letters to related parties.
4. Conduct receivables collection test.

**Responsibility of the Management and the Governing Body for the Individual Financial Statements**

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

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

The governing bodies of Wayi (including the Supervisors) have the responsibility to oversee the financial reporting process.

**Auditors' Responsibilities for the Audit of the Individual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the individual financial statements contain material misstatements due to fraud or error, and to issue an auditors' report. Reasonable assurance means a high degree of assurance that an audit conducted in accordance with generally accepted auditing standards does not guarantee that material misrepresentations in

the individual financial statements will be detected. Misstatements can arise from fraud or error. Misstatements 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 individual 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 individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of the management's use of going concern basis of accounting, and determine whether there are existed events or circumstances that might cast significant uncertainty over Wayi 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 individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including related notes, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate proof for audit on the finances of the individual entities in the Company to state our opinion on the individual financial statements. The CPA is responsible for the guidance, supervision and execution of the verification case, and is responsible for forming the verification opinions of the Company.

The matters communicated by the CPA and the governing body include the planned inspection scope and time, and major inspection findings (including the significant deficiencies in internal control identified during the verification process).

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 the governing body, we determine those matters that were of most significance in the audit of 2021 individual financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche  
CPA Rui-Quan Chi

CPA Nai-Hua Guo

Financial Supervisory Commission  
Approval Document  
No. 1060023872

Financial Supervisory Commission  
Approval Document  
NO. 1070323246

March 24, 2022

## Wayi International Digital Entertainment Co., Ltd.

## Individual Balance Sheets

December 31, 2021 and 2020

Unit: NT\$1,000

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 111,555	29	\$ 75,273	24
1136	Financial assets at amortized cost - current (Note 8)	66,432	17	42,720	14
1170	Accounts receivable (Note 9)	20,536	5	3,358	1
1180	Accounts receivable - related party (Notes 9 and 28)	21,372	6	25,225	8
1200	Other accounts receivable (Note 9)	54	-	42	-
1220	Current income tax assets (Notes 4 and 23)	197	-	404	-
130X	Inventory	130	-	130	-
1410	Prepayments (Note 15)	13,472	3	16,333	6
1470	Other current assets (Note 15)	187	-	167	-
11XX	Total current assets	<u>233,935</u>	<u>60</u>	<u>163,652</u>	<u>53</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	21,654	6	21,275	7
1550	Investments accounted based on equity method (Notes 4 and 10)	37,327	10	40,230	13
1600	Property, Plant and Equipment (Notes 4, 11, and 29)	59,627	15	58,130	19
1755	Right-of-use asset (Notes 4 and 12)	11,833	3	5,450	2
1760	Net amount of investment property (Notes 4 and 13)	15,775	4	16,393	5
1780	Other intangible assets (Notes 4 and 14)	6,019	1	1,660	-
1990	Other non-current assets (Notes 4 and 15)	2,686	1	4,109	1
15XX	Total non-current assets	<u>154,921</u>	<u>40</u>	<u>147,247</u>	<u>47</u>
1XXX	Total assets	<u>\$ 388,856</u>	<u>100</u>	<u>\$ 310,899</u>	<u>100</u>
C o d e	L i a b i l i t i e s   a n d   E q u i t y				
	Current liabilities				
2100	Short-term loans (Notes 16 and 29)	\$ -	-	\$ 32,222	10
2130	Contract liabilities – current	14,804	4	29,025	9
2150	Notes payable (Notes 4 and 17)	1,633	-	2,490	1
2170	Accounts payable (Notes 4 and 17)	18,289	5	2,841	1
2180	Accounts payable - related party (Notes 17 and 28)	-	-	45	-
2219	Other payables (Note 18)	25,673	7	15,207	5
2220	Accounts payable - related party (Notes 18 and 28)	136	-	17	-
2280	Lease liability - current (Note 12)	5,010	1	5,396	2
2399	Other current liabilities (Note 18)	411	-	435	-
21XX	Total current liabilities	<u>65,956</u>	<u>17</u>	<u>87,678</u>	<u>28</u>
	Non-current liabilities				
2580	Lease liability - non-current (Note 12)	6,863	2	128	-
2670	Other non-current liabilities (Note 18)	200	-	200	-
25XX	Total Non-current Liabilities	<u>7,063</u>	<u>2</u>	<u>328</u>	<u>-</u>
2XXX	Total Liabilities	<u>73,019</u>	<u>19</u>	<u>88,006</u>	<u>28</u>
	Equity (Note 20)				
	Capital stock				
3110	Common stock	193,694	50	193,694	62
3200	Capital surplus	29,199	7	41,690	14
	Retained earnings				
3350	Undistributed earnings (losses to be covered)	92,944	24	( 12,491 )	( 4 )
3300	Total retained earnings	92,944	24	( 12,491 )	( 4 )
earnings	Total Equity	<u>315,837</u>	<u>81</u>	<u>222,893</u>	<u>72</u>
	Total liabilities and equity	<u>\$ 388,856</u>	<u>100</u>	<u>\$ 310,899</u>	<u>100</u>

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

Chairman: Hsieh-Chien Chang

Manager: Hsieh- Chien Chang

Accounting Supervisor: Ya-Ling Huang

## Wayi International Digital Entertainment Co., Ltd.

## Individual Statements of Comprehensive Income

From January 1 to December 31, 2021 and 2020

Unit: NT\$1,000 per share  
NT\$ for profit

Code		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 21 and 28)	\$ 248,364	100	\$ 115,951	100
5000	Operating costs	( 60,393 )	( 24 )	( 41,400 )	( 36 )
5900	Gross profit	<u>187,971</u>	<u>76</u>	<u>74,551</u>	<u>64</u>
	Operating expense (Notes 22 and 28)				
6100	Selling expenses	( 49,341 )	( 20 )	( 28,817 )	( 25 )
6200	General and administrative expenses	( 40,121 )	( 16 )	( 39,916 )	( 34 )
6300	Research and development expenses	( 2,182 )	( 1 )	( 3,681 )	( 3 )
6000	Total operating expenses	( 91,644 )	( 37 )	( 72,414 )	( 62 )
6900	Operating profit	<u>96,327</u>	<u>39</u>	<u>2,137</u>	<u>2</u>
	Non-operating income and expenses				
7100	Interest income (Note 22)	216	-	854	1
7010	Other incomes (Note 22)	1,433	-	2,591	2
7020	Other gains and losses (Note 22)	( 1,854 )	( 1 )	66	-
7050	Financial costs (Note 22)	( 275 )	-	( 2,055 )	( 2 )
7070	Share of profit and loss of subsidiaries, associates and joint ventures under equity method (Notes 4 and 10)	( 2,903 )	( 1 )	( 3,029 )	( 3 )
7000	Total non-operating income and expenses	( 3,383 )	( 2 )	( 1,573 )	( 2 )
7900	Net profit before tax	92,944	37	564	-
7950	Income tax expense (Notes 4 and 23)	-	-	-	-
8200	Net profit for the year	<u>92,944</u>	<u>37</u>	<u>564</u>	<u>-</u>

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<u>Code</u>		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
8500	Total comprehensive income for the year	<u>\$ 92,944</u>	<u>37</u>	<u>\$ 564</u>	<u>-</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 4.80</u>		<u>\$ 0.04</u>	
9810	Attenuation	<u>\$ 4.80</u>		<u>\$ 0.04</u>	

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

Chairman: Hsieh-Chien Chang

Manager: Hsieh-Chien Chang

Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd.  
Individual Statements of Changes in Equity  
From January 1 to December 31, 2021 and 2020

Unit: NT\$1,000

Code		Share capital		Capital surplus	Retained earnings	Total equity
		Number of Shares (1,000 shares)	Amount		Undistributed earnings (losses to be covered)	
A1	Balance as at January 1, 2020	13,417	\$ 134,174	\$ -	(\$ 13,055)	\$ 121,119
C7	Other changes in capital surplus: Changes in associates and joint ventures recognized under equity method	-	-	1,217	-	1,217
E1	Issuance of ordinary shares for cash	5,952	59,520	40,473	-	99,993
D1	Net profit in 2020	-	-	-	564	564
D5	Total annual composite profit / loss in 2020	-	-	-	564	564
Z1	Balance as at December 31, 2020	19,369	193,694	41,690	( 12,491 )	222,893
C11	Other changes in capital surplus: Compensation for deficit from paid-in capital reserve	-	-	( 12,491 )	12,491	-
D1	Net profit in 2021	-	-	-	92,944	92,944
D5	Aggregate profit and loss in 2021	-	-	-	92,944	92,944
Z1	Balance on December 31, 2021	19,369	\$ 193,694	\$ 29,199	\$ 92,944	\$ 315,837

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

Chairman: Hsieh-Chien Chang

Manager: Hsieh-Chien Chang

Accounting Supervisor: Ya-Ling Huang



Wayi International Digital Entertainment Co., Ltd.  
Parent Company Only Statements of Cash Flows  
From January 1 to December 31, 2021 and 2020

Unit: NT\$1,000

Code		2021	2020
	Cash flows from operating activities		
A10000	Net profit before tax of this year	\$ 92,944	\$ 564
A20010	Adjustments to reconcile net income (loss) to net		
A20100	Depreciation expenses	9,945	11,183
A20200	Amortization expenses	3,614	2,614
A20400	Gain on financial assets measured at fair value through profit and loss	( 379 )	( 825 )
A20900	Finance costs	275	2,055
A21200	Interest Income	( 217 )	( 854 )
A22400	Shares of profit of subsidiaries, associates and joint ventures accounted for using the equity method	2,903	3,029
A22500	Gain from disposal of property, plant and equipment	( 5 )	( 17 )
A23700	Impairment loss on non-financial assets	13,679	3,948
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	( 17,178 )	881
A31160	Accounts receivable - related parties	3,853	( 20,984 )
A31180	Other receivables	( 2 )	218
A31230	Prepayments	( 10,818 )	( 16,011 )
A31240	Other current assets	( 20 )	( 80 )
A31250	Other financial assets	-	10
A32125	Contract liabilities	( 14,221 )	( 15,178 )
A32130	Notes payable	( 391 )	( 91 )
A32150	Accounts payable	15,448	( 1,026 )
A32160	Accounts payable - related parties	( 45 )	8
A32180	Other payables	9,893	6,749
A32190	Other payables - related parties	119	17
A32230	Other current liabilities	( 24 )	17
A33000	Cash generated from operations	109,373	( 23,773 )
A33100	Interest received	207	1,886
A33300	Interest paid	( 168 )	( 2,238 )
A33500	Income tax collected (paid)	207	( 178 )
AAAA	Net cash inflow (outflow) from operating activities	109,619	( 24,303 )

Cash flows from investing activities

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Code		2021	2020
B00040	Financial assets at amortized cost	( 23,712 )	-
B00050	Disposal of financial assets at amortized cost	-	59,487
B02700	Acquisition of property, plant and equipment	( 2,834 )	( 344 )
B02800	Proceeds from disposal of property, plant and equipment	5	17
B03700	Increase in refundable deposits	-	( 228 )
B03800	Decrease in refundable deposits	1,423	-
B04500	Acquisition of intangible assets	( 7,530 )	( 2,536 )
BBBB	Net cash inflow (outflow) of investment activities	( 32,648 )	56,396
	Cash flows from financing activities		
C00200	Decrease in short-term loans	( 32,222 )	( 15,000 )
C01700	Repayment of long-term loan	-	( 60,000 )
C04020	Lease debt principal repayment	( 8,467 )	( 9,238 )
C04600	Issue of new shares	-	99,993
CCCC	Net cash inflow (outflow) of financial activities	( 40,689 )	15,755
EEEE	Net increase in cash and cash equivalents	36,282	47,848
E00100	Cash and cash equivalents at beginning of year	75,273	27,425
E00200	Cash and cash equivalents at end of year	\$ 111,555	\$ 75,273

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

Chairman: Hsieh-Chien Chang      Manager: Hsieh-Chien Chang      Accounting Supervisor: Ya-Ling Huang

## Declaration of Consolidated Financial Statements of Affiliates

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year 2021 (from January 1 to December 31, 2021), under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission. Moreover, the disclosure information required for the Consolidated Financial Statements for Affiliates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, a separate Consolidated Financial Statements for Affiliates will not be prepared.

As hereby declared

Company Name: Wayi International Digital Entertainment  
Co., Ltd.

Responsible Person: Hsieh-Chien Chang

March 24, 2022

## **Independent Auditors' Report**

To the Board of Directors and Shareholders of Wayi International Digital Entertainment Co., Ltd.

### **Audit opinions:**

The consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated composite income statements, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements (including the summary of major accounting policies) from January 1 to December 31, 2021 and 2020, Wayi International Digital Entertainment Co., Ltd. and its subsidiary (Wayi Group) have been audited by the CPA.

In the opinion of the CPA, the above consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation and Interpretation Notices as endorsed and promulgated by the Financial Supervisory Commission, and are sufficient to give a fair representation of the consolidated financial position of Wayi Group as at December 31, 2021 and 2020, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2021 and 2020.

### **Basis of Auditors' Comments**

The CPA conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Individual Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS). Our responsibilities under said standards will be detailed in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of the 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 we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

### **Key Audit Matters**

Key audit matters refer to those which, in accordance with the professional judgment of the CPA, are most important for the audit of the consolidated financial statements of Wayi Group for the year 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 matters of the consolidated financial statements of Wayi Group for the year 2021 are listed as follows:

Recognition of related party's revenue of artwork design and foundry services

The art design subcontract income of the related party of Wayi Group was NT\$187,562 thousand, accounting for 76% of the net operating income and growing compared with the same period last year. Considering the significant transaction amount of the related party, the art design subcontract income of the related party was identified as a key audit matter.

Please refer to Note 4 (12) for the related accounting policies on the recognition of relevant incomes.

The main audit procedures performed by the CPA on the aforementioned key audit matters are as follows:

1. Obtain a contract to identify the nature and conditions of the transaction.
2. Obtain the relevant plans of the development and design project and the communication records of the related parties as evidence of the authenticity of the transaction.
3. Inquire about transactions by sending letters to related parties.
4. Conduct receivables collection test.

**Other Matters**

Wayi has prepared the individual financial statements for 2021 and 2020, and the unqualified audit reports have been issued by the CPA for your reference.

**Responsibility of the Management and the Governing Body for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations, and announcement of interpretations, 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 ability to continue as a going concern of the Group, 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.

The governing bodies of Wayi Group (including the Supervisors) have the responsibility to oversee the 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 auditor's report that includes our opinion. Reasonable assurance means a high degree of assurance that an audit conducted in accordance with generally accepted auditing standards does not guarantee that material misrepresentations in the consolidated financial statements will be detected. 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 Wayi 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. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Wayi 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. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Wayi Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including related notes, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Wayi 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.

The matters communicated by the CPA and the governing body include the planned inspection scope and time, and major inspection findings (including the significant deficiencies in internal control identified during the verification process).

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 communication with the management unit, the accountant decided on the key audit matters for the consolidated financial statements of Wayi Group for 2021. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Rui-Quan Chi

CPA Nai-Hua Guo

Financial Supervisory Commission  
Approval Document  
No. 1060023872

Financial Supervisory Commission Approval  
Document  
NO. 1070323246

March 24, 2022

## Wayi International Digital Entertainment Co., Ltd. And Subsidiaries

## Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: NT\$1,000

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalent (Notes 6 and 28)	\$ 116,641	30	\$ 80,818	26
1136	Financial assets measured at amortized cost - current (Notes 8, 28 and 30)	89,960	23	66,928	22
1170	Accounts receivable (Notes 9 and 28)	20,536	5	3,358	1
1180	Accounts receivable - related party (Notes 9, 28 and 29)	21,372	6	25,225	8
1200	Other receivables (Notes 9 and 28)	66	-	77	-
1220	Current income tax assets (Note 24)	197	-	404	-
130X	Inventory	130	-	130	-
1410	Prepayments (Note 16)	13,659	4	16,524	5
1479	Other current assets (Note 16)	187	-	167	-
11XX	Total current assets	<u>262,748</u>	<u>68</u>	<u>193,631</u>	<u>62</u>
	Non-current assets				
1510	Financial assets measured at fair value through gains and losses - non-current (Notes 7 and 28)	21,654	6	21,275	7
1550	Equity-accounted investments (Note 11)	8,514	2	10,251	3
1600	Property, Plant & Equipment (Notes 12 and 30)	59,627	15	58,130	19
1755	Right-of-use assets (Note 13)	11,833	3	5,450	2
1760	Net amount of investment Property (Note 14)	15,775	4	16,393	5
1780	Other intangible assets (Note 15)	6,019	1	1,660	1
1990	Other non-current assets (Notes 16, 28 and 30)	2,686	1	4,109	1
15XX	Total non-current assets	<u>126,108</u>	<u>32</u>	<u>117,268</u>	<u>38</u>
1XXX	Total assets	<u>\$ 388,856</u>	<u>100</u>	<u>\$ 310,899</u>	<u>100</u>
C o d e	L i a b i l i t i e s   a n d   E q u i t y				
	Current liabilities				
2100	Short-term loans (Notes 17, 28 and 30)	\$ -	-	\$ 32,222	10
2130	Contract liabilities - current (Note 22)	14,804	4	29,025	9
2150	Notes payable (Notes 18 and 28)	1,633	-	2,490	1
2170	Accounts payable (Notes 18 and 28)	18,289	5	2,841	1
2180	Accounts payable - related party (Notes 18, 28 and 29)	-	-	45	-
2219	Other payables (Notes 19 and 28)	25,673	7	15,207	5
2220	Other payables - related party (Notes 28 and 29)	136	-	17	-
2280	Lease liability-current (Note 13)	5,010	1	5,396	2
2399	Other current liabilities (Note 19)	411	-	435	-
21XX	Total current liabilities	<u>65,956</u>	<u>17</u>	<u>87,678</u>	<u>28</u>
	Non-current liabilities				
2580	Lease liabilities-non-current (Note 13)	6,863	2	128	-
2670	Other non-current liabilities (Note 19)	200	-	200	-
25XX	Total Non-current Liabilities	<u>7,063</u>	<u>2</u>	<u>328</u>	<u>-</u>
2XXX	Total Liabilities	<u>73,019</u>	<u>19</u>	<u>88,006</u>	<u>28</u>
	Equity attributable to owners of the parent company (Note 21)				
	Capital stock				
3110	Common stock	193,694	50	193,694	62
3200	Capital surplus	29,199	7	41,690	14
	Retained earnings				
3350	Undistributed earnings (losses to be covered)	92,944	24	( 12,491 )	( 4 )
3300	Total retained earnings	92,944	24	( 12,491 )	( 4 )
31XX	Equity attributable to shareholders of the parent	<u>315,837</u>	<u>81</u>	<u>222,893</u>	<u>72</u>
earnings	Total Equity	<u>315,837</u>	<u>81</u>	<u>222,893</u>	<u>72</u>
	Total liabilities and equity	<u>\$ 388,856</u>	<u>100</u>	<u>\$ 310,899</u>	<u>100</u>

