

**Sensortek Technology Corporation  
2022 Annual Shareholders' Meeting  
Meeting Agenda  
(Translation)**

**Meeting Date: June 21, 2022**

# **Table of Contents**

<b>I.</b>	<b>Meeting Procedure</b>	1
<b>II.</b>	<b>Meeting Agenda</b>	2
	1. Report Items	3
	2. Matters for Ratification	4
	3. Election Matters	5
	4. Proposed Resolutions	6
	5. Extemporaneous Motions	8
<b>III</b>	<b>Attachment</b>	
	1. 2021 Business Report	9
	2. 2021 Audit Committee's Review Report	13
	3. Independent Auditors' Report and 2021 Financial Statements	14
	4. 2021 Profit Distribution Proposal	24
	5. Director Candidate List (Independent Director)	25
	6. Comparison Table for the Articles of Incorporation Before and After Amendment	27
	7. Comparison Table for the Procedures for Acquisition or Disposal of Assets Before and After Amendment	28
<b>IV</b>	<b>Appendix</b>	
	1. Articles of Incorporation	47
	2. Rules of Procedure for Shareholders' Meeting	53
	3. Procedures for Election of Directors	64
	4. Procedures for Acquisition or Disposal of Assets	66
	5. Shareholdings of All Directors	82

**Sensortek Technology Corp.**  
**2022 Annual Shareholders' Meeting Procedure**

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Matters for Ratification
5. Election Matters
6. Proposed Resolutions
7. Extemporaneous Motions
8. Adjournment

# **Sensortek Technology Corp.**

## **2022 Annual Shareholders' Meeting Agenda**

Time: 9:00 a.m., June 21, 2022 (Tuesday)

Place: 2F., No. 3, Taiyuan 1st Street, Jhubei City, Hsinchu County (Multi-functional Conference Room, Tai Yuen Hi-Tech Industrial Park Phase III)

Convening method: physical shareholders meeting

1. Call Meeting to Order (Number of shares reported on attendance)
2. Chairman's Address
3. Report Items
  - (1) To report the Business of 2021
  - (2) 2021 Audit Committee's Review Report
  - (3) To report 2021 employees' compensation and remuneration to directors
  - (4) To report 2021 cash dividends distribution
4. Matters for Ratification
  - (1) To approve 2021 Financial Statements and Business Report
  - (2) To approve the proposal for distribution of 2021 profits
5. Election Matters

To elect directors (including independent directors)
6. Proposed Resolutions
  - (1) To amend the Company's "Articles of Incorporation"
  - (2) To amend the Company's "Procedures for Acquisition or Disposal of Assets"
  - (3) To release the newly elected directors (including independent directors) and their representatives from non-competition restrictions
7. Extemporaneous Motions
8. Adjournment

# Report Items

## **1. To report the Business of 2021**

### **Explanation:**

Please refer to Attachment 1 on pages 9-12 of the Handbook for the 2021 Business Report.

## **2. 2021 Audit Committee's Review Report**

### **Explanation:**

Please refer to Attachment 2 on page 13 of the Handbook for the 2021 Audit Committee's Review Report.

## **3. To report 2021 employees' compensation and remuneration to directors**

### **Explanation:**

In accordance with the provisions of the Company's Articles of Incorporation, the remuneration of NT\$14,122,285 and NT\$149,222,862 have been distributed to directors and employees in cash, respectively.

## **4. To report 2021 cash dividends distribution**

### **Explanation:**

The earnings of 2021 are distributed first. The total cash dividends to be distributed is NT\$1,467,378,540 of NT\$30 per share.

# Matters for Ratification

## **Proposal 1**

**(Proposed by the Board of Directors)**

**To approve 2021 Financial Statements and Business Report**

### **Explanation:**

- (1) The Board of Directors has delivered the Company's financial statements for 2021, which have been audited and completed by CPA Cheng-Chih Lin and Yu-Feng Huang of the Deloitte & Touche Taipei, Taiwan Republic of China, together with the business report, to the Audit Committee for verification, and the audit report has been issued.
- (2) Please refer to Attachment 1 on pages 9-12 of the Handbook for the 2021 Business Report, and Attachment 3 on pages 14-23 of the Handbook for the Independent Auditors' Report and the aforementioned financial statements.
- (3) Please proceed to ratify the proposal.

### **Resolution:**

## **Proposal 2**

**(Proposed by the Board of Directors)**

**To approve the proposal for distribution of 2021 profits**

### **Explanation:**

- (1) The net profit after tax for 2021 was NT\$1,661,348,658. The Profits Distribution Proposal is proposed in accordance with Company Act and Article 19 of the Company's Articles of Incorporation. Please refer to Attachment 4 on page 24 of the Handbook.
- (2) Please proceed to ratify the proposal.