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

Chairman: Hsieh-Chien Chang

Manager: Hsieh-Chien Chang

Accounting Supervisor: Ya-Ling Huang



## Wayi International Digital Entertainment Co., Ltd. And Subsidiaries

## Consolidated Statements of Comprehensive Income

From January 1 to December 31, 2021 and 2020

		Unit: NT\$1,000			
		2021		NT\$ for earnings per share 2020	
C o d e		A m o u n t	%	A m o u n t	%
4000	Operating revenue (Notes 22 and 29)	\$ 248,364	100	\$ 115,951	100
5000	Operating costs (Note 23)	( 60,393)	( 25)	( 41,400)	( 36)
5900	Gross profit	187,971	75	74,551	64
	Operating expenses (Notes 23 and 29)				
6100	Selling expenses	( 49,341)	( 20)	( 28,817)	( 25)
6200	General and administrative expenses	( 40,520)	( 16)	( 40,265)	( 35)
6300	Research and development expenses	( 2,182)	( 1)	( 3,681)	( 3)
6000	Total operating expenses	( 92,043)	( 37)	( 72,763)	( 63)
6900	Operating profit	95,928	38	1,788	1
	Non-operating income and expenses				
7100	Interest income (Note 23)	283	-	956	1
7010	Other incomes (Notes 23 and 29)	1,433	1	2,592	2
7020	Other gains and losses (Note 23)	( 2,688)	( 1)	( 1,509)	( 1)
7050	Financial cost (Note 23)	( 275)	-	( 2,055)	( 2)
7060	Share of profit and loss of associates and joint ventures under equity method (Note 11)	( 1,737)	( 1)	( 1,208)	( 1)
7000	Total non-operating income and expenses	( 2,984)	( 1)	( 1,224)	( 1)
7900	Net profit before tax	92,944	37	564	-
7950	Income tax expense (Note 24)	-	-	-	-
8200	Net profit for the year	92,944	37	564	-

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C o d e		2021		2020	
		A m o u n t	%	A m o u n t	%
8500	Total comprehensive income for the year	<u>\$ 92,944</u>	<u>37</u>	<u>\$ 564</u>	<u>-</u>
8610	Net profit attributable to Shareholders of the parent	\$ 92,944	37	\$ 564	-
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 92,944</u>	<u>37</u>	<u>\$ 564</u>	<u>-</u>
	Total Comprehensive Income Attributable to				
8710	Shareholders of the parent	\$ 92,944	37	\$ 564	-
8720	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 92,944</u>	<u>37</u>	<u>\$ 564</u>	<u>-</u>
	Earnings per share (Note 25)				
9710	Basic	<u>\$ 4.80</u>		<u>\$ 0.04</u>	
9810	Attenuation	<u>\$ 4.80</u>		<u>\$ 0.04</u>	

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

Chairman: Hsieh-Chien Chang Manager: Hsieh-Chien Chang Accounting Supervisor: Ya-Ling Huang

Wayi International Digital Entertainment Co., Ltd. And Subsidiaries  
Consolidated Statements of Changes in Equity  
From January 1 to December 31, 2021 and 2020

Unit: NT\$1,000

Code		Equity attributable to shareholders of the parent				Total equity
		Share capital Number of Shares (1,000 shares)	Share capital	Capital surplus	Retained earnings Unallocated surplus (losses to be covered)	
A1	Balance as at January 1, 2020	13,417	\$ 134,174	\$ -	(\$ 13,055)	\$ 121,119
C7	Other changes in capital surplus: Number of changes in related enterprises recognized by the equity method	-	-	1,217	-	1,217
E1	Issuance of ordinary shares for cash	5,952	59,520	40,473	-	99,993
D1	Net profit in 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>564</u>	<u>564</u>
D5	Total annual composite profit / loss in 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>564</u>	<u>564</u>
Z1	Balance as at December 31, 2020	19,369	193,694	41,690	( 12,491 )	222,893
C11	Other changes in capital surplus: Compensation for deficit from paid-in capital reserve	-	-	( 12,491 )	12,491	-
D1	Net profit in 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,944</u>	<u>92,944</u>
D5	Aggregate profit and loss in 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,944</u>	<u>92,944</u>
Z1	Balance on December 31, 2021	<u>19,369</u>	<u>\$ 193,694</u>	<u>\$ 29,199</u>	<u>\$ 92,944</u>	<u>\$ 315,837</u>

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

Chairman: Hsieh-Chien Chang

Manager: Hsieh-Chien Chang

Accounting Supervisor: Ya-Ling Huang

## Wayi International Digital Entertainment Co., Ltd. And Subsidiaries

## Consolidated Statements of Cash Flows

From January 1 to December 31, 2021 and 2020

Unit: NT\$1,000

Code		2021	2020
	Cash flows from operating activities		
A10000	Net profit before tax of this year	\$ 92,944	\$ 564
A20010	Adjustments to reconcile net income (loss) to net		
A20100	Depreciation expenses	9,945	11,183
A20200	Amortization expenses	3,614	2,614
A20400	Net gain on financial assets measured at fair value through profit and loss	( 379 )	( 825 )
A20900	Finance costs	275	2,055
A21200	Interest Income	( 283 )	( 956 )
A22300	Share of the loss of associates and joint ventures under equity method	1,737	1,208
A22500	Gain from disposal of property, plant and equipment	( 5 )	( 17 )
A23700	Impairment loss on non-financial assets	13,679	3,948
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	( 17,178 )	881
A31160	Accounts receivable - related parties	3,853	( 20,984 )
A31180	Other receivables	( 2 )	218
A31230	Prepayments	( 10,814 )	( 16,175 )
A31240	Other current assets	( 20 )	( 80 )
A31250	Other financial assets	-	10
A32125	Contract liabilities	( 14,221 )	( 15,178 )
A32130	Notes payable	( 391 )	( 91 )
A32140	Accounts payable - related parties	( 45 )	8
A32150	Accounts payable	15,448	( 1,026 )
A32180	Other payables	9,893	6,749
A32190	Other payables - related parties	119	17
A32230	Other current liabilities	( 24 )	17
A33000	Cash generated from operations	108,145	( 25,860 )
A33100	Interest received	296	1,953
A33300	Interest paid	( 168 )	( 2,238 )
A33500	Income tax collected (paid)	207	( 178 )
AAAA	Net cash inflow (outflow) from operating activities	108,480	( 26,323 )

Cash flows from investing activities

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<u>C o d e</u>		<u>2021</u>	<u>2020</u>
B00040	Financial assets at amortized cost	( 23,032 )	-
B00050	Disposal of financial assets at amortized cost	-	35,279
B02700	Acquisition of property, plant and equipment	( 2,834 )	( 344 )
B02800	Proceeds from disposal of property, plant and equipment	5	17
B03700	Increase in refundable deposits	-	( 228 )
B03800	Decrease in refundable deposits	1,423	-
B04500	Acquisition of intangible assets	( <u>7,530</u> )	( <u>2,536</u> )
BBBB	Net cash inflow (outflow) of investment activities	( <u>31,968</u> )	<u>32,188</u>
	Net cash flows from financing activities		
C00200	Decrease in short-term loans	( 32,222 )	( 15,000 )
C01700	Repayment of long-term loan	-	( 60,000 )
C04020	Lease debt principal repayment (Note 23)	( 8,467 )	( 9,238 )
C04600	Issue of new shares	<u>-</u>	<u>99,993</u>
CCCC	Net cash inflow (outflow) of financial activities	( <u>40,689</u> )	<u>15,755</u>
EEEE	Net increase in cash and cash equivalents	35,823	21,620
E00100	Cash and cash equivalents at beginning of year	<u>80,818</u>	<u>59,198</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 116,641</u>	<u>\$ 80,818</u>

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

Chairman: Hsieh-Chien Chang Manager: Hsieh-Chien Chang Accounting Supervisor: Ya-Ling Huang

[Attachment V]

Wayi International Digital Entertainment Co., Ltd.  
Earnings Distribution Table  
2021

Unit: NT\$

Item	Amount
Retained earnings at the beginning of the period	0
2021 net profit after tax	92,943,728
10% legal reserve	(9,294,373)
Earnings available for distribution for the period	83,649,355
Distribution item	
Share dividend to shareholders - NT\$1.5 per share	(29,054,100)
Cash dividend to shareholders - NT\$2 per share	(38,738,800)
Unappropriated retained earnings at the end of period	15,856,455

Chairman: Chang Hsieh-chien

Manager: Chang Hsieh-chien

Accounting Supervisor: Huang  
Ya-ling

**Wayi International Digital Entertainment Co., Ltd., Comparison table for the “Articles of Incorporation” before and after revision**

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>Article 7: The share certificates of the Company shall without exception be in registered form, affixed with the signatures or personal seals of the Director representing the Company and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. The Company may be exempted from printing any share certificate for the shares issued but shall appoint a centralized securities custody institution to make registration of such shares.</p>	<p>Article 7: <u>All of the shares issued by the Company shall be name-bearing and signed or sealed by at least three of the Company's directors.</u> <u>Shares may be issued in accordance with the laws by the competent authority or the competent authority's approved share-issuing institution after the shares are certified.</u> The Company may be exempted from printing any share certificate for the shares issued but shall appoint a centralized securities custody institution to make registration of such shares.</p>	<p>The amendment is in accordance with the Company's practical needs.</p>
<p>Article 9: Shareholders meetings are divided in two types: annual shareholders' meetings and special shareholders' meetings. An annual shareholders general meeting shall be called by the Board once a year within six months after the closing of each fiscal year. The special meeting shall be convened in accordance with the laws when necessary. <u>When the company's shareholders' meeting is held, it may be held by video conferencing or other methods announced by the central competent authority in a public announcement.</u></p>	<p>Article 9: Shareholders meetings are divided in two types: annual shareholders' meetings and special shareholders' meetings. An annual shareholders general meeting shall be called by the Board once a year within six months after the closing of each fiscal year. The special meeting shall be convened in accordance with the laws when necessary.</p>	<p>The amendment is in accordance with the Company's practical needs.</p>
<p>Chapter 4 Director</p>	<p>Chapter 4 Director <u>and Supervisor</u></p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>
<p>Article 15: The Company shall establish 5 to 9 seats of Directors and each Director has tenure of 3 years.</p>	<p>Article 15: The Company shall appoint 5 to 9 directors and 2 supervisors for a term of three years. The</p>	<p>The amendment is in accordance with the</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>The election of directors adopts a candidate nomination system in accordance with Article 192-1 of the Company Act. The shareholders may elect the candidates on the list to the seats of Directors and may assume a new term of office if reelected. Among the above-mentioned directors of the Company, the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. The professional qualification, hold of shares, restriction of engagement in part-time duties, the method of nomination and others shall be governed by applicable laws.</p> <p>The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately. The Company shall take liability insurance for the protection of the Directors. The total shareholding ratio of all directors of the Company's Board of Directors shall comply with the provisions of laws and regulations.</p>	<p>Company's election of Directors and Supervisors follows the candidate nomination system in accordance with Article 192-1 of the Company Act. The shareholders shall elect directors from the list of director candidates, who may be re-elected for consecutive terms. The Company may purchase liability insurance for directors and supervisors, after being elected, by the resolution of the Board. The total shareholding percentage of all directors and supervisors shall be determined by regulations of the competent authority of securities. In cooperation with Article 14-2 of the Securities and Exchange Act, there shall be at least two independent directors and not less than one-fifth of the total number of directors seats. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held nomination and method of nomination and other matters for compliance with respect to independent directors shall be in compliance with the competent authorities.</p>	<p>establishment of Audit Committee and the Company's practical needs.</p>
<p>Article 15-1</p> <p>The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors and is responsible to carry out duties of supervisors stipulated in the Company Act, Securities and Exchange Act, and other laws and regulations.</p>	<p>Newly added</p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>
<p>Article 16:</p> <p>When the number of directors</p>	<p>Article 16:</p> <p>When the number of directors</p>	<p>The amendment is in accordance</p>



Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
falls short by one-third of the total number, the Board shall call a special shareholders meeting within 60 days from the date of occurrence to carry out a by-election to fill the vacancies.	falls short by one-third of the total number <u>or all supervisors have been dismissed</u> , the Board shall call a special shareholders meeting within 60 days from the date of occurrence to carry out a by-election to fill the vacancies.	with the establishment of Audit Committee.
<p>Article 18: In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, his/her representative shall be selected according to Article 208 of the Company Act. A director who cannot attend a meeting in person may issue a proxy form to appoint another director to attend the meeting in his or her place, provided that a director may represent only one other director at a meeting. The reasons for calling a Board of Directors meeting of the Company shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The meeting of the Company's Board of Directors shall be convened by delivery a notice to each director via mail, e-mail, or fax. A board meeting may be held via video conference. The directors attend the Board meeting via video conference shall be deemed to have attended in person.</p>	<p>Article 18: In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, his/her representative shall be selected according to Article 208 of the Company Act. A director who cannot attend a meeting in person may issue a proxy form to appoint another director to attend the meeting in his or her place, provided that a director may represent only one other director at a meeting. In calling a board meeting, a notice shall be sent to each director and supervisor no later than 7 days before the scheduled date. However, in the case of an emergency, the meeting may be convened at any time. In calling a meeting of the Board, a notice setting forth can be in the form of writing, e-mail, or fax. A board meeting may be held via video conference. The directors attend the Board meeting via video conference shall be deemed to have attended in person.</p>	The amendment is in accordance with the establishment of Audit Committee and the Company's practical needs.
<p>Article 21: When the directors of the Company perform the duties of the Company, regardless of whether the Company makes a profit or loss, the Company may compensate the directors and supervisors and authorize the Board to set a compensation standard based on the degree of their participation in and</p>	<p>Article 21: When the directors and supervisors of the Company perform the duties of the Company, regardless of whether the Company makes a profit or loss, the Company may compensate the directors <u>and supervisors</u> and authorize the Board to set a compensation standard based on the degree of</p>	The amendment is in accordance with the establishment of Audit Committee.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
contribution to the operations of the Company at a rate consistent with general practices in the industry. If the Company has made a profit, compensations are distributed pursuant to Article 25.	their participation in and contribution to the operations of the Company at a rate consistent with general practices in the industry. If the Company has made a profit, compensations are distributed pursuant to Article 25.	
Article 24: At the end of each fiscal year, the board of directors shall prepare the following statements and records and propose them to the annual shareholders' meeting for ratification in accordance with the legal procedures: I. Business Report. II. Financial Statements. III. Proposal of distribution of profits or offsetting losses.	Article 24: At the close of each fiscal year, the Board shall prepare the following statements and records and shall forward the same to supervisors for their auditing no later than the 30th day prior to the meeting date of an annual shareholders meeting, in which adoptions of the same shall be made: Business Report. Financial Statements. Proposal of distribution of profits or offsetting losses.	The amendment is in accordance with the establishment of Audit Committee.
Article 25: If the Company has gained profits, it shall be distributed according to the resolution of the Board, in the following percentages, and report to the shareholders meeting: I. The compensation for directors shall be no more than three percent. II. Employees' remuneration shall not be less than 1%, which shall be distributed in stock or cash by the resolution of the board of directors. The counterparties shall include the employees of the controlling or subordinate companies that meet certain criteria, and the board of directors are authorized to set the said criteria. However, in case of the accumulated losses, certain profits shall first be reserved to cover them. The compensations for employees and Directors shall be then allocated according	Article 25: If the Company has gained profits, it shall be distributed according to the resolution of the Board, in the following percentages, and report to the shareholders meeting: I. The compensation for directors <u>and supervisors</u> shall be no more than three percent. II. Employees' remuneration shall not be less than 1%, which shall be distributed in stock or cash by the resolution of the board of directors. The counterparties shall include the employees of the controlling or subordinate companies that meet certain criteria, and the board of directors are authorized to set the said criteria. However, in case of the accumulated losses, certain profits shall first be reserved to cover them. The compensations for employees, Directors, <u>and Supervisors</u> shall be then	The amendment is in accordance with the establishment of Audit Committee.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>to the ratio mentioned in the preceding paragraph. The profits mentioned above refers to income before tax minus the income before allocating the compensation of employees and directors.</p> <p>Any profit after the annual closing of the books, the Company shall first pay tax to offset deficits before contributing ten percent of legal reserves. If the legal reserves have reached the total paid-in capital, allocations can be exempted. The Company based on its operational needs or special reserves set aside in accordance with applicable laws or reversal of special reserves. If there is still a balance and the accumulated retained earnings, the Board shall plan the disposition of profits and submit to the shareholders meeting to resolve the distribution of dividends to shareholders. The Company's dividend policy adopts the principle of stability and balance. After taking into the account of factors such as profitability, financial structure and future development of the Company, the shareholders' dividends shall be distributed in the form of cash dividends and stock dividends. The cash dividends are not less than ten percent of the total shareholder dividends for the year, but the Board may adjust the ratio according to the overall operating conditions at the time and submit to the shareholders meeting for resolution.</p>	<p>allocated according to the ratio mentioned in the preceding paragraph. The profits mentioned above refers to income before tax minus the income before allocating the compensation of employees, directors, <u>and supervisors</u>.</p> <p>Any profit after the annual closing of the books, the Company shall first pay tax to offset deficits before contributing ten percent of legal reserves. If the legal reserves have reached the total paid-in capital, allocations can be exempted. The Company based on its operational needs or special reserves set aside in accordance with applicable laws or reversal of special reserves. If there is still a balance and the accumulated retained earnings, the Board shall plan the disposition of profits and submit to the shareholders meeting to resolve the distribution of dividends to shareholders. The Company's dividend policy adopts the principle of stability and balance. After taking into the account of factors such as profitability, financial structure and future development of the Company, the shareholders' dividends shall be distributed in the form of cash dividends and stock dividends. The cash dividends are not less than ten percent of the total shareholder dividends for the year, but the Board may adjust the ratio according to the overall operating conditions at the time and submit to the shareholders meeting for resolution.</p>	
Article 27: The Articles of Incorporation	Article 27: The Articles of Incorporation	Added amendment date

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>was established on July 27, 1993.</p> <p>Omitted</p> <p>The 20th amendment was made on Jun. 13rd, 2012.</p> <p>The 21st amendment was made on Jun. 21st, 2013.</p> <p>The 22nd amendment was made on Jun. 23rd, 2016.</p> <p>The 23rd amendment was made on Jun. 21st, 2018.</p> <p>The 24th amendment was made on Jun. 25th, 2019.</p> <p>The 25th amendment was made on Aug. 4th, 2020.</p> <p><u>The 26th amendment was made on Jun. 23rd, 2022.</u></p>	<p>was established on July 27, 1993.</p> <p>Omitted</p> <p>The 20th amendment was made on Jun. 13rd, 2012.</p> <p>The 21st amendment was made on Jun. 21st, 2013.</p> <p>The 22nd amendment was made on Jun. 23rd, 2016.</p> <p>The 23rd amendment was made on Jun. 21st, 2018.</p> <p>The 24th amendment was made on Jun. 25th, 2019.</p> <p>The 25th amendment was made on Aug. 4th, 2020.</p>	<p>and article number.</p>

**[Attachment VII] Wayi International Digital Entertainment Co., Ltd., Comparison table for the  
“Rules of Procedure for Shareholders Meeting” before and after revision**

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, the Rules are therefore established with reference to the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”.	Article 1: Newly added	The amendment is in accordance with the laws and regulations. The original content of Article 1 is renumbered as Article 2. Newly added content to Article 1.
Article 2: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in the Rules.	Article 1: Meetings of shareholders shall be acted upon in accordance with these rules.	The amendment is in accordance with the laws and regulations. The original content of Article 1 is renumbered as Article 2.
Article 3: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplementary meeting materials and upload them to the MOPS at least 21 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. In addition,	Article 3: Newly added	The amendment is in accordance with the laws and regulations. The original content of Article 3 is renumbered as Article 9. Newly added content to Article 3.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>at least 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplementary meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplementary materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on site at the venue of the meeting.</p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing the Company's status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter stipulated in all subparagraphs of Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the aforementioned matters may be raised by an extempore motion.</p>		

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>A shareholder holding one percent or more of the total number of issued shares may submit a written proposal for discussion to the Company at an annual shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>A shareholder may submit a suggestive proposal which urge the Company to promote the public interest or fulfill its social responsibilities. The said proposal shall be limited to one proposal in terms of the procedure in accordance with the Article 172-1 of the Company Act. Any proposal in excess shall be excluded from the agenda.</p> <p>Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, in written or electronic method, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in the discussion of the proposal.</p>		
<p>Article 4: For each shareholders' meeting, a shareholder may appoint a proxy to</p>	<p>Article 4: Newly added</p>	<p>The amendment is in accordance with the laws and regulations.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, a declaration made to cancel the previous proxy appointment is not subject to the aforementioned rule.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company at least two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>		<p>The original content of Article 4 is renumbered as Article 5.</p> <p>Newly added content to Article 4.</p>
<p>Article 5: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.</p>	<p>Article 4: The location of shareholders meeting shall be this Company's current location or such other place that is convenient for shareholders to attend. The meeting shall not commence earlier than 9AM or later than 3PM.</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 4 is renumbered as Article 5.</p>
<p>Article 6: The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations</p>	<p>Article 2: The Company shall specify in its shareholders meeting notices the time during which shareholder registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 2 is renumbered as Article 6.</p>



Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>will be accepted shall be at least 30 minutes prior to the time the meeting commences and the registration office shall be clearly marked and appropriate. Adequate and qualified personnel shall be provided to handle this matter. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	<p>accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>The shareholder or his/her proxy (hereafter referred to as shareholder) shall attend the Shareholders Meeting with his/her attendance card, attendance sign-in card, or other attendance documents. Solicitors soliciting letters of appointment shall also bring identification documents for verification.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</p>	
<p>Article 7: If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise</p>	<p>Article 5: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise</p>	<p>The amendment is in accordance with the laws and regulations. The original contents of Articles 5 and 6 are merged</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>the powers of the chairman, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as the chair.</p> <p>If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.</p>	<p>the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. If a party with the power to convene is absent, the chairman may be elected by the shareholders in the shareholders meeting.</p> <p>Article 6: The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders meeting with a non-voting capacity. The staff members who take charge of the shareholders' meeting affairs shall wear identification certificates or armbands.</p>	<p>into Article 7.</p>
<p>Article 8: The Company shall make an uninterrupted audio and video recording of the entire proceedings of the shareholders meeting, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Article 7: The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.</p>	<p>The amendment is in accordance with the laws and regulations. The original content of Article 7 is renumbered as Article 8.</p>
<p>Article 9: Attendance at shareholders'</p>	<p>Article 3: Attendance at shareholders'</p>	<p>The amendment is in accordance with</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>When the meeting time has expired, the chairman shall immediately announce the meeting and announce the relevant information such as the number of non-voting rights and the number of shares present.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders</p>	<p>meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed, and the number of shares of voting rights exercised in writing or electronically.</p> <p>Article 8:</p> <p>The Chairman shall declare the commencement of meeting at the expiration of the scheduled meeting time, and issue the number of shares without voting rights and the number of shares present. However, if more than half of the shareholders of the total number of outstanding shares are not present, the Chairman may declare a postponement of the meeting. The postponement shall not exceed two times, and the total postponement shall not exceed one hour. If after two postponements no quorum can yet be constituted, but the shareholders present at the meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act.</p> <p>When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may submit the tentative resolution for a vote to the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>the laws and regulations.</p> <p>The original contents of Articles 3 and 8 are merged into Article 9.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.		
<p>Article 10: If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.</p> <p>The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.</p> <p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</p>	<p>Article 9: If a shareholders meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply to a shareholders meeting convened by a party with the power to convene, other than the member of the Board. Unless otherwise resolved at the shareholders' meeting, the chairman may not announce adjournment of the meeting unless the scheduled agenda items (including Questions and Motions) set forth in the preceding two provisions of this Article are concluded. After the meeting is adjourned, shareholders may not separately elect a chairman and resume the meeting at the original or another venue.</p> <p>Article 14: When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original contents of Articles 9 and 14 are merged into Article 10.</p>
Article 11: Before speaking, an attending	Article 10: When a shareholder attend the	The amendment is in accordance with

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder who has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>meeting wishes to speak, he or she shall first fill out a speaker's card, specifying therein the major points of his or her speech, account number (or number appeared on attendance pass) and account name. The chairman shall determine the sequence of shareholders' speeches.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chairman and the shareholder who has the floor, the chairman shall stop any violation.</p> <p>Article 11:</p> <p>A shareholder may not speak more than twice on the same resolution without the chairman's consent, with five minutes maximum for each speech. The chairman may stop any shareholder who violates the above rules or exceeds the scope of the agenda item.</p> <p>Article 12:</p> <p>Any legal entity designated as a proxy by the shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting.</p> <p>When an institutional shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives appointed may speak on the same proposal.</p> <p>Article 13: The chairman may respond or designate other persons to respond after a shareholder's</p>	<p>the laws and regulations.</p> <p>The original contents of Articles 10, 11, 12 and 13 are merged into Article 11.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
	speech.	
<p>Article 12: Voting at a shareholders' meeting shall be calculated based the number of shares.</p> <p>With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.</p> <p>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</p> <p>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.</p> <p>With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</p>	<p>Article 12: Newly added</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 12 is merged into Article 11.</p> <p>Newly added content to Article 12.</p>
<p>Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed to be non-voting shares pursuant to Paragraph 2 of Article 179 of the Company Act.</p>	<p>Article 13</p> <p>Article 17: Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 13 is merged into Article 11.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with respect to the extempore motions and revisions to the original proposals of that meeting, the said shareholder will be considered to have waived his/her rights. The Company is therefore advised to avoid submission of extempore motions and revision to the original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to</p>	<p>the voting rights represented by the attending shareholders. During voting, the chair or personnel designated by the chair shall announce the total votes for each motion one after another for the shareholders to cast their votes. Afterwards, on the same day the shareholders' meeting in concern is convened, the numbers of shareholders who have approved, objected and abstained from voting shall be uploaded to the Market Observation Post System.</p> <p>Article 18: When there is an amendment or an alternative to the same proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The result of the voting shall be reported and made into a record.</p>	<p>The original contents of Articles 15, 17 and 18 are merged into Article 13.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>the Company, by the same means by which the voting rights were exercised, at least two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p>		



Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting.</p> <p>Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on site at the meeting, and a record made of the vote.</p>		
<p>Article 14:</p> <p>The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of those not elected as directors and the numbers of votes they receive.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Article 14:</p> <p>Newly added</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 14 is merged into Article 10.</p> <p>Newly added content to Article 14.</p>
<p>Article 15:</p> <p>Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the</p>	<p>Article 15:</p> <p>Newly added</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 15 is</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.</p>		<p>merged into Article 13.</p> <p>Newly added content to Article 15.</p>
<p>Article 16:</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</p>	<p>Article 16:</p> <p>Newly added</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 16 is renumbered as Article 18.</p> <p>Newly added content to Article 16.</p>
<p>Article 17:</p> <p>Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.</p> <p>The chair may direct the proctors or security personnel to help maintain order at the meeting venue. Proctors or security personnel at the meeting venue</p> <p>To help maintain order at the meeting venue, they shall wear an</p>	<p>Article 19:</p> <p>The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 19 is renumbered as Article 17.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>identification card or armband bearing the word "Proctor."</p> <p>At the venue of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.</p> <p>When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the venue.</p>		
<p>Article 18:</p> <p>When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</p>	<p>Article 16:</p> <p>During the process of the meeting, the chairman may announce a break at an appropriate time.</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 16 is renumbered as Article 18.</p>
<p>Article 19:</p> <p>The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p> <p>The Rules were formulated on May 26, 1990.</p> <p>The first amendment was made on June 14, 2006.</p> <p>The second amendment was made on June 19, 2014.</p> <p>The third amendment was made on June 21, 2018.</p> <p>The fourth amendment was made on June 23, 2021.</p> <p>The fifth amendment was made on June 23, 2022.</p>	<p>Article 20:</p> <p>These rules are implemented after the resolution passed in the shareholders' meeting, and the same rules apply when amendments need to be made.</p>	<p>Amended to include amendment date.</p>

[Attachment VIII]

**Wayi International Digital Entertainment Co., Ltd., Comparison table for the “Rules for Election of Directors and Supervisors” before and after revision**

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
Procedures for Election of Directors	Rules for Election of Directors and Supervisors	The amendment is in accordance with the laws and regulations.
Article 1: To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	Article 1: Newly added	The amendment is in accordance with the laws and regulations. The original content of Article 1 is renumbered as Article 2, with newly added content to Article 1.
Article 2: Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with the Procedures.	Article 1: The election of the directors and supervisors of the Company shall be handled in accordance with the rules specified herein.	The amendment is in accordance with the laws and regulations. The original content of Article 1 is renumbered as Article 2.
Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors should consider diversity, and formulate an appropriate diversity policy based on its own operation, operation type and development needs. It should include but not limited to the following two major standards: I. Basic conditions and values: gender, age, nationality and culture, etc. II. Professional knowledge and skills: professional background	Article 3: Newly added	The amendment is in accordance with the laws and regulations. The content of the original Article 3 is renumbered as Article 8. Newly added content to Article 3.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>(such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. The members of the Board of Directors shall generally possess the necessary knowledge, skills and qualities to perform their duties, and their overall abilities shall be as follows:</p> <p>I. Operational judgment ability. II. Accounting and financial analysis ability. III. Operation and management ability. IV. Crisis handling capability. V. Industrial knowledge. VI. International market insight. VII. Leadership. VIII. Decision-making ability. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The Board of Directors of the Company shall adjust the composition of the Board of Directors according to the results of performance evaluation.</p>		
<p>Article 4: The election of independent directors of the Company shall be conducted in accordance with the provisions of Articles 2, 3 and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The election of independent directors of the Company shall comply with the provisions of Articles 5, 6, 7, 8 and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be based on Article 24</p>	<p>Article 4: Newly added</p>	<p>The amendment is in accordance with the laws and regulations. The original content of Article 4 is renumbered as Article 9. Newly added content to Article 4.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".		
<p>Article 5: Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a Director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the independent directors are dismissed en masse, an extraordinary shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>Article 5: Newly added</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 5 is renumbered as Article 9.</p> <p>Newly added content to Article 5.</p>
<p>Article 6: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among</p>	<p>Article 2: The single vote method shall be used for the election of the directors and supervisors of the Company. The number of votes exercisable in respect of one share shall be the same as the number of directors or</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 2 is renumbered</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>multiple candidates.</p> <p>Article 7: The Board of Directors shall prepare ballots for directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.</p>	<p>supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The Company shall issue the ballot. The name of the voter shall be replaced by the shareholder attendance number or shareholder account number recorded on the election ticket, and the number of the voting right shall be filled.</p> <p>Article 6: Voters shall fill in the candidate's account name and shareholder account number in the "candidate" column. For a non-shareholder, the voter shall enter the candidate's full name and identification number (passport number). If the candidate is a legal entity, the name of the legal entity and shareholder account number shall be entered in the "candidate" column, or both the name of the legal entity and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. When the shareholder fills in the name, account number and identification number of the candidate in the preceding paragraph, stamping can be valid.</p>	<p>as Articles 6 and 7.</p> <p>The original content of Article 6 is deleted.</p>
<p>Article 8: The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to</p>	<p>Article 3: The number of directors and supervisors has been specified in the Company's Articles of Incorporation. Candidates who acquire more votes should be elected as directors or supervisors. If two or more persons acquire the same number of votes and the number of such persons exceeds the</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 3 is renumbered as Article 8.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.	specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present. Those who are elected as directors and supervisors at the same time in accordance with the provisions of the preceding paragraph shall, at their discretion, act as a director or a supervisor. The remaining positions shall be voted on at the shareholders meeting.	
Article 9: Before the election begins, the chair shall appoint counting personnel and a number of shareholders and tellers to perform the respective duties of vote monitoring. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.	Article 4: At the beginning of the election, the Chairman shall appoint several ballot examiners and tellers to carry out their respective relevant tasks. The ballot examiners shall have the status of a shareholder. Article 5: The ballot boxes shall be prepared by the Company and checked in public by the ballot examiners before voting.	The amendment is in accordance with the laws and regulations. The original content of Article 4 is renumbered as Article 9.
Article 10: A ballot is invalid under any of the following circumstances:  I. A ballot was not prepared by a party with the power to convene the meeting. II. A blank ballot is placed in the ballot box. III. The handwriting is illegible or has been altered. IV. Where the candidate's name filled in in the ballot is inconsistent with that on the list of candidates for directors.  V. Any ballot with characters other than the allocated number	Article 7: Ballots shall be deemed invalid under the following circumstances: Ballots shall be deemed invalid under the following circumstances: 1. The ballot was not prepared in accordance with the Rules. 2. Blank ballots not completed by the voter 3. Ballots with Illegible writing 4. The name provided on the ballot is a not the name of the shareholder listed as a candidate, the name on the candidate's account or shareholder account number provided on the ballot is inconsistent with those shown in the shareholders' roster if the candidate is a shareholder, the	The amendment is in accordance with the laws and regulations. The original content of Article 7 is renumbered as Article 10. The original content of Article 10 is deleted.



Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
of voting rights.	<p>candidate's name and identification number (passport number) provided on the ballot is verified to be incorrect if the candidate is not a shareholder.</p> <p>5. The same ballot papers are filled with the number of candidates exceeding the prescribed number.</p> <p>6. Ballots with other written characters or symbols in addition to the candidate's account name or shareholder's account number or identification number (passport number) and the number of voting rights allotted.</p> <p>7. The name of the candidate filled in the ballots is identical to that of another shareholder, but no shareholder account number or identity card number (passport number) is provided in the ballot to identify such individual.</p> <p>Article 10: Any matters insufficiently provided for herein shall be subject to the Company Law and other laws and or ordinances concerned.</p>	
<p>Article 11: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the election, including the list of persons elected as directors as well as the numbers of voting rights with which they were elected, shall be announced on site by the chair.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the</p>	<p>Article 8: Upon completion of the balloting process, the shareholders' meeting chairperson shall announce on-the-spot counting and announcing the ballots. The ballot examiners shall watch by the side. The results of the election should be announced at the meeting.</p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The original content of Article 8 is renumbered as Article 11.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
conclusion of the litigation.		
Article 12: The elected Directors will be notified by the Company's Board of Directors.	Article 9: The Company shall issue notifications to the persons elected as directors or supervisors.	The amendment is in accordance with the laws and regulations. The original content of Article 9 is renumbered as Article 12.
Article 13: The Procedures shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner. The Procedures were formulated on June 8, 1990. The first amendment was made on December 24, 2002. The second amendment was made on June 15, 2007. The third amendment was made on June 23, 2022.	Article 11: The Board shall submit these rules to the Shareholders Meeting for approval and implementation, and the same shall apply to the amendments. Article 12: This Rule is established on June 8, 2000. The 1st amendment was made on December 24, 2002. The 2nd amendment was made on June 15, 2007.	The amendment is in accordance with the laws and regulations. The contents of the original Articles 11 and 12 are renumbered as Article 13.

[Attachment IX]

**Wayi International Digital Entertainment Co., Ltd., Comparison table for the “Procedures for Acquisition and Disposal of Assets” before and after revision**

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p><b>Article 2: Legal Basis</b>  This procedure is handled in accordance with Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the Act) and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>	<p><b>Article 2: Legal Basis</b>  This Procedure is adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act") and the administrative rule of No.091000610 “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued on December 10, 2012, by the Securities and Futures Commission of the Ministry of Finance.</p>	<p>The amendment is in accordance with the laws and regulations.</p>
<p><b>Article 6: Regarding the appraisal reports or opinions of the certified public accountants, lawyers, or securities underwriters, the professional appraisers, and their appraisers, certified public accountants, lawyers, or securities underwriters shall comply with the following:</b>  I. Have not previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</p>	<p><b>Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</b>  I. May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.  II. May not be a related party or de facto related party of any party to the transaction.</p>	<p>The amendment is in accordance with the laws and regulations.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>II. Not a related party or de facto related party of the transaction counterpart.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the professional appraisers or appraisers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline regulations of their respective trade associations and the following matters:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When reviewing audit assignments, they shall plan and implement appropriate operating procedures to draw a conclusion as the basis of producing a report or expressing an opinion; and maintain a full record of the implementation procedures, gathered data, and conclusions in the worksheet.</p> <p>III. They shall assess the integrity, correctness and reasonableness of the data sources, parameters and information used on a case-by-case basis as the basis for issuing appraisal reports or written opinions.</p> <p>IV. The declaration shall include the professionalism and independence of the relevant personnel, the assessment of the reasonableness and correctness of the information used and the compliance with the relevant laws and regulations.</p>	<p>III.If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the person referred to in the preceding paragraph shall comply with the following:</p> <p>I.Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When examining a case, they shall appropriately plan and execute adequate working procedures to produce a conclusion and use the conclusion as the basis for issuing the report or opinion.</p> <p>The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III.They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV.They shall issue a statement attesting to the professional competence and independence of the person who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate and that they have complied with applicable laws and regulations.</p>	
Article 7: Procedures for	Article 7: Procedures Governing	The amendment is

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>Acquisition and Disposal of Assets or right-of-use assets</p> <p>II. Procedures for Acquisition or Disposal of Assets</p> <p>(III)Where the Company's acquisition or disposal of assets requires the approval of the Board of Directors in accordance with the Procedures or the Applicable Listing Rules, if a Director states his objection in record or in writing, the Company shall submit such information to the Audit Committee of the Company. When a transaction of acquisition or disposal of assets is submitted for the Board of Directors in accordance with regulations, the comments of the Independent Directors shall be fully considered and the concurring or objecting position of the Independent Directors shall be clearly indicated in the meeting minutes, including any reason for objection. When the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. If approval of more than half of all audit committee members as required in Paragraph 1 is not obtained, the Procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.</p> <p>“All audit committee members” mentioned in Paragraph 3 and “all Directors” mentioned in the preceding paragraph refer to the actual number of persons</p>	<p>the Acquisition and Disposal of Real Property, Equipment or Right-of-use Assets</p> <p>II. Procedures to determine transaction terms and degree of authority delegated</p> <p>(III)With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each Independent director's opinions. If an Independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>If an audit committee has been established, the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the Board of directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of directors meeting.</p> <p>The terms "all audit committee members" in paragraph 3 and</p>	<p>in accordance with the establishment of Audit Committee.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
currently holding those positions.	"all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	
<p>Article 7: Procedures for Acquisition and Disposal of Property, Equipment or Right-of-Use Assets</p> <p>IV. Property, Equipment or Right-of-Use Asset Valuation Report</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal reports, unless all the appraisal reports for the assets to be acquired are higher than the transaction price, or all the appraisal reports for the assets to be disposed of are lower than the transaction price.</p> <p>Express specific opinion:</p> <p>1. The discrepancy between an appraisal report and the transaction price reaches 20% or more of the transaction price.</p> <p>2. The discrepancy between the appraisal reports of two or more professional appraisers reaches 10% or more of the transaction price.</p>	<p>Article 7: Procedures Governing the Acquisition and Disposal of Real Property, Equipment or Right-of-use Assets</p> <p>IV. Appraisal report for real property, equipment, or right-of-use assets</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	The amendment is in accordance with the laws and regulations.
<p>Article 8: Procedures for Acquisition and Disposal of Securities Investment</p> <p>II. Procedures for Acquisition or</p>	<p>Article 8: Operational Procedure for Acquisition or Disposal of Securities</p> <p>II. Procedures to determine</p>	The amendment is in accordance with the establishment of

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>Disposal of Assets (III)Where the Company's acquisition or disposal of assets requires the approval of the Board of Directors in accordance with the Procedures or the Applicable Listing Rules, if a Director states his objection in record or in writing, the Company shall submit such information to the Audit Committee of the Company. When a transaction of acquisition or disposal of assets is submitted for the Board of Directors in accordance with regulations, the comments of the Independent Directors shall be fully considered and the concurring or objecting position of the Independent Directors shall be clearly indicated in the meeting minutes, including any reason for objection.</p>	<p>transaction terms and degree of authority delegated (III)With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. Where the Company has established the position of independent director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>Audit Committee.</p>
<p>Article 8: Procedures for Acquisition and Disposal of Securities Investment IV. Expert Opinion (I)In acquiring or disposing of securities, the Company shall, prior to the date of event, obtain the issuing company's latest financial reports which are certified or reviewed by a certified public accountant for reference in appraising the transaction price, and if in circumstances where the transaction amount reaches 20% of the Company's paid-in-capital or exceeds NT\$300 million, the Company shall engage a certified public accountant to provide an opinion with respect</p>	<p>Article 8: Operational Procedure for Acquisition or Disposal of Securities IV. Professional Appraisal (I)When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public</p>	<p>The amendment is in accordance with the laws and regulations.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
to the reasonableness of the transaction price prior to the date of event. This requirement shall not apply to publicly quoted prices of an active market or is otherwise regulated by FSC.	accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
Article 9: Procedures for dealing with related parties II. Appraisal and operating procedures Except for the trading of domestic government bonds or RP/RS bonds, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, in acquiring or disposing the real estate or the right-of-use assets thereof from or to a related party, or acquiring or disposing the assets other than real estate or the right-of-use assets thereof from or to a related party, and the transaction amount exceeds 20% of the Company's paid-in-capital, 10% of the Company's total assets, or NT\$300 million, the Company may not proceed with the execution of a transaction contract or making any payment before the following information has been agreed upon by the Audit Committee, and submitted for the approval of Board of Directors. (I) The purpose, necessity, and expected benefits of the	Article 9: Related Party Transactions II. Evaluation and Operation Procedure When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board and recognized by the Supervisors: (I) The purpose, necessity and	The amendment is in accordance with the laws and regulations, and the establishment of Audit Committee.



Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>acquisition or disposal of assets.  (II) The reasons for selecting the related party as the trading counterpart.  (III) The appraisal of reasonableness of the preliminary transaction terms and conditions regarding the acquiring of the real estate or the right-of-use assets thereof from a related party in accordance with Paragraphs 1 to 4 of this Article.  (IV) The matters of the related party's original acquisition date and price, counterparty, and the relationship with the Company and the related party.  (V) The monthly cash income and expense forecast within the year from the month of the contract signed; also, the assessment of the necessity of the trade and the reasonableness of the use of funds.  (VI) Appraisal reports from the professional appraisers or opinions of the CPAs acquired in accordance with Paragraph 1 of Article 9.  (VII) The restrictions and other important stipulations of the transaction.</p> <p>When conducting the following transactions between the Company and its parent or subsidiaries, or between its subsidiaries in which it holds directly 100% of the issued shares or total capital, the Board of Directors may authorize the Chairman to make a decision within the NT\$50,000 limit and subsequently report to the most recent Board of Directors for</p>	<p>anticipated benefit of the acquisition or disposal of assets.  (II) The reason for choosing the related party as a transaction counterpart.  (III) With respect to the acquisition of real property or right-of-use asset thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph III, subparagraph (I) and (IV).  (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.  (V) Monthly cash flow forecasts for the year commencing from the anticipated month of the signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.  (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 9, paragraph I.  (VII) Restrictive covenants and other important stipulations associated with the transaction.  The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 14, paragraph I, subparagraph V herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>ratification if the transaction is within a certain amount:  I. Acquisition or disposal of equipment for business use or right-of-use assets thereto.  II. Acquisition or disposal of real estate for business use or right-of-use assets thereto.  When submitting the matter to the Board of Directors for discussion in accordance with Paragraph 1, the opinions of each Independent Director shall be taken into full consideration. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.  I accordance with Paragraph 1 shall be approved by more than half of all members of the Audit Committee and a resolution of the Board of Directors shall be proposed. If approval of more than half of all audit committee members as required is not obtained, the Procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.</p> <p>If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to</p>	<p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of directors may authorize the Chairman to decide such matters when the transaction is within NT\$50 million and have the decisions subsequently submitted to and ratified by the next Board meeting:  I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.  II. Acquisition or disposal of real property right-of-use assets held for business use.  When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.  Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and</p>	

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>transactions between the Company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amount in this paragraph shall be compliant with Article 14 Paragraph 1 Subparagraph 8 and the “within a year” mentioned refers to a period of one year calculated retroactively from the date of event of the transaction. Items that have been submitted to and approved by the Board of Directors in accordance with the Procedures are exempted from inclusion in the calculation.</p>	<p>the resolution of the audit committee shall be recorded in the minutes of the Board of directors meeting.</p>	
<p>Article 9: Procedures for dealing with related parties  III. Assessment for the Reasonableness of Transaction Cost  (V) The following shall be adopted in the event where the appraisal reports conducted in accordance with Paragraph 3 Subparagraphs 1 and 2 of this Article is lower than the transaction price in acquisition of real estate or the right-of-use assets thereto from a related party by the Company: In events where the Company has set aside a special reserve according to requirements may not utilize the special reserve until it has recognized a loss on a decline in the market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p>	<p>Article 9: Related Party Transactions  III. Appraisal of Reasonableness (V) Where the Company acquires real property or right of use assets from a related party and the results of appraisals conducted in accordance to paragraph III, subparagraph (I) and (II) of this Article are uniformly lower than the transaction price, the following steps shall be taken: Moreover, if the Company uses the equity method to account for its investment in another company and sets aside a special reserve according to the provision in the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.  1. A special reserve shall be set</p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>1. A special reserve shall be set aside in accordance with Article 41, Paragraph the Securities and Exchange Act against the difference between the transaction price and appraised cost of the real estate or the right-of-use assets thereof and that amount may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, a special reserve shall be set aside pro rated in a proportion consistent with the share of Company's equity stake in the other company in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.</p> <p>2. The Audit Committee shall be handled in accordance with Article 288 of the Company Act.</p> <p>3. Actions taken pursuant to the preceding two subparagraphs shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p>	<p>aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price or right of use assets and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in a public company, then the special reserve called for under Article 41, paragraph I of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>2. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply to the independent director members of the audit committee.</p> <p>3. Actions taken pursuant to the subparagraph 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.</p>	
<p>Article 10: Procedures for Acquisition and Disposal of Intangible Assets or Right-of-Use Assets thereof or Membership Cards</p> <p>II. Procedures for Acquisition or Disposal of Assets</p> <p>1. To obtain or dispose of a membership card, one should refer to the fair market value of the market, decide the transaction conditions and transaction price, and prepare an analysis report and submit it to</p>	<p>Article 10: Procedure Governing the Acquisition or Disposal of intangible assets or right-of-use assets, or Memberships</p> <p>II. Procedures to determine transaction terms and degree of authority delegated</p> <p>1. The acquiring or disposing of memberships, market fair value shall be taken into consideration while deciding on transaction conditions and trading prices. An analysis report shall be submitted to the general</p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>the general manager. Approved by the general manager and should be reported to the latest board meeting after the event; if the amount exceeds NT\$ 100,000, it must be submitted for approval by the board of directors.</p> <p>2. For acquisition or disposition of intangible assets or their right-of-use assets, one should refer to the expert evaluation report or the fair market price, decide the transaction conditions and transaction price, and prepare an analysis report for submission. Approval should be submitted to the latest board meeting after the event; for those exceeding NT\$50,000,000, it must be submitted for approval by the board of directors.</p> <p>3. Where the Company's acquisition or disposal of assets requires the approval of the Board of Directors in accordance with the Procedures or the Applicable Listing Rules, if a Director states his objection in record or in writing, the Company shall submit such information to the Audit Committee of the Company. When a transaction of acquisition or disposal of assets is submitted for the Board of Directors in accordance with regulations, the comments of the Independent Directors shall be fully considered and the concurring or objecting position of the Independent Directors shall be clearly indicated in the meeting minutes, including any reason for objection.</p>	<p>manager. For transaction amounts lower than 1% of the Company's paid-in capital or less than NT\$3 million, approval from the general manager is required and shall be reported to the most recent Board meeting. For transaction exceeding NT\$ 3 million, approval from the Board shall be obtained prior to executions.</p> <p>2. The acquisition or disposal of intangible assets or right-of-use assets shall refer to the expert assessment report or the fair value of the market. The analysis of the trading conditions and the transaction price shall be submitted. The amount less than NT\$50 million shall be submitted to the Chairman for approval and shall be reported to the most recent Board meeting. For transaction exceeding NT\$ 50 million, approval from the Board shall be obtained prior to executions.</p> <p>3. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. When the Company has established the position of independent director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each independent director's opinions. The independent directors' specific opinions of assent or</p>	

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
	dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.	
<p>Article 10: Procedures for Acquisition and Disposal of Intangible Assets or Right-of-Use Assets thereof or Membership Cards</p> <p>IV. The evaluation report by professionals towards intangible assets or related right-of-use assets or membership cards. When the Company's acquisition or disposal of intangible assets or the right-of-use thereof, or membership exceeds 20% of the Company's paid-in-capital or NT\$ 3 billion, unless the transaction is conducted with domestic government bodies, the Company shall engage a certified public accountant to render an opinion on the reasonableness of the transaction price prior to the date of event. For the Company's acquisition or disposal of assets through court auction procedures, the evidentiary documentation issued by the court may be used in place of the appraisal report or CPA opinion.</p>	<p>Article 10: Procedure Governing the Acquisition or Disposal of intangible assets or right-of-use assets, or Memberships</p> <p>IV. Expert assessment report for intangible assets or right-of-use assets, or memberships</p> <p>1. Professional appraisal institutes shall be invited to issue appraisal reports before any acquisition or disposal of memberships when the transaction amount is more than 1% of the paid-in capital or NT\$3 million.</p> <p>2. Professional appraisal institutes shall be invited to issue appraisal reports before any acquisition or disposal of intangible assets or right-of-use assets when the transaction amount is more than 10% of the paid-in capital or NT\$20 million.</p> <p>3. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	The amendment is in accordance with the laws and regulations.
Article 10-1: The calculation of the transaction amount established in Articles 7, 8 and 10 in these Rules shall be compliant with Paragraphs 1	Article 10-1: The calculation of the transaction amounts referred to in Article 7, Article 8, and Article 10 shall be done in accordance with Article 14,	Amendment No.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
Subparagraph 8 and the “within a year” mentioned refers to a period of one year calculated retroactively from the date of event of the transaction. Items for which a professional appraiser has issued the appraisal report or a certified public accountant has issued an opinion in accordance with the Procedures are exempted from inclusion in the calculation.	paragraph I, subparagraph V herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	
<p>Article 12:Procedures for Acquisition and Disposal of Derivative Products</p> <p>I.Trading principles and policies</p> <p>(III) Division of powers</p> <p>C. Where the Company's acquisition or disposal of assets requires the approval of the Board of Directors in accordance with the Procedures or the Applicable Listing Rules, if a Director states his objection in record or in writing, the Company shall submit such information to the Audit Committee of the Company. When reporting the acquisition or disposal of assets is submitted for the Board of Directors in accordance with regulations, the comments of the Independent Directors shall be fully considered and the concurring or objecting position of the Independent Directors shall be clearly indicated in the meeting minutes, including any reason for objection.</p> <p>A material asset or derivatives transaction shall be approved by more than half of all members of the Audit Committee and a resolution of the Board of Directors shall be proposed. If approval of more than half of all audit committee members as required in Paragraph 1 is not obtained, the Procedures may be</p>	<p>Article 12:Procedure for Acquisition or Disposal of Derivatives</p> <p>I.Trading principles and strategies</p> <p>(III)Segregation of duties</p> <p>C. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor and Independent Director. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Securities Exchange Act, major assets or derivatives trading shall be approved by more than half</p>	The amendment is in accordance with the establishment of Audit Committee.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.</p> <p>“All audit committee members” and “all Directors” mentioned in the preceding paragraph refer to the actual number of persons currently holding those positions.</p>	<p>of all audit committee members and submitted to the Board for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p>	
<p>Article 12: Procedures for Acquisition and Disposal of Derivative Products</p> <p>III. Internal Audit System</p> <p>(I) Internal auditors should regularly understand the adequacy of the internal control of derivative commodity transactions, check the compliance of the transaction department with this procedure on a monthly basis, and prepare an audit report. If a major violation is found, the audit committee should be notified in writing</p>	<p>Article 12: Procedure for Acquisition or Disposal of Derivatives</p> <p>III. Internal audit system.</p> <p>(I) The Company's internal auditors shall determine the suitability of the internal controls on trading of derivative products and conduct monthly audits of the trading department's procedural compliance in its handling procedure to engage in the transaction of derivative products, analyze the trading cycle and prepare audit reports. If any material violation is discovered, each supervisor and independent director shall be notified in written form.</p> <p>Where an Audit Committee has been established in accordance with the provisions of the Act, the provisions of paragraph 2 related to supervisors shall apply to the audit committee.</p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>
<p>Article 14: Information Disclosure Procedures</p> <p>I. Circumstances and conditions required to be announced or reported</p> <p>(VII) Transactions other than the preceding 6 items, disposal of creditor's rights by financial institutions or mainland China area investment, where the transaction amount reaches 20% of the Company's paid-in capital</p>	<p>Article 14: Public Disclosure of Information</p> <p>I. Criteria for Items to be announced and the reported</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, disposal of receivables by a financial institution, or an investment in the Mainland China area reaches 20 percent or more of paid-in</p>	<p>The amendment is in accordance with the laws and regulations.</p>



Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
or exceeds NT\$ 300 million. However, the following circumstances are not subject to the restrictions: 1.Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan. 2.Trading of RP/RS bonds or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.	capital or NT\$300 million. Provided, this shall not apply to the following circumstances: 1.Trading of domestic government bonds. 2.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.	
Article 17: Deleted.	Article 17: If the Company has set up an audit committee, the provisions of Article 7, Article 9, and Article 18 of these Procedures, on supervisors, shall be applied on the audit committee. Article 9, paragraph 3, subparagraph 5, second point shall be applied to the independent director of the audit committee.	The amendment is in accordance with the establishment of Audit Committee.
Article 18: Implementation and Revision The formulation and amendments to the Company's "Procedures for Acquisition and Disposal of Assets" shall be first agreed upon by the Audit Committee, approved by the Board of Directors, then submitted to the shareholders' meeting for approval. Where a Director has an adverse opinion on record or in a written declaration, the Company shall refer to the matter to the shareholders' meeting for discussion. In addition, if the Company has established Independent Directors, when submitting the "Procedures for Acquisition and Disposal of Assets" to the Board of Directors for discussion, the opinions of the Independent Directors should be fully	Article 18: Implementation and Amendment After the Company's "Procedures for Acquisition and Disposal of Assets" have been approved by the board of directors, they shall be submitted to each supervisor, and then to the shareholders meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor. Where the Company has established the position of independent director, when the "Procedures for Acquisition and Disposal of Assets" is submitted for discussion by the board of directors pursuant to this paragraph, the board of directors	The amendment is in accordance with the establishment of Audit Committee.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>considered.</p> <p>Where an Audit Committee has been established, the matters that are to be submitted to the Board of Directors for approval, shall be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members as required in Paragraph 1 is not obtained, the Procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.</p>	<p>shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established, when the procedures are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the Board of directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p>	

[Attachment X]

**Wayi International Digital Entertainment Co., Ltd., Comparison table for the “Procedures for Loaning of Funds and Making of Endorsements/Guarantees” before and after revision**

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>Article 5. Operating Procedures for Loaning of Funds to Others</p> <p>III.Scope of delegated authority</p> <p>In conducting the Company's loaning applications, the Financial Department shall carry out a credit investigation first before submitting to the General Manager and the Board of Directors for resolution approval.</p> <p>Financing between the Company and its subsidiaries or between subsidiaries shall be submitted to the Board of Directors for a resolution in accordance with the preceding provision. The Chairman may be authorized to finance a specific borrower within a certain monetary amount resolved by the Board and within a period not exceeding 1 year by loans in installments or a revolving credit line.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 2, paragraph 4.</p>	<p>Article 5. Operating Procedures for Loaning of Funds to Others</p> <p>III.Scope of delegated authority</p> <p>In conducting the Company's loaning applications, the Financial Department shall carry out a credit investigation first before submitting to the General Manager and the Board of Directors for resolution approval.</p> <p>Financing between the Company and its subsidiaries or between subsidiaries shall be submitted to the Board of Directors for a resolution in accordance with the preceding provision. The Chairman may be authorized to finance a specific borrower within a certain monetary amount resolved by the Board and within a period not exceeding 1 year by loans in installments or a revolving credit line.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 2, paragraph 4.</p> <p><u>According to the Procedures for Loaning of Funds and Making of Endorsements/Guarantees, the Company's acquisition or disposal of assets shall be approved by the Board. If a Director expresses objection with records or written statements, the Company shall submit information regarding the</u></p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The content is renumbered as Article 15.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
	<p><u>Director's objection to Supervisors. Besides, if the Company has set up Independent Directors when submitting the Procedures for Loaning Funds to Others for discussion by the Board of Directors under the preceding paragraph. The Board of Directors shall take into full consideration of each Independent Director's opinion; the Independent Directors' specific opinions of assent or qualified opinion shall be included in the minutes of the Board meeting.</u></p> <p><u>If the Company has set up an Audit Committee, the provisions of the preceding paragraph shall not apply. When formulating or amending the procedures of loaning funds to others, it shall have the approval of more than one-half of all members of the Audit Committee and submitted the proposals to the Board of Directors for resolution.</u></p> <p><u>If the procedure failed to have the approval of more than half of all Audit Committee members as required in the preceding paragraph, the procedure may be implemented with the approval of more than two-thirds of all Directors. And the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</u></p> <p><u>The terms "Audit Committee members" and "all Directors" as stated herein shall be counted as the actual number of persons currently holding those positions.</u></p>	
<p>Article 7. Follow-up Control Measures of Funds Lent and Collection Procedure of Overdue Loans</p> <p>I. After the loans are allocated, the Company shall pay attention</p>	<p>Article 7. Follow-up Control Measures of Funds Lent and Collection Procedure of Overdue Loans</p> <p>After the loan is granted, attention should be paid to the</p>	<p>The amendment is in accordance with the establishment of Audit Committee</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>to the finance, business, and related credit status of the borrower and guarantor. Where collateral is provided, it shall pay attention to changes in the value of the collateral. In the event of material changes, it shall immediately report to the General Manager and follow instructions for handling the matter.</p> <p>II. Borrowers shall immediately repay the principal and interest on the expiry date of each loan. Where the loan cannot be repaid upon expiry, the borrower shall file a request in advance and the loan may be extended with the approval of the Board of Directors.</p> <p>III. The Borrower shall repay the principal together with the accrued interest immediately when the loan matures. The Company may act on or claim against the collateral or guarantor provided by the borrower for any violation thereof.</p> <p>IV. If due to a change of circumstances of the Company, the borrower becomes non-conforming with the Procedures or if the outstanding balance of the loan exceeds the limit required thereof, an improvement plan shall be adopted and submitted to the Audit Committee of the Company. The improvement plan shall be executed in accordance with the timeline specified therein.</p>	<p>financial, business and related credit status of the borrower and guarantor. If there is collateral provided, attention should be paid to the changes in the guaranteed value. In case of major changes, the Chairman should be notified immediately and handled appropriately in accordance with the instructions. Whereas a result of changes of condition the entity no longer meets the requirements of the Procedures, or the balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the Supervisors and Independent Directors and shall complete the rectification according to the time-frame set out in the plan.</p> <p>For loan repayments at or before the expiration of the loan duration, the interest receivable shall be calculated first. Once the interest and the principal of the loan have both been fully repaid, the loan check shall be canceled and returned to the borrower, or any relevant mortgage shall be canceled. When the loan matures, the borrower shall repay the principal and interest immediately. Where the loan cannot be repaid upon expiry, the borrower shall file a request in advance and the loan may be extended with the approval of the Board of Directors. The extension of each loan shall not exceed 6 months and only one extension may be granted. In the case of a violation, the Company may take actions in accordance with applicable laws to seek compensation from the collateral or guarantors provided by the borrower.</p>	<p>and the practical needs.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>Article 8. Operational Procedures for Endorsements/Guarantees</p> <p>II. Authorization Level</p> <p>(I) The Company should only obtain the approval of the Board of Directors before conducting the endorsement/guarantee. The Board of Directors may authorize the Chairman to make a decision within a certain amount, and then report to the Board of Directors for ratification.</p> <p>(II) Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, it shall obtain approval from the Board of Directors and half or more of the Directors shall act as joint guarantors. It shall also amend the amount of endorsement guarantee in the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact.</p>	<p>Article 8. Operational Procedures for Endorsements/Guarantees</p> <p>II. Authorization Level</p> <p>(I) The Company should only obtain the approval of the Board of Directors before conducting the endorsement/guarantee. The Board of Directors may authorize the Chairman to make a decision within a certain amount, and then report to the Board of Directors for ratification, <u>and report the relevant situations to the shareholders' meeting for ratification.</u></p> <p>(II) Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, it shall obtain approval from the Board of Directors and half or more of the Directors shall act as joint guarantors. It shall also amend the amount of endorsement guarantee in the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact.</p> <p><u>(III) As for the Company's endorsements/guarantees according to the prescribed processing procedures or other legal requirements that should be approved by the Board of Directors, if Directors have objections and have records or written statements, the Company should also send the Directors' dissenting opinion to Supervisors for discussion. Besides, if the Company has set up Independent Directors when submitting the Operational Procedures for Endorsements/Guarantees for</u></p>	<p>The amendment is in accordance with the laws and regulations.</p> <p>The content is renumbered as Article 15.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
	<p><u>discussion by the Board of Directors under the regulation. The Board of Directors shall take into full consideration of each Independent Director's opinion; the Independent Directors' specific opinions of assent or qualified opinion shall be included in the minutes of the Board meeting.</u></p> <p><u>Where an Audit Committee has established by the Company, when the Operational Procedures for Endorsements/Guarantees are adopted or amended, shall be subject to mutatis mutandis application of Article 5, paragraph 3, subparagraphs 5 to 7.</u></p>	
<p>Article 8. Operational Procedures for Endorsements/Guarantees</p> <p>III. The review procedures, including:</p> <p>(I) Conducting the credit investigation and risk assessment of the entity for which the endorsement/guarantee is made and prepare assessment records, if necessary, obtain collateral to ensure the Company's safety.</p> <p>(II) <u>The company shall use the company seal applied for registration with the Ministry of Economic Affairs as the special seal for endorsement and guarantee purpose. The seal shall be kept by a dedicated person and through certain procedures, the seal can be used to stamp or issue documents/bills/notes.</u></p> <p>(III) The financial unit of the Company shall record the details of the subject of the endorsement/guarantee, the name of the party for whom the endorsement/guarantee was made, the result of the risk evaluation, the amount of the</p>	<p>Article 8. Operational Procedures for Endorsements/Guarantees</p> <p>III. The review procedures, including:</p> <p>(I) Conducting the credit investigation and risk assessment of the entity for which the endorsement/guarantee is made and prepare assessment records, if necessary, obtain collateral to ensure the Company's safety.</p> <p>(II) <u>The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. A designated person is assigned to keep the Company's official seal and check. It requires to go through specific procedures to obtain the Company's official seal or sign and issue check. The designated person in custody of the chop shall be approved by the Board; the same shall apply to any changes.</u></p> <p>(III) The accounting unit of the Company shall record the details of the subject of the</p>	<p>The amendment is in accordance with the establishment of Audit Committee and the practical needs.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>endorsement/guarantee, the content of the Collateral, and the condition and date for discharging the obligation of the endorser and/or guarantor for future reference.</p> <p>(IV) The <u>financial</u> unit of the Company shall evaluate and identify the contingency loss from the endorsement/guarantee. It shall also disclose information regarding the endorsement/guarantee in the financial statements and provide CPAs the required information in verifying and assessing the endorsement/guarantee risk and its necessity item by item.</p> <p>(V)<u>Due to changes in circumstances in which the loan does not meet the requirements of this standard or the lending balance exceeds the limit, the Audit Committee shall request the finance department to set a time limit to recover the loan and submit the improvement plan to the independent director of the Audit Committee in order to complete the improvement according to the planned schedule.</u></p> <p>(VI) Where a subsidiary of the Company intends to provide endorsements or guarantees to others, the Company shall take into consideration its relevant procedures and make public announcements, filing, and submission with the Procedures.</p> <p>(VII)When the Company or subsidiaries serve as endorsement or guarantee for a subsidiary with a net value of less than one half its paid-in capital, besides the provisions of the aforementioned subparagraph. The Company's internal auditors shall audit the Procedures and the</p>	<p>endorsement/guarantee, the name of the party for whom the endorsement/guarantee was made, the result of the risk evaluation, the amount of the endorsement/guarantee, the content of the Collateral, and the condition and date for discharging the obligation of the endorser and/or guarantor for future reference.</p> <p>(IV) The <u>accounting</u> unit of the Company shall evaluate and identify the contingency loss from the endorsement/guarantee. It shall also disclose information regarding the endorsement/guarantee in the financial statements and provide CPAs the required information in verifying and assessing the endorsement/guarantee risk and its necessity item by item.</p> <p>(V)<u>If the party for whom the Company makes the endorsement/guarantee later becomes unqualified under Article 4, or the endorsement/guarantee amount exceeds the limit under the Procedures due to the change of the calculation basis, the company shall discharge the endorsement/guarantee amount or the amount in excess on the date the agreement term expires or within a designated period pursuant to an internal plan. The above timeframe shall be reported to the Board of Directors.</u></p> <p>(VI) Where a subsidiary of the Company intends to provide endorsements or guarantees to others, the Company shall take into consideration its relevant procedures and make public announcements, filing, and submission with the Procedures.</p> <p>(VII)When the Company or</p>	



Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
<p>implementation thereof no less frequently than quarterly and prepare written records accordingly. <u>They shall promptly notify the Audit Committee in writing of any material violation found if any.</u></p> <p>In the case of a subsidiary with shares having no par value or a par value other than NT\$ 10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p> <p>In the case of a subsidiary with shares having no par value or a par value other than NT\$ 10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	<p>subsidiaries serve as endorsement or guarantee for a subsidiary with a net value of less than one half its paid-in capital, besides the provisions of the aforementioned subparagraph. The Company's internal auditors shall audit the Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. <u>They shall promptly notify each Supervisor and all Independent Directors in writing of any material violation found if any.</u></p> <p>In the case of a subsidiary with shares having no par value or a par value other than NT\$ 10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p> <p>In the case of a subsidiary with shares having no par value or a par value other than NT\$ 10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	
<p>Article 9. The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters carefully evaluated matters according to the regulations.</p> <p>The Company's internal auditors shall audit the operation procedures of loaning funds to others and the implementation thereof no less frequently than</p>	<p>Article 9. The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters carefully evaluated matters according to the regulations.</p> <p>The Company's internal auditors shall audit the operation procedures of loaning funds to others and the implementation thereof no less frequently than</p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
quarterly and prepare written records accordingly. <u>They shall promptly notify the Audit Committee in writing of any material violation found, if any.</u>	quarterly and prepare written records accordingly. <u>They shall promptly notify all the supervisors and Independent Directors in writing of any material violation found, if any.</u>	
<p>Article 10. The Company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the Chairman of the Board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under the preceding article, paragraph 1.</p> <p>The internal auditor of the Company shall audit the execution status of the procedures of endorsement and guarantee at least quarterly, and prepare written record accordingly. <u>They shall promptly notify the Audit Committee in writing of any material violation found.</u></p>	<p>Article 10. The Company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the Chairman of the Board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under the preceding article, paragraph 1.</p> <p>The internal auditor of the Company shall audit the execution status of the procedures of endorsement and guarantee at least quarterly, and prepare written record accordingly. <u>They shall immediately give written notice to all supervisors, and at the same time, to the independent directors of any material violation found.</u></p>	The amendment is in accordance with the establishment of Audit Committee.
Article 12-1. Deleted.	<p>Article 12-1. Where the Company has established the position of Independent Director, and the matters notified to Supervisors pursuant to Article 9, paragraph 2 or Article 10, paragraph 2 of the processing standards shall be notified to the Independent Directors in writing; the rectification plan notified to Supervisors pursuant to Article 7 or 8 shall be sent to the Independent Directors.</p> <p>Where the Company has established an Audit Committee, the provisions of Articles 7, 8, 9,</p>	The amendment is in accordance with the establishment of Audit Committee.

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
	and 10 regarding Supervisors shall apply mutatis mutandis to the Audit Committee.	
<p>Article 15. Implementation and amendment</p> <p>I. The Procedures shall be implemented after having been approved by the board of directors, and reported to the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner. Where a Director has an adverse opinion on record or in a written declaration, the Company shall refer to the matter to the shareholders' meeting for discussion.</p> <p>II. Where Independent Directors have been established, the opinions of each Independent Director shall be taken into full consideration when a matter is submitted to the Board of Directors for discussion. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</p> <p>III. Where an Audit Committee has been established, the matters that are to be submitted to the Board of Directors for approval, shall be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution.</p> <p>IV. If approval of more than half of all audit committee members as required is not obtained, the Procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.</p> <p>V. "All audit committee</p>	<p>Article 15. Implementation and amendment</p> <p>After the Company's Procedures for Loaning of Funds and Making of Endorsements/Guarantees have been approved by the Board of Directors, they shall be submitted to each Supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. Besides, if the Company has set up independent directors when submitting the Procedures for Loaning of Funds and Making of Endorsements/Guarantees for discussion by the Board of Directors under the preceding paragraph. The Board of Directors shall take into full consideration of each Independent Director's opinion; the Independent Directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the Board meeting.</p>	<p>The amendment is in accordance with the establishment of Audit Committee.</p>

Amended articles	Articles before amendment	Foundation and Reasons for the Amendment
members” mentioned in Paragraph 3 and “all Directors” mentioned in the preceding paragraph refer to the actual number of persons currently holding those positions.		

[Attachment XI]

The nominated Directors (including Independent Directors)

Position	Name	Education	Experience	Current position	Shareholdings
Director	Account No.:56927 Given Business Inc.	Not applicable	Not applicable	None	3,948,480
	Representative Chang Hsieh-chien	Executive Master of Business Administration, National Taipei University	Chairman of Wayi International Digital Entertainment Co., Ltd.	Director of Wayi Softmagic Investment (Asia) Ltd. Director of Wayi Softmagic Investment (Cayman) Ltd. Chairman of DIT Startup Co., Ltd. Chairman of Hongxin Multi-media Co., Ltd. Director of Bonus Winner Online Entertainment Co., Ltd.	0
Director	Account No.:56927 Given Business Inc.	Not applicable	Not applicable	None	3,948,480
	Representative Wu Ai-yun	Department of Accounting, Ming Chuan University	Director of Wayi International Digital Entertainment Co., Ltd.	Supervisor of Pioneer Media Social Enterprise Co., Ltd. Supervisor of Bonus Winner Online Entertainment Co., Ltd. Supervisor of JFI Games Inc. Director of Soft-World International Corporation.	68,886
Director	Account No.:59214 Wanin International Co.,	Not applicable	Not applicable	Director of Gamania Digital Entertainment Co., Ltd.	5,952,000

Position	Name	Education	Experience	Current position	Shareholdings
	Ltd.			Director of Bonus Winner Online Entertainment Co., Ltd.	
	Representative Shi Shu-kai	Institute of Business Administration, National Yunlin University of Science and Technology	Chief Operating Officer, Wanin International Co., Ltd. Deputy Manager, Gamania Digital Entertainment Co., Ltd.	Director of Bonus Winner Online Entertainment Co., Ltd.	0
Director	Lin Wen-peng	Department of Law, National Taiwan University	Lawyer of Giant Era International Law Office.	Lawyer of Giant Era International Law Office. Director of Formosa Oilseed Processing Co., Ltd. Director of UNI Air Co., Ltd.	0
Independent Director	Hsiao Feng-hsiung	Ph.D. In Economics, Chinese Culture University	Dean, College of Business, Taking University Vice Chairman, The Council for Economic Planning and Development	Honorary Professor of Tamkang University. Independent Director of CMC Magnetics co., Ltd. Independent Director of EastTech Holding Limited, Co. Ltd. Independent Director of Transtouch Technology Inc. Supervisor of China Town Co., Ltd.	0
Independent Director	Liang Mu-chun	University of San Francisco Master of Public Administration	Chairman of Big Tom International Co., Ltd. Director of Taiyen Biotech Co., Ltd.	Chairman of Big Tom International Co., Ltd.	0

Position	Name	Education	Experience	Current position	Shareholdings
			Chairman of Taiyen (Xiamen) Import and Export Co., Ltd.		
Independent Director	Gao Li-han	Ph.D., Institute of Technology Management, National Chiao Tung University	Associate Professor and Dean, Department of Accounting, Soochow University	Associate Professor and Dean, Department of Accounting, Soochow University Secretary General, Chinese Association of Valuation Evaluation Standards Committee, Accounting Research and Development Foundation	0

[Attachment XII] Details on Release of Prohibition on New Directors and Representative from Participation in Competitive Business

Position	Name	Details on Release of Prohibition from Participation in Competitive Business
Director	Given Business Inc. Representative Chang Hsieh-chien	Director of Wayi Softmagic Investment (Asia) Ltd. Director of Wayi Softmagic Investment (Cayman) Ltd. Chairman of DIT Startup Co., Ltd. Chairman of Hongxin Multi-media Co., Ltd. Director of Bonus Winner Online Entertainment Co., Ltd.
Director	Given Business Inc. Representative Wu Ai-yun	Supervisor of Pioneer Media Social Enterprise Co., Ltd. Supervisor of Bonus Winner Online Entertainment Co., Ltd. Supervisor of JFI Games Inc. Director of Soft-World International Corporation.
Director	Wanin International Co., Ltd.	Director of Gamania Digital Entertainment Co., Ltd. Director of Bonus Winner Online Entertainment Co., Ltd.
Director	Wanin International Co., Ltd. Representative Shi Shu-kai	Director of Bonus Winner Online Entertainment Co., Ltd.
Director	Lin Wen-peng	Lawyer of Giant Era International Law Office. Director of Formosa Oilseed Processing Co., Ltd. Director of UNI Air Co., Ltd.
Independent Director	Hsiao Feng-hsiung	Honorary Professor of Tamkang University. Independent Director of CMC Magnetics co., Ltd. Independent Director of EastTech Holding Limited, Co. Ltd. Independent Director of Transtouch Technology Inc. Supervisor of China Town Co., Ltd.
Independent Director	Liang Mu-chun	Chairman of Big Tom International Co., Ltd.
Independent Director	Gao Li-han	Associate Professor and Dean, Department of Accounting, Soochow University Secretary General, Chinese Association of Valuation Evaluation Standards Committee, Accounting Research and Development Foundation



[Appendix I]

**Articles of Incorporation, Wayi International Digital Entertainment Co., Ltd.**

Chapter 1 General Provisions

- Article 1: The Company was established in accordance with the Company Act. and named it Wayi International Digital Entertainment Co., Ltd.
- Article 2: The Company's scope of business is as follows:
1. CC01110 Computers and Computer Peripheral Equipment Manufacturing Industry.
  2. F109070 Wholesale of Cultural, Musical Instruments, and Recreational Goods.
  3. F113020 Wholesale of Electrical Appliance.
  4. F113050 Wholesale of Computing and Business Machinery Equipment.
  5. F118010 Wholesale of Computer Software.
  6. F209060 Retail sale Cultural, Musical Instruments, and Recreational Goods.
  7. F213010 Retail Sale of Electrical Appliance.
  8. F213030 Retail Sale of Computing and Business Machinery Equipment.
  9. F218010 Retail Sale of Computer Software.
  10. F401010 International trade.
  11. I103060 Management Consulting Services.
  12. I301010 Software Design Services.
  13. I301020 Data Processing Services
  14. I301030 Digital Information Supply Services.
  15. I401010 General Advertising Services.
  16. J303010 Magazine and Periodical Publication.
  17. J304010 Book Publishers.
  18. J305010 Audio Tape and Record Publishers.
  19. J602010 Agents and Managers for Performing Arts, Entertainers, and Models.
  20. J701040 Recreational Activities grounds and Facilities.
  21. JE01010 Rental and Leasing Business.
  22. JZ99050 Agency Services.
  23. J399010 Software Publication.
  24. ZZ99999 Business items not prohibited or restricted by law, besides those requiring special approval.
- Article 3: The Company may provide external guarantees.
- Article 4: The Company set up its headquarters in Taipei City. When necessary, it may set up branch offices domestically or abroad with a resolution by the Board.

Article 5: The total amount of the Company's investment abroad may exceed 40 percent of the paid-in capital. The Board is authorized to implement.

## Chapter 2 Shares

Article 6: The Company's capital to set to be NT\$1.6 billion, which is divided into 160 million shares. Each share is NT\$10, and the Board is authorized to issue in installments.

NT\$160 million shares of the capital in the preceding paragraph are reserved for the issuance of employee stock warrants, which may be issued in installments by a resolution of the Board.

Article 6-1: The Company legally repurchased the shares from the transfer counterparties, issued employee stock option certificate, counterparties who are entitled to new restricted employee shares, and the counterparties who have the right of subscribing newly issued shares may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

The Board shall be authorized to resolve the requirements and distribution methods

Article 7: All of the shares issued by the Company shall be name-bearing and signed or sealed by at least three of the Company's directors. Shares may be issued in accordance with the laws by the competent authority or the competent authority's approved share-issuing institution after the shares are certified.

The Company may be exempted from printing any share certificate for the shares issued but shall appoint a centralized securities custody institution to make registration of such shares.

Article 8: Registration of share transfers shall be subject to the provisions of Article 165 of the Company Act.

## Chapter 3 Shareholders Meeting

Article 9: Shareholders meetings are divided in two types: annual shareholders' meetings and special shareholders' meetings. An annual shareholders general meeting shall be called by the Board once a year within six months after the closing of each fiscal year. The special meeting shall be convened in accordance with the laws when necessary.

Article 10: Shareholders' attendance to the shareholders meeting shall be conducted in accordance with the requirements provided in the "Regulations Governing the Use of Proxies for Attendance at shareholder meetings of Public Companies."

Article 11: Each shareholder of the Company shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under Article 179 of the Company Act.

Article 12: Unless otherwise stated in relevant laws and regulations, resolutions of shareholders meeting shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of the total number of issued shares.

At the time of voting, if the shareholders don't object when the chairman inquires, it shall be deemed as passed and its validity shall be the same as the voting.

Article 13: When a shareholders meeting is convened by the Board, the meeting shall be chaired by the Chairman. In case the Chairman is on leave, the Chairman shall appoint one of the directors to

act as the chairman, or where the Chairman has not been elected, the directors shall elect one person from among themselves to serve as chairman. When the meeting is called by a person outside of the Board, the convener shall preside as the chairman, and when there are two or more conveners, a person among them shall be elected to preside as the chairman.

Article 14: Resolutions made during the shareholders meeting shall be recorded in the meeting minutes, which shall be in accordance with Article 183 of the Company Act.

#### Chapter 4 Director and Supervisor

- Article 15: The Company shall appoint 5 to 9 directors and 2 supervisors for a term of three years. The Company's election of Directors and Supervisors follows the candidate nomination system in accordance with Article 192-1 of the Company Act. The shareholders shall elect directors from the list of director candidates, who may be re-elected for consecutive terms. The Company may purchase liability insurance for directors and supervisors, after being elected, by the resolution of the Board. The total shareholding percentage of all directors and supervisors shall be determined by regulations of the competent authority of securities. In cooperation with Article 14-2 of the Securities and Exchange Act, there shall be at least two independent directors and not less than one-fifth of the total number of directors seats. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held nomination and method of nomination and other matters for compliance with respect to independent directors shall be in compliance with the competent authorities.
- Article 16: When the number of directors falls short by one-third of the total number or all supervisors have been dismissed, the Board shall call a special shareholders meeting within 60 days from the date of occurrence to carry out a by-election to fill the vacancies.
- Article 17: The Board shall consist of the directors and the Chairman shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The Chairman shall represent the Company externally. The Chairman shall carry out all matters of the Company in accordance with the statutory regulations and the resolutions of the Board and the shareholders meeting.
- Article 18: In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, his/her representative shall be selected according to Article 208 of the Company Act. A director who cannot attend a meeting in person may issue a proxy form to appoint another director to attend the meeting in his or her place, provided that a director may represent only one other director at a meeting.
- In calling a board meeting, a notice shall be sent to each director and supervisor no later than 7 days before the scheduled date. However, in the case of an emergency, the meeting may be convened at any time. In calling a meeting of the Board, a notice setting forth can be in the form of writing, e-mail, or fax.
- A board meeting may be held via video conference. The directors attend the Board meeting via video conference shall be deemed to have attended in person.
- Article 19: Unless otherwise provided by the Company Act, a resolution of the Board shall be adopted by the consent of half of the Directors in attendance at the meeting where half of the total number of directors presents.
- Article 20: If the directors of the Company concurrently hold other positions in the Company, the shareholders meeting shall authorize the Board to determine the remuneration according to the internal management rules of the Company.
- Article 21: When the directors and supervisors of the Company perform the duties of the Company, regardless of whether the Company makes a profit or loss, the Company may compensate the directors and supervisors and authorize the Board to set a compensation standard based on the degree of their participation in and contribution to the operations of the Company at a rate consistent with general practices in the industry. If the Company has made a profit, compensations are distributed pursuant to Article 25. -

## Chapter 5 Managerial Officer

- Article 22: The Company may have managerial officers. Appointment, dismissal, and compensation of the managerial officers shall be decided in accordance with Article 29 of the Company Act.
- Article 23: The manager mentioned in the preceding article shall not concurrently act as the manager of other for-profit businesses, nor shall he engage in the operation of the same kind of business for himself/herself or for others, except for the consent of more than half of the directors.

## Chapter 6 Accounting

- Article 24: At the close of each fiscal year, the Board shall prepare the following statements and records and shall forward the same to supervisors for their auditing no later than the 30th day prior to the meeting date of an annual shareholders meeting, in which adoptions of the same shall be made:

Business Report.

Financial Statements.

Proposal of distribution of profits or offsetting losses.

- Article 25: If the Company has gained profits, it shall be distributed according to the resolution of the Board, in the following percentages, and report to the shareholders meeting:

I. The compensation for directors and supervisors shall be no more than three percent.

II. Employees' remuneration shall not be less than 1%, which shall be distributed in stock or cash by the resolution of the board of directors. The counterparties shall include the employees of the controlling or subordinate companies that meet certain criteria, and the board of directors are authorized to set the said criteria.

However, in case of the accumulated losses, certain profits shall first be reserved to cover them. The compensations for employees, Directors, and Supervisors shall be then allocated according to the ratio mentioned in the preceding paragraph.

The profits mentioned above refers to income before tax minus the income before allocating the compensation of employees, directors, and supervisors.

Any profit after the annual closing of the books, the Company shall first pay tax to offset deficits before contributing ten percent of legal reserves. If the legal reserves have reached the total paid-in capital, allocations can be exempted. The Company based on its operational needs or special reserves set aside in accordance with applicable laws or reversal of special reserves. If there is still a balance and the accumulated retained earnings, the Board shall plan the disposition of profits and submit to the shareholders meeting to resolve the distribution of dividends to shareholders.

The Company's dividend policy adopts the principle of stability and balance. After taking into the account of factors such as profitability, financial structure and future development of the Company, the shareholders' dividends shall be distributed in the form of cash dividends and stock dividends. The cash dividends are not less than ten percent of the total shareholder dividends for the year, but the Board may adjust the ratio according to the overall operating conditions at the time and submit to the shareholders meeting for resolution.

Article 25-1: The Company may authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a Board meeting attended by two-thirds of the total number of Directors, and in addition, a report of such distribution shall be submitted to the recent shareholders' meeting.

Article 25-2: Where the Company incurs no loss, the Company may authorize the distribution of the legal reserve (the portion that exceeds 25% of the paid-in capital) and the capital reserve, meeting the requirements set forth under the Company Act, in whole or in part to be paid in cash, by a majority vote at a Board meeting attended by two-thirds of the total number of Directors; and a report of such distribution shall be submitted to the recent shareholders' meeting.

#### Chapter 7 Supplementary Provisions

Article 26: Matters not specified in these Articles shall be conducted in compliance with the Company Act.

Article 27: The Articles of Incorporation was established on July 27, 1993.

The 1st amendment was made on Jul. 15th, 1993.

The 2nd amendment was made on Aug. 29th, 1994.

The 3rd amendment was made on Jun. 10th, 1996.

The 4th amendment was made on Jun. 30th, 1997.

The 5th amendment was made on Oct. 22nd, 1999.

The 6th amendment was made on Mar. 31st, 2000.

The 7th amendment was made on May 26th, 2000.

The 8th amendment was made on Apr. 30th, 2001.

The 9th amendment was made on Dec. 11th, 2001.

The 10th amendment was made on Jun. 4th, 2002.

The 11th amendment was made on Dec. 24th, 2002.

The 12th amendment was made on May 26th, 2003.

The 13th amendment was made on May 26th, 2003.

The 14th amendment was made on Jun. 15th, 2004.

The 15th amendment was made on Jun. 21st, 2005.

The 16th amendment was made on Jun. 14th, 2006.

The 17th amendment was made on Jun. 15th, 2007.

The 18th amendment was made on Jun. 10th, 2009.

The 19th amendment was made on Jun. 9th, 2010.

The 20th amendment was made on Jun. 13rd, 2012.

The 21st amendment was made on Jun. 21st, 2013.

The 22nd amendment was made on Jun. 23rd, 2016.

The 23rd amendment was made on Jun. 21st, 2018.

The 24th amendment was made on Jun. 25th, 2019.

The 25th amendment was made on Aug. 4th, 2020.

Wayi International Digital Entertainment Co., Ltd.

Chairman: Chang Hsieh-chien

**Wayi International Digital Entertainment Co., Ltd.**

**Rules of Procedure for Shareholders Meetings**

- Article 1: Meetings of shareholders shall be acted upon in accordance with these rules.
- Article 2: The Company shall specify in its shareholders meeting notices the time during which shareholder registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- The shareholder or his/her proxy (hereafter referred to as shareholder) shall attend the Shareholders Meeting with his/her attendance card, attendance sign-in card, or other attendance documents. Solicitors soliciting letters of appointment shall also bring identification documents for verification.
- This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished.
- When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders Meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.
- Article 3: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed, and the number of shares of voting rights exercised in writing or electronically.
- Article 4: The location of shareholders meeting shall be this Company's current location or such other place that is convenient for shareholders to attend. The meeting shall not commence earlier than 9AM or later than 3PM.
- Article 5: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. If a party with the power to convene is absent, the chairman may be elected by the shareholders in the shareholders meeting.



Article 6: The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders meeting with a non-voting capacity. The staff members who take charge of the shareholders' meeting affairs shall wear identification certificates or armbands.

- Article 7: The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.
- Article 8: The Chairman shall declare the commencement of meeting at the expiration of the scheduled meeting time, and issue the number of shares without voting rights and the number of shares present. However, if more than half of the shareholders of the total number of outstanding shares are not present, the Chairman may declare a postponement of the meeting. The postponement shall not exceed two times, and the total postponement shall not exceed one hour. If after two postponements no quorum can yet be constituted, but the shareholders present at the meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act.
- When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may submit the tentative resolution for a vote to the shareholders meeting pursuant to Article 174 of the Company Act.
- Article 9: If a shareholders meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply to a shareholders meeting convened by a party with the power to convene, other than the member of the Board. Unless otherwise resolved at the shareholders' meeting, the chairman may not announce adjournment of the meeting unless the scheduled agenda items (including Questions and Motions) set forth in the preceding two provisions of this Article are concluded. After the meeting is adjourned, shareholders may not separately elect a chairman and resume the meeting at the original or another venue.
- Article 10: When a shareholder attend the meeting wishes to speak, he or she shall first fill out a speaker's card, specifying therein the major points of his or her speech, account number (or number appeared on attendance pass) and account name. The chairman shall determine the sequence of shareholders' speeches.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chairman and the shareholder who has the floor, the chairman shall stop any violation.
- Article 11: A shareholder may not speak more than twice on the same resolution without the chairman's consent, with five minutes maximum for each speech. The chairman may stop any shareholder who violates the above rules or exceeds the scope of the agenda item.
- Article 12: Any legal entity designated as a proxy by the shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting.
- When an institutional shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives appointed may speak on the same proposal.
- Article 13: The chairman may respond or designate other persons to respond after a shareholder's speech.
- Article 14: When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.
- Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the

chair, provided that all monitoring personnel shall be shareholders of the Company. The result of the voting shall be reported and made into a record.

- Article 16: During the process of the meeting, the chairman may announce a break at an appropriate time.
- Article 17: Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During voting, the chair or personnel designated by the chair shall announce the total votes for each motion one after another for the shareholders to cast their votes. Afterwards, on the same day the shareholders' meeting in concern is convened, the numbers of shareholders who have approved, objected and abstained from voting shall be uploaded to the Market Observation Post System.
- Article 18: When there is an amendment or an alternative to the same proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 19: The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
- Article 20: These rules are implemented after the resolution passed in the shareholders' meeting, and the same rules apply when amendments need to be made.

**Wayi International Digital Entertainment Co., Ltd.**  
**Procedures for Acquisition and Disposal of Assets**

Article 1: Purpose

For the purposes of protecting assets and implementing information disclosure, the Procedures for Acquisition or Disposal of Assets (the "Procedures") are established.

Article 2: Legal Basis

This Procedure is adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act") and the administrative rule of No.091000610 "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued on December 10, 2012, by the Securities and Futures Commission of the Ministry of Finance.

Article 3: Scope of Assets

- I. Securities: Including stocks, government bonds, corporate bonds, financial bonds, securities representing an interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Intangible assets: Including patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law.
- IX. Other major assets.

Article 4: Definitions

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or another person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Transaction date: The contract date of a transaction, cash day, entrusting trade date, transfer day, decision day of the Board, or another day that a transaction can be made with specific transaction objects and amounts, of which the previous will prevail. Provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.
- VIII. "Latest financial statement" refers to the disclosed financial statement that is checked or reviewed by the accountant before the Company's acquisition or disposal of assets.

Article 5: The limits on the amount invested in real property and securities for non-operating purposes

The Company and its Subsidiaries may invest in real property and securities for non-operating purpose, of which the limits on the amount are as follows:

- (I) The total amount invested in real property for non-operating purpose shall not exceed 20% of the Company's net worth shown in the Latest Financial Statements.
- (II) The total amount of investment in long-term and short-term securities shall not exceed the shareholders' equity shown in its Latest Financial Statements.
- (III) The maximum amount invested in one single security shall not exceed 40% of the shareholders' equity shown in its Latest Financial Statements.

Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- I. May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the person referred to in the preceding paragraph shall comply with the following:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical

experience, and independence.

- II. When examining a case, they shall appropriately plan and execute adequate working procedures to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the person who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate and that they have complied with applicable laws and regulations.

Article 7: Procedures Governing the Acquisition and Disposal of Real Property, Equipment or Right-of-use Assets

I. Evaluation and Operation Procedure

The acquisition or disposal of real property, equipment or rights of use assets by the Company shall follow the investment cycle under the Company's internal control system for real property, plant and equipment.

II. Procedures to determine transaction terms and degree of authority delegated

- (I) In acquiring or disposing of real property or right-of-use assets, the Company shall take publicly-announced current value, appraisal value, real transaction price of nearby real property into consideration for the transaction criteria and price. The above information shall be compiled into an analysis report and submitted to the Chairman. The amount less than NT\$20 million shall be submitted for the Chairman for approval and submitted to the most recent Board meeting. For the amount that exceeds NT\$20 million, the transaction shall not proceed unless approval from the Board has been received.
- (II) The acquisition or disposal of equipment or right-of-use assets shall be decided with one of the methods: inquiry, price comparison, bargaining, or bidding. According to the Company's authority to approve funds, the amount less than NT\$50 million shall be approved by higher levels. The amount that exceeds NT\$50 million shall be approved by the Chairman and the Board before implementation.
- (III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each Independent director's opinions. If an Independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.

If an audit committee has been established, the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the Board of directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

III. Units responsible for implementation

The acquisition or disposal of equipment or right-of-use assets shall be approved with the preceding authority to approve funds, then shall be implemented by the using department, procurement department, and related authorized and responsible departments.

IV. Appraisal report for real property, equipment, or right-of-use assets

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

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
  - 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- (V) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8: Operational Procedure for Acquisition or Disposal of Securities

I. Evaluation and Operation Procedure

Acquisition or disposal of long-term and short-term investment in long-term and short-term securities by the Company shall follow the investment cycle under the Company's internal control system.

II. Procedures to determine transaction terms and degree of authority delegated

- (I) When the securities are acquired or disposed through a securities exchange market or OTC market, the current stock or bond prices shall be used as the basis for price determination. For transactions with a value of NT\$50 million or less, the transaction should be approved by the Chairman of the

Board of Directors and subsequently submitted at the next meeting of the Board of Directors for ratification. A report shall be provided on the analysis of the profit or loss of long-term and short-term securities; for any such transaction where the value exceeds NT\$50 million, such transaction shall be approved by the Board of Directors.

- (II) When acquiring or disposing of securities which are not traded on any securities exchange market or OTC market, the Company's most recent financial statements audited or reviewed by the accountant shall be used as a reference for evaluating the transaction price, taking into account the net worth per share, profitability, and potential of future growth. For transactions with a value of NT\$50 million or less, the transaction should be approved by the Chairman of the Board of Directors and subsequently submitted at the next meeting of the Board of Directors for ratification. A report shall be provided on the analysis of the profit or losses of long-term and short-term securities; for any such transaction where the value exceeds NT\$50 million, such transaction shall be approved by the Board of Directors.

However, the acquisition or disposal of a bond fund is not subject to the amount of NT\$50 million, but the amount of a single transaction exceeding NT\$50 million shall be reported to the Board for ratification.

- (III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. Where the Company has established the position of independent director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

### III. Units responsible for implementation

When the Company invests in long-term and short-term securities, it shall be executed by the financial unit in accordance to the preceding paragraph.

### IV. Professional Appraisal

- (I) When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
- (II) For acquisition or disposal of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or certified public accountant's opinion.

### Article 9: Related Party Transactions

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the provisions of Article 7, Article 8, and Article 10 are adopted, and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or



more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10-1 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

## II. Evaluation and Operation Procedure

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board and recognized by the Supervisors:

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) With respect to the acquisition of real property or right-of-use asset thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph III, subparagraph (I) and (IV).
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of the signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 9, paragraph I.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 14, paragraph I, subparagraph V herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of directors may authorize the Chairman to decide such matters when the transaction is within NT\$50 million and have the decisions subsequently submitted to and ratified by the next Board meeting:

I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

II. Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of directors meeting.

### III. Appraisal of Reasonableness

- (I) When the Company acquires real property or right-of-use assets from related parties, the Company shall evaluate the reasonableness of the transaction costs based on the following criteria:
  - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
  - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) When the Company acquires real property from a related party and appraises the cost of the real property or right-of-use assets in accordance with paragraph III, subparagraph (I) and (II) of this Article, the Company shall also engage a CPA to confirm the appraisal and render a specific opinion.
- (IV) When the results of the Company's appraisal conducted in accordance with paragraph III, subparagraph (I) and (II) of this Article are uniformly lower than the transaction price, the matter shall be handled in accordance to paragraph III, subparagraph (V) of this Article. However, where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:
  - 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
    - (1) Where the undeveloped land is appraised in accordance with the means of the preceding Article, and structures are appraised according to the related party's construction costs plus reasonable construction profit, and aggregate value is in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
    - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring areas, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.
  - 2. Where the Company after calculation of evidence that the terms of the transaction are similar

to the terms of completed transactions involving neighboring or closely valued parcels of land of similar size by unrelated parties within the preceding year. Completed transactions for neighboring areas in the preceding paragraphs in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right of use assets.

- (V) Where the Company acquires real property or right of use assets from a related party and the results of appraisals conducted in accordance to paragraph III, subparagraph (I) and (II) of this Article are uniformly lower than the transaction price, the following steps shall be taken: Moreover, if the Company uses the equity method to account for its investment in another company and sets aside a special reserve according to the provision in the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price or right of use assets and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in a public company, then the special reserve called for under Article 41, paragraph I of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
  2. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply to the independent director members of the audit committee.
  3. Actions taken pursuant to the subparagraph 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.
- (VI) When the Company acquires real property or right of use assets from a related party or and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions relating to appraisal procedures and operational procedures set forth in paragraph I and II of this Article; the provisions relating to appraisal procedures and operational procedures in paragraph III, subparagraph (I), (II) and (III) of this Article are not applicable:
1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
  2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
  3. The real property is acquired through the signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
  4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (VII) When the Company acquires real property from a related party and any evidence indicates that the

acquisition was not performed in accordance with operational conventions, it shall comply with paragraph III, subparagraph (V) of this Article.

Article 10: Procedure Governing the Acquisition or Disposal of intangible assets or right-of-use assets, or Memberships

I. Evaluation and Operation Procedure

The acquisition or disposal of intangible assets or right of use assets or memberships by the Company shall follow the investment cycle under the Company's internal control system for real property, plant and equipment.

II. Procedures to determine transaction terms and degree of authority delegated

1. The acquiring or disposing of memberships, market fair value shall be taken into consideration while deciding on transaction conditions and trading prices. An analysis report shall be submitted to the general manager. For transaction amounts lower than 1% of the Company's paid-in capital or less than NT\$3 million, approval from the general manager is required and shall be reported to the most recent Board meeting. For transaction exceeding NT\$ 3 million, approval from the Board shall be obtained prior to executions.
2. The acquisition or disposal of intangible assets or right-of-use assets shall refer to the expert assessment report or the fair value of the market. The analysis of the trading conditions and the transaction price shall be submitted. The amount less than NT\$50 million shall be submitted to the Chairman for approval and shall be reported to the most recent Board meeting. For transaction exceeding NT\$ 50 million, approval from the Board shall be obtained prior to executions.
3. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. When the Company has established the position of independent director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board pursuant to this paragraph, the Board shall take into full consideration each independent director's opinions. The independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

III. Units responsible for implementation

The acquisition or disposal of intangible assets or right-of-use assets, or memberships shall be approved with the preceding authority to approve funds, then shall be implemented by the using department and financial or administrative departments.

IV. Expert assessment report for intangible assets or right-of-use assets, or memberships

1. Professional appraisal institutes shall be invited to issue appraisal reports before any acquisition or disposal of memberships when the transaction amount is more than 1% of the paid-in capital or NT\$3 million.
2. Professional appraisal institutes shall be invited to issue appraisal reports before any acquisition or disposal of intangible assets or right-of-use assets when the transaction amount is more than 10% of the paid-in capital or NT\$20 million.
3. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event

to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 10-1: The calculation of the transaction amounts referred to in Article 7, Article 8, and Article 10 shall be done in accordance with Article 14, paragraph I, subparagraph V herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 11: Procedure for acquisition or disposal of financial institution's claims

In principle, the Company does not engage in transactions to acquire or dispose of financial institution's claims. If the acquisition or disposal of a financial institution's claims is involved in the future, approval from the board of directors is required for its evaluation and operating procedures.

Article 12: Procedure for Acquisition or Disposal of Derivatives

I. Trading principles and strategies

(I) Type of trade

1. Derivatives of the Company: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.
2. Matters related to bonds and margin trading are handled based on the applicable regulations of these procedures. The provisions of these procedures do not apply to the transactions in bonds with repurchase agreements.

(II) Operating (hedging) strategy

The Company engages in derivative financial products trading for hedging. The trading commodities should be selected to avoid the risks arising from the business operations of the Company. The currency held must match the foreign currency demand of the Company's actual import and export transactions. the Company's overall internal position (foreign currency income and expenses) shall be squared as a principle, to reduce the Company's total foreign exchange risk and save foreign exchange operating costs. Other specific-purpose transactions subject to careful assessment can only be carried out after being reported to the Board for approval.

(III) Segregation of duties

1. Finance Department

(1) Trading personnel

- A. Responsible for the strategy of the entire Company's financial commodity transactions.
- B. Trading personnel shall calculate the position regularly every two weeks, collect market information, conduct trend judgment and risk assessment, and formulate operational strategies. The approval according to the approval schedule, shall be the basis for trading.
- C. The transaction is executed in accordance with the approval schedule and the established strategy.
- D. When there is a significant change in the financial market and the trading personnel judges that the established strategy is not applicable, the assessment report shall be submitted at any time, and the strategy shall be re-planned. The approval by the general manager shall be the basis for trading.

(2) Accounting personnel

- A. To confirm transactions.
- B. To review whether the transaction is based on the approval schedule and established policies.
- C. The evaluation shall be carried out monthly, and the evaluation report shall be presented to the

general manager.

- D. Accounting.
- E. To make declaration and announcement in accordance with the provisions of the Securities and Futures Commission.
- (3) Delivery personnel: to perform delivery.
- (4) Approval Schedule for Derivatives
- A. Approval schedule for hedging transaction

Authorized person	Daily trading limit	Trading authorization limit of net accumulated position
Accounting Supervisor	US\$500,000 or less	US\$1.5 million or less (inclusive)
General Manger	US\$500,000 - 2 million (inclusive)	US\$5 million or less (inclusive)
Chairman	US\$2 million or more	US\$10 million or less (inclusive)

- B. Other specific-purpose transactions can only be carried out after being reported to the Board for approval.
- C. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board under the Company's procedures or other laws or regulations, if a Director expresses dissent, and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor and Independent Director. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Securities Exchange Act, major assets or derivatives trading shall be approved by more than half of all audit committee members and submitted to the Board for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

2. Audit Department

The Company's internal auditors shall at determine the suitability of the internal controls on trading of derivative products and conduct audits of the trading department's procedural compliance in its operational procedures, analyze the trading cycle and prepare audit reports. If any material violation is discovered, the Board shall be notified, and an independent director shall be present at the Board meeting and express an opinion.

3. Performance evaluations

(1) Hedging transactions

- A. The profit and loss generated between the exchange rate cost of the Company and the derivative transactions are the basis of performance evaluation.
- B. To fully control and express the evaluation risk of the transaction, the Company evaluates the profit and loss employing the monthly evaluation method.

- C. The finance department shall provide an evaluation of foreign exchange position and foreign exchange market trends, and market analysis to the General Manager as a management reference and instructions.

- (2) Specific-purpose transactions

The actual profit and loss are used as the performance evaluation basis, and the accounting personnel must regularly report the positions for the reference of the management.

- 4. Determination of the total contract value and upper limit of loss

- (1) Total contract value

- A. Hedging transactions

The finance department should master the overall position of the Company to avoid trading risks, and the amount of hedging transactions shall not exceed two-thirds of the Company's total net position.

- B. Specific-purpose transactions

Based on the forecast of market changes, the finance department may formulate strategies according to needs and report to the general manager and the Chairman for approval before implementation. The Company's specific-purpose transactions are subject to a total contract amount of US\$10 million. The above amount is subject to policy directives and the approval of the Board.

- (2) Determination of the upper limit of loss

- A. A hedging transaction is to avoid risks. The maximum annual loss is US\$300,000.

- B. In the case of a special purpose transaction contract, after the position is established, a stop loss point should be set to prevent excessive losses. The stop-loss point shall be set at a limit of 20% of the transaction contract amount, but the amount shall not exceed US\$300,000. If the loss exceeds 10% of the transaction amount, it shall be reported to the general manager immediately as well as the board of directors to discuss the necessary response measures.

- C. The upper limit of individual contract losses shall not exceed US\$100,000 or 20% of the transaction contract amount, whichever is lower.

- II. Risk management measures.

- (I) Credit risk management:

Operational risks of derivative finance are based on market changes in various factors. Therefore, market risk management shall follow the principles:

Transaction target: primarily well-known domestic and foreign financial institutions.

Trading commodities: limited to the goods provided by well-known domestic and foreign financial institutions.

Transaction Amount: The amount of the unreversed transaction of the same transaction counterparty is limited to 10% of the total authorized amount, except when the General Manager approves.

- (II) Market risk management:

The open foreign exchange market provided by banks shall be the primary target, and the futures market shall not be considered at this time.

- (III) Liquidity risk management:



In ensuring liquidity in the market, when selecting financial products, the liquidity shall be higher (that is, it can be squared at any time in the market), and the financial institutions entrusted with transactions must have sufficient information and the ability to trade in any market at any time.

(IV) Cash flow risk management

In ensuring the stability of the Company's working capital, the Company's source of funds for derivative transactions is limited to its funds, and its operating amount should consider the funding requirements for the cash revenue and expenditure forecast for the next three months.

(V) Operating risk management

1. The Company's authorization limit and operating procedures shall be strictly followed, and internal audits shall be incorporated to avoid operational risks
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by the business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board.

(VI) Product risk management:

Internal traders should have complete and correct professional knowledge of financial products and require banks to disclose risks to avoid the risk of financial products.

(VII) Legal risk management:

To prevent legal risks, any document signed with a financial institution shall be inspected by a foreign exchange department and legal department or legal consulting experts prior to official signing.

III. Internal audit system.

- (I) The Company's internal auditors shall determine the suitability of the internal controls on trading of derivative products and conduct monthly audits of the trading department's procedural compliance in its handling procedure to engage in the transaction of derivative products, analyze the trading cycle and prepare audit reports. If any material violation is discovered, each supervisor and independent director shall be notified in written form.

Where an Audit Committee has been established in accordance with the provisions of the Act, the provisions of paragraph 2 related to supervisors shall apply to the audit committee.

- (II) Report by the end of February of the following year to the Securities and Futures Commission, the irregularities until May of the following year the latest, for the future reference of the Securities and Futures Commission. (If the Company is already a TWSE-listed or TPEx-listed company, this paragraph applies; if the Company is a publicly-issued unlisted company, this item applies from the year of 2004.)

IV. Regular evaluation methods

- (I) The board of directors shall authorize senior management personnel for periodic supervision and evaluation on the compliance of derivative transactions, and whether the risk that it bears is within the extent permitted. If there are any exceptional conditions in the market value assessment report

(such as the holding position has exceeded the limit), the response measures should be deployed and reported to the Board immediately.

- (II) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by the business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board.
- V. Supervision and management principles of the board of directors when the Company engaging in derivatives trading
  - (I) The Board shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk, with the following management principles:
    - 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
    - 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted, and a report immediately made to the Board; an Independent Director shall be present at the meeting and express an opinion.
  - (II) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
  - (III) The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.
  - (IV) When engaging in derivatives trading, the Company shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraph IV, subparagraph (II), and paragraph V, subparagraph (I) and subparagraph (II) of this Article shall be recorded in detail in the log book.

#### Article 13: Mergers and Consolidation, Demerger, Acquisition, and Assignment of Shares

##### I. Evaluation and Operation Procedure

- (I) In conducting a merger, demerger, acquisitions or transfer of shares, the Company shall engage an attorney, a CPA, and securities underwriter to jointly discuss and establish the schedule for the legal procedures which the project group shall implement. Prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger of a subsidiary in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- (II) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting together with the expert opinion referred to in paragraph 1, subparagraph (I) of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies

participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

## II. Other Matters Requiring Attention

- (I) The board of directors meeting date: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference. The Company shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report the information set out in subparagraphs (1) and (2) of the preceding paragraph to the FSC in the prescribed format and via the Internet-based information system.

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

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

- (II) Pre-emptive Confidentiality Commitment: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (III) Principle for changing share exchange ratio or acquisition price: the Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board for deliberation and passage. In principle, the share exchange ratio or acquisition price is not allowed to be altered; however, the limit is excluded in the case that change conditions have been agreed on in the contract and made public. Conditions for

changing the share exchange ratio or acquisition price are restricted as follows:

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

(IV) Matters that shall be noted in the contract: The following matters shall be noted in the contract for handling a merger, demerger, acquisitions or transfer of shares of the participating companies, in addition to the regulations of Article 317 of the Company Act and Article 22 of the Mergers and Acquisitions Act.

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

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

(VI) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company in accordance with the paragraph II of this Article for the board of directors meeting date in the subparagraph (I), the pre-emptive confidentiality commitment in the subparagraph (II), and the number of companies involved in merger, division, acquisition or transfer of shares changes in subparagraph (V).

Article 14: Public Disclosure of Information

I. Criteria for Items to be announced and the reported

- (I) Acquisition or disposal of real property or right-of-use asset thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use asset thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply to the trade of domestic government bonds or bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Acquisition or disposal of equipment, assets or right-of-use asset for operating use which does not involve the related party and the transaction amount of which reaches NT\$500 million.
- (V) Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
- (VI) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest NT\$500 million or more on the transaction.
- (VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, disposal of receivables by a financial institution, or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:
  - 1. Trading of domestic government bonds.
  - 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (VIII) The amount of transactions above shall be calculated as follows:
  - 1. The amount of any individual transaction.
  - 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
  - 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
  - 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the regulations need not be counted toward the transaction amount.

II. Time Limit for Announcement and filing

The Company shall report related information to the website designated by FSC for announcement and reporting within 2 days of the transaction date if the assets acquired or disposed of by the Company are

within the scope stipulated in paragraph I of this Article and the transaction amount reaches the announcement standard.

### III. Procedures for Announcement

- (I) The Company shall report related information to the designated website by FSC for the announcement.
- (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- (III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (IV) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.
- (V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
  - 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
  - 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - 3. Change to the originally publicly announced and reported information.
- (VI) For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

### IV. Format of Announcement

- (I) Refer to attachment II for the announcement format of the items and contents for trading securities of a parent company, a subsidiary, or a related company in the domestic or international centralized trading market or over-the-counter market.
- (II) Refer to attachment III for the announcement format of the items and contents for acquiring real property under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale.
- (III) Refer to attachment IV for the announcement format for the acquisition or disposal of real property and other property, plant and equipment, and the acquisition of real property from a related party.
- (IV) Refer to attachment V for the announcement format for the asset trading not in the centralized trading market or over-the-counter market, including securities, memberships, intangible assets, and disposal of receivables by a financial institution.
- (V) Refer to attachment VI for the announcement format for investment in the Mainland China area
- (VI) Refer to attachment VII-1 for the announcement format for derivative trading within 2 days counting inclusively from the date of occurrence.

(VII) Refer to attachment VII-2 for the announcement format for derivative trading by the 10th day of each month.

(VIII) Refer to attachment VIII for the announcement format for merger, demerger, acquisition, or transfer of shares.

Article 15: Subsidiaries of the Company shall act in accordance with the following regulations:

- I. Subsidiaries shall establish “Procedures for Acquisition and Disposal of Assets” in accordance with “Procedures for Acquisition and Disposal of Assets by Public Companies” and upon attaining approval from the board of directors of the subsidiary, its shareholder’s meeting shall be notified. The same shall apply to any amendments to the Procedures.
- II. Subsidiaries of the Company shall follow the Company’s Procedures for acquisition or disposal of assets.
- III. If the subsidiary is not a public company but reaches to the standards of announcement and report regulated in “Procedures for Acquisition and Disposal of Assets by Public Companies,” the Company shall make an announcement for the subsidiary.
- IV. In the subsidiary’s disclosure standards, “20% of the Company’s paid-up capital,” or “10% of the Company’s total assets” is based on the Company’s paid-in capital or total assets.

Article 16: Penalty

Any employee who undertakes responsibilities for acquisition or disposal of assets in violation of these procedures will be reported for assessment according to the Company’s management and employee rules, and he/she will be subject to penalty accordingly.

Article 17: If the Company has set up an audit committee, the provisions of Article 7, Article 9, and Article 18 of these Procedures, on supervisors, shall be applied on the audit committee. Article 9, paragraph 3, subparagraph 5, second point shall be applied to the independent director of the audit committee.

Article 18: Implementation and Amendment

After the Company’s “Procedures for Acquisition and Disposal of Assets” have been approved by the board of directors, they shall be submitted to each supervisor, and then to the shareholders meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor. Where the Company has established the position of independent director, when the “Procedures for Acquisition and Disposal of Assets” is submitted for discussion by the board of directors pursuant to this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established, when the procedures are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the Board of directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

Article 19: Supplementary Provisions

- I. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.
- II. Refer to attachment I ~ attachment VIII for details.

**Wayi International Digital Entertainment Co., Ltd.**

**Procedures for Loaning of Funds and Making of Endorsements/Guarantees**

**Article 1. Purpose**

The Procedures are established to provide guidance for the Company's loaning of funds and making of endorsements/guarantees.

**Article 2. Entities to which the Company may loan funds and the limits of the loaned amounts**

The aggregate amount of loans provided by the Company shall not exceed 40% of the net worth of the Company as shown in the latest financial statements audited by CPAs. The amount of individual loan shall not exceed 10% of the net worth of the Company. The loan limit is divided into the following two types:

- I. For a company with which this Company deals business, the amount of the individual loan shall not exceed the amount of business transactions between the two parties in the most recent year or the year until the funds loaned.
- II. For a company with short-term needs of financing facility, the amount of individual loan shall not exceed 40% of the Company's net worth.

The "business transaction amount" mentioned in the first subparagraph of the preceding paragraph refers to the amount of purchase or sale between the two parties, whichever is higher.

The term "short-term" as used in the preceding paragraph means 1 year; However, where the Company's operating cycle exceeds 1 year, "short-term" means one operating cycle.

The term "financing amount" as used in the preceding paragraph means the cumulative balance of the Company's short-term financing.

For the inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the public company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, the total amount of loans shall not exceed 40% of the net value of the Company, and for individual companies, the amount of loans shall not exceed 40% of the net value of the Company. The term of the financing is limited to 10 years or ten business cycles, not subject to Article 6. Interest rates and calculations are not subject to Article 6 and may provide interest-free loans without collateral.

**Article 3. The term "endorsements/guarantees" as used in these Procedures refers to the following:**

- I. Financing endorsements/guarantees, including:
  - (I) Bill discount financing.
  - (II) Endorsement or guarantee made to meet the financing needs of another company.
  - (III) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
- II. Customs duty endorsement/guarantee refer to an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
- III. Other endorsements/guarantees refer to endorsements or guarantees beyond the scope of the two subparagraphs above.

Any creation by a public company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedures.

**Article 4. The entity for which the endorsement/guarantee is made:**

- I. A company with which it does business.
- II. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- III. A company that directly and indirectly holds more than 50% of the voting shares of the Company.

Between companies in which the Company holds, directly or indirectly, 90% of the voting shares, may make endorsements/guarantees for each other. However, before the endorsement guarantee is made, it shall be submitted to the Board of Directors of the Company for resolution and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. Provided that this restriction



shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the public company holds 100% of the voting shares.

## Article 5. Operating Procedures for Loaning of Funds to Others

### I. Credit investigation:

In the Company's processing of loans, the borrower shall be required to submit necessary company information and financial information and file a written application to the Company's for a loan limit.

After the Company receives the application, the Finance Department shall investigate and assess the business operated by the borrower, its financial position, solvency, credit, profitability, and purpose of the loan and prepare a report.

### II. Security

The Company shall obtain a promissory note in an amount equivalent to that of the loan when lending funds to others and may require the loan to be secured by personal property or real property if necessary. Where the borrower provides individuals or companies as proof of equivalent financial means and credit in lieu of collateral for the aforementioned debt, the Board of Directors may consider the opinions of the Finance Department for implementation; where a company is used as a guarantee, the Company shall pay attention to whether provisions for guarantees are established in its articles of incorporation.

### III. Scope of delegated authority

In conducting the Company's loaning applications, the Financial Department shall carry out a credit investigation first before submitting to the General Manager and the Board of Directors for resolution approval.

Financing between the Company and its subsidiaries or between subsidiaries shall be submitted to the Board of Directors for a resolution in accordance with the preceding provision. The Chairman may be authorized to finance a specific borrower within a certain monetary amount resolved by the Board and within a period not exceeding 1 year by loans in installments or a revolving credit line.

The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 2, paragraph 4.

According to the Procedures for Loaning of Funds and Making of Endorsements/Guarantees, the Company's acquisition or disposal of assets shall be approved by the Board. If a Director expresses objection with records or written statements, the Company shall submit information regarding the Director's objection to Supervisors. Besides, if the Company has set up Independent Directors when submitting the Procedures for Loaning Funds to Others for discussion by the Board of Directors under the preceding paragraph. The Board of Directors shall take into full consideration of each Independent Director's opinion; the Independent Directors' specific opinions of assent or qualified opinion shall be included in the minutes of the Board meeting.

If the Company has set up an Audit Committee, the provisions of the preceding paragraph shall not apply. When formulating or amending the procedures of loaning funds to others, it shall have the approval of more than one-half of all members of the Audit Committee and submitted the proposals to the Board of Directors for resolution.

If the procedure failed to have the approval of more than half of all Audit Committee members as required in the preceding paragraph, the procedure may be implemented with the approval of more than two-thirds of all Directors. And the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting. The terms "Audit Committee members" and "all Directors" as stated herein shall be counted as the actual number of persons currently holding those positions.

#### Article 6. Duration and Interests

As a principle, the duration of each loan shall not 1 year. In the event of special circumstances, the duration of the loan may be extended, based on actual requirements, with the approval of the Board of Directors.

The interest rate of the loan shall not be lower than the Company's maximum interest rates of short-term borrowings from financial institutions. As a principle, the calculation of loan interest shall be calculated on a monthly interest repayment basis. In the event of special circumstances, adjustments may be provided with the approval of the Board of Directors based on actual requirements.

#### Article 7. Follow-up Control Measures of Funds Lent and Collection Procedure of Overdue Loans

After the loan is granted, attention should be paid to the financial, business and related credit status of the borrower and guarantor. If there is collateral provided, attention should be paid to the changes in the guaranteed value. In case of major changes, the Chairman should be notified immediately and handled appropriately in accordance with the instructions.

Whereas a result of changes of condition the entity no longer meets the requirements of the Procedures, or the balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the Supervisors and Independent Directors and shall complete the rectification according to the time-frame set out in the plan.

For loan repayments at or before the expiration of the loan duration, the interest receivable shall be calculated first. Once the interest and the principal of the loan have both been fully repaid, the loan check shall be canceled and returned to the borrower, or any relevant mortgage shall be canceled.

When the loan matures, the borrower shall repay the principal and interest immediately. Where the loan cannot be repaid upon expiry, the borrower shall file a request in advance and the loan may be extended with the approval of the Board of Directors. The extension of each loan shall not exceed 6 months and only one extension may be granted. In the case of a violation, the Company may take actions in accordance with applicable laws to seek compensation from the collateral or guarantors provided by the borrower.

#### Article 8. Operational Procedures for Endorsements/Guarantees

##### I. The limits on the endorsement/guarantee amount

The ceilings on the amounts the Company are permitted to make in endorsements/guarantees responsibility for any single entity are listed as follow:

- (I) The ceiling on the amount the Company is permitted to make in endorsements/guarantees shall not exceed 50% of the Company's current net worth.
- (II) The ceiling on the amount the Company is permitted to make in endorsements/guarantees for any single entity shall not exceed 20% of the Company's current net worth.

The ceilings on the amounts the Company and its subsidiaries are permitted to make in endorsements/guarantees responsibility for any single entity are listed as follow:

- (I) The ceiling on the amount the Company is permitted to make in endorsements/guarantees shall not exceed 50% of the Company's current net worth.
- (II) The ceiling on the amount the Company is permitted to make in endorsements/guarantees for any single entity shall not exceed 20% of the Company's current net worth.

The net value of the current period shall be subject to the latest financial statements audited and attested by CPAs.

##### II. Authorization Level

- (I) The Company should only obtain the approval of the Board of Directors before conducting the endorsement/guarantee. The Board of Directors may authorize the Chairman to make a decision within a certain amount, and then report to the Board of Directors for ratification, and report the relevant situations to the shareholders' meeting for ratification.

- (II) Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, it shall obtain approval from the Board of Directors and half or more of the Directors shall act as joint guarantors. It shall also amend the amount of endorsement guarantee in the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact.
  - (III) As for the Company's endorsements/guarantees according to the prescribed processing procedures or other legal requirements that should be approved by the Board of Directors, if Directors have objections and have records or written statements, the Company should also send the Directors' dissenting opinion to Supervisors for discussion. Besides, if the Company has set up Independent Directors when submitting the Operational Procedures for Endorsements/Guarantees for discussion by the Board of Directors under the regulation. The Board of Directors shall take into full consideration of each Independent Director's opinion; the Independent Directors' specific opinions of assent or qualified opinion shall be included in the minutes of the Board meeting.  
Where an Audit Committee has established by the Company, when the Operational Procedures for Endorsements/Guarantees are adopted or amended, shall be subject to mutatis mutandis application of Article 5, paragraph 3, subparagraphs 5 to 7.
- III. The review procedures, including:
- (I) Conducting the credit investigation and risk assessment of the entity for which the endorsement/guarantee is made and prepare assessment records, if necessary, obtain collateral to ensure the Company's safety.
  - (II) The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. A designated person is assigned to keep the Company's official seal and check. It requires to go through specific procedures to obtain the Company's official seal or sign and issue check. The designated person in custody of the chop shall be approved by the Board; the same shall apply to any changes.
  - (III) The accounting unit of the Company shall record the details of the subject of the endorsement/guarantee, the name of the party for whom the endorsement/guarantee was made, the result of the risk evaluation, the amount of the endorsement/guarantee, the content of the Collateral, and the condition and date for discharging the obligation of the endorser and/or guarantor for future reference.
  - (IV) The accounting unit of the Company shall evaluate and identify the contingency loss from the endorsement/guarantee. It shall also disclose information regarding the endorsement/guarantee in the financial statements and provide CPAs the required information in verifying and assessing the endorsement/guarantee risk and its necessity item by item.
  - (V) If the party for whom the Company makes the endorsement/guarantee later becomes unqualified under Article 4, or the endorsement/guarantee amount exceeds the limit under the Procedures due to the change of the calculation basis, the company shall discharge the endorsement/guarantee amount or the amount in excess on the date the agreement term expires or within a designated period pursuant to an internal plan. The above timeframe shall be reported to the Board of Directors.
  - (VI) Where a subsidiary of the Company intends to provide endorsements or guarantees to others, the Company shall take into consideration its relevant procedures and make public announcements, filing, and submission with the Procedures.
  - (VII) When the Company or subsidiaries serve as endorsement or guarantee for a subsidiary with a net value of less than one half its paid-in capital, besides the provisions of the aforementioned subparagraph. The Company's internal auditors shall audit the Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify each Supervisor and all Independent Directors in writing of any material violation found if any.

In the case of a subsidiary with shares having no par value or a par value other than NT\$ 10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

In the case of a subsidiary with shares having no par value or a par value other than NT\$ 10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 9. The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters carefully evaluated matters according to the regulations.

The Company's internal auditors shall audit the operation procedures of loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors and Independent Directors in writing of any material violation found, if any.

Article 10. The Company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the Chairman of the Board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under the preceding article, paragraph 1.

The internal auditor of the Company shall audit the execution status of the procedures of endorsement and guarantee at least quarterly, and prepare written record accordingly. They shall immediately give written notice to all supervisors, and at the same time, to the independent directors of any material violation found.

Article 11. Procedures of public disclosure of lending funds to other parties

I. Deadlines for filing public disclosure

The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.

II. Declaration and Public Notification Procedures

If the Company's loans of funds reach one of the following levels shall announce and report such event within 2 days commencing immediately from the date of occurrence:

- (I) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in its latest financial statements.
- (II) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statements.
- (III) The amount of new lending of funds by the Company or its subsidiaries reaches NT\$10 million or more and reaches 2% or more of the Company's net worth as stated in its latest financial statements.

The Company shall announce and report on behalf of any subsidiary thereof that is not a domestic public company any matters that subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

III. The Company shall assess the financing status, recognize appropriate allowance for bad debts, adequately disclose relevant information in the financial statements, and provide related data for CPAs to carry out the necessary audit procedures.

Article 12. Procedures of public disclosure of endorsement/guarantee information

I. Deadlines for filing public disclosure

The Company shall announce and report the previous month's endorsement/guarantee balances of its head office and subsidiaries by the 10th day of each month.

II. Declaration and Public Notification Procedures

If the Company's endorsements/guarantees meet one of the following standards, it shall announce the declaration within 2 days from the date of occurrence:

- (I) The aggregate balance of endorsements/guarantees made by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statements.

- (II) The balance of endorsements/guarantees made by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statements.
- (III) The balance of endorsements/guarantees made by the Company and its subsidiaries for a single enterprise reaches NT\$ 10 million or more and the aggregate amount of all endorsements/guarantees for, book value of investments accounted for using the equity method, and balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statements.
- (IV) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$ 30 million or more and reaches 5% or more of the Company's net worth as stated in its latest financial statements.

The Company shall announce and report on behalf of any subsidiary thereof that is not a domestic public company any matters that subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

III. The Company shall assess or recognize the contingent loss arising from the endorsement and guarantee. Information of endorsement and guarantee shall be properly disclosed in the financial statements and provided to the CPAs for conducting necessary audits.

Article 12-1. Where the Company has established the position of Independent Director, and the matters notified to Supervisors pursuant to Article 9, paragraph 2 or Article 10, paragraph 2 of the processing standards shall be notified to the Independent Directors in writing; the rectification plan notified to Supervisors pursuant to Article 7 or 8 shall be sent to the Independent Directors.

Where the Company has established an Audit Committee, the provisions of Articles 7, 8, 9, and 10 regarding Supervisors shall apply mutatis mutandis to the Audit Committee.

#### Article 13. Miscellaneous

If the Company's subsidiary intends to make loans to others and endorsements/guarantees for others, the Company shall instruct it to formulate its own Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies in compliance with these Regulations, and it shall comply with the Procedures when loaning funds and making endorsements/guarantees.

#### Article 14. Penalties

According to the Company's Employee Management Regulations and Employee Practice Guideline, employees who violate the provisions of the procedures in undertaking loan funds to others and making endorsements/guarantees for others will be punished according to the seriousness of the case.

#### Article 15. Implementation and amendment

After the Company's Procedures for Loaning of Funds and Making of Endorsements/Guarantees have been approved by the Board of Directors, they shall be submitted to each Supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each Supervisor. Besides, if the Company has set up independent directors when submitting the Procedures for Loaning of Funds and Making of Endorsements/Guarantees for discussion by the Board of Directors under the preceding paragraph. The Board of Directors shall take into full consideration of each Independent Director's opinion; the Independent Directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the Board meeting.

#### Article 16. Supplementary Provisions

Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

**Wayi International Digital Entertainment Co., Ltd.**

**Rules for Election of Directors and Supervisors**

- Article 1: The election of the directors and supervisors of the Company shall be handled in accordance with the rules specified herein.
- Article 2: The single vote method shall be used for the election of the directors and supervisors of the Company. The number of votes exercisable in respect of one share shall be the same as the number of directors or supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The Company shall issue the ballot. The name of the voter shall be replaced by the shareholder attendance number or shareholder account number recorded on the election ticket, and the number of the voting right shall be filled.
- Article 3: The number of directors and supervisors has been specified in the Company's Articles of Incorporation. Candidates who acquire more votes should be elected as directors or supervisors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present. Those who are elected as directors and supervisors at the same time in accordance with the provisions of the preceding paragraph shall, at their discretion, act as a director or a supervisor. The remaining positions shall be voted on at the shareholders meeting.
- Article 4: At the beginning of the election, the Chairman shall appoint several ballot examiners and tellers to carry out their respective relevant tasks. The ballot examiners shall have the status of a shareholder.
- Article 5: The ballot boxes shall be prepared by the Company and checked in public by the ballot examiners before voting.
- Article 6: Voters shall fill in the candidate's account name and shareholder account number in the "candidate" column. For a non-shareholder, the voter shall enter the candidate's full name and identification number (passport number). If the candidate is a legal entity, the name of the legal entity and shareholder account number shall be entered in the "candidate" column, or both the name of the legal entity and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. When the shareholder fills in the name, account number and identification number of the candidate in the preceding paragraph, stamping can be valid.
- Article 7: Ballots shall be deemed invalid under the following circumstances:  
Ballots shall be deemed invalid under the following circumstances:
1. The ballot was not prepared in accordance with the Rules.
  2. Blank ballots not completed by the voter
  3. Ballots with Illegible writing
  4. The name provided on the ballot is a not the name of the shareholder listed as a candidate, the name on the candidate's account or shareholder account number provided on the ballot is inconsistent with those shown in the shareholders' roster if the candidate is a

shareholder, the candidate's name and identification number (passport number) provided on the ballot is verified to be incorrect if the candidate is not a shareholder.

5. The same ballot papers are filled with the number of candidates exceeding the prescribed number.
6. Ballots with other written characters or symbols in addition to the candidate's account name or shareholder's account number or identification number (passport number) and the number of voting rights allotted.
7. The name of the candidate filled in the ballots is identical to that of another shareholder, but no shareholder account number or identity card number (passport number) is provided in the ballot to identify such individual.

Article 8: Upon completion of the balloting process, the shareholders' meeting chairperson shall announce on-the-spot counting and announcing the ballots. The ballot examiners shall watch by the side. The results of the election should be announced at the meeting.

Article 9: The Company shall issue notifications to the persons elected as directors or supervisors.

Article 10: Any matters insufficiently provided for herein shall be subject to the Company Law and other laws and or ordinances concerned.

Article 11: The Board shall submit these rules to the Shareholders Meeting for approval and implementation, and the same shall apply to the amendments.

Article 12: This Rule is established on June 8, 2000.

The 1st amendment was made on December 24, 2002.

The 2nd amendment was made on June 15, 2007.

[Appendix VI]

Wayi International Digital Entertainment Co., Ltd.

The current shareholding of the Directors and Supervisors

- I. The paid-in capital of the Company is NT\$193,694,000, and the number of issued shares is 19,369,400.
- II. Pursuant to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares that all Directors should hold is 2,324,328 shares, and the minimum number of shares that all Supervisors should hold is 232,432 shares.
- III. The numbers of shares held by the Directors and Supervisors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the closing date, April 25, 2022, is disclosed in the table below:

Position	Name	Date elected	Term	The numbers of shares on the shareholder registry on the book closure date	
				Number of Shares	Shareholding Ratio
Chairman	Given Business Inc. Representative Chang Hsieh-chien	2019.6.25	Three years	3,948,480	20.39%
Director	Given Business Inc. Representative Wu Ai-yun	2019.6.25	Three years	3,948,480	20.39%
Director	Given Business Inc. Representative Tu Yao-jen	2019.6.25	Three years	3,948,480	20.39%
Independent Director	Hsiao Feng-hsiung	2019.6.25	Three years	0	0%
Independent Director	Liang Mu-chun	2020.6.23	Three years	0	0%
Supervisor	Huang Xin Investment Co., Ltd . Representative Lu Shih-yun	2019.6.25	Three years	1,096,800	5.66%
Supervisor	Lin Wen-peng	2019.6.25	Three years	0	0%
The numbers of shares and percentage held by all directors				3,948,480	20.39%
The numbers of shares and percentage held by all supervisors				1,096,800	5.66%

Note : According to Article 2 of "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 at the rates set forth for all Directors and Supervisors other than the Independent Directors and shall be decreased by 20 percent.