### **Resolution:**

## **Election Matters**

### **To elect directors (including independent directors)**

#### **(Proposed by the Board of Directors)**

#### **Explanation:**

- (1) The term of the Company's current directors (including independent directors) expires on 20 May 2022. It is proposed to hold the election for the Board of Directors at this annual shareholders' meeting.
- (2) In accordance with Article 13 of the Company's Articles of Incorporation, seven directors shall be elected (including three independent directors), and a candidate nomination system shall be adopted. The shareholders shall elect the directors from among the nominees listed in the roster of candidates. The term of office of the newly elected directors (including independent directors) shall be three years, commencing on June 21, 2022 and expiring on June 20, 2025. The term of office of the former directors shall expire upon the completion of this annual shareholders' meeting.
- (3) The candidate list of directors was approved by the resolution of the Board of Directors on March 15, 2022. Please refer to Attachment 5 on page 25-26 of the Handbook for the candidate list of directors (independent directors).
- (4) The election shall be conducted in accordance with the Company's "Procedures for Election of Directors".
- (5) Please elect.

#### **Election Results:**

# Proposed Resolutions

## **Proposal 1**

**(Proposed by the Board of Directors)**

**To amend the Company's "Articles of Incorporation"**

### **Explanation:**

- (1) To comply with the amended regulations, it is proposed to amend certain provisions of the Company's "Articles of Incorporation".
- (2) Please refer to Attachment 6 on pages 27 of the Handbook of the comparison table for the Articles of Incorporation before and after amendment.
- (3) Submit for discussion.

### **Resolution:**

## **Proposal 2**

**(Proposed by the Board of Directors)**

**To amend the Company's "Procedures for Acquisition or Disposal of Assets"**

### **Explanation:**

- (1) Pursuant to the Financial Supervisory Commission's letter No.1110380465 on January 28, 2022, it is proposed to amend certain provisions of the Company's "Procedures for Acquisition or Disposal of Assets". Please refer to Attachment 7 on page 28-46 of the Handbook for the comparison table before and after amendment.
- (2) Submit for discussion.

### **Resolution:**

## **Proposal 3**

**(Proposed by the Board of Directors)**

**To release the newly elected directors (including independent directors) and their representatives from non-competition restrictions**

### **Explanation:**

- (1) Pursuant to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".



- (2) Without prejudice to the interests of the Company, if the newly elected directors (including independent directors) and their representatives invest or participate in the operations of another company that engages in the same or similar business scope as the Company, the Company requests the shareholders' meeting to approve the release from non-competition restrictions on such directors and their representatives. Details of such release of non-competition restrictions are set forth as follows:

Title	Name	The position concurrently held
Director	Sitronix Technology Corp. Representative: Sheng-Su Lee	Deputy Chairman & CEO, Silicon Power Computer & Communications Inc. Director, Sitronix Technology Corp. Director, Silicon Power Investment CO., LTD
Director	Sitronix Technology Corp. Representative: Vincent Mao	Chairman & CEO, Sitronix Technology Corp. Chairman, Sitronix Holding International Limited. Director, mCore Technology Corp. Chairman & CEO, Forcelead Technology Corp. Director, Infinno Technology Corp. Chairman, Sitronix Investment Corp. Director, Sync-Tech System Corp. Director, Silicon Power Computer & Communications Inc. Independent Director, Compal Broadband Networks Inc. Director, Ezglobal Network Service Inc.
Independent Director	Chun-Yi Hsu	Chairman, Bo Rui International Asset Management Co., Ltd. Chairman, Kun Yi Capital Co. Ltd. Director, Kurochaya Restaurant Business Co., Ltd. Director, M2 Communication, Inc. Director, Shenzhen China-Europe Rabbit Fund Management Co., Ltd.
Independent Director	Shu-Chun Huang	Chairperson, Choice Delights Incorporated Director, Lerain Technology Co., Ltd.
Independent Director	Jen-Chi Lu	Partner, Lian Wei CPAs Independent Director, Visgeneer Inc.

- (3) Submit for discussion.

**Resolution:**

## **Extemporaneous Motions**

## **Adjournment**

**Sensortek Technology Corp.**

**Business Report**

I. 2021 Operational Results

(I) Business plan implementation results

Despite the domestic COVID-19 pandemic and the severe shortage of semiconductor wafer production capacity in 2021, Sensortek, with all our employees' joint efforts, achieved new highs in both revenue and profit. Our annual revenue reached NT\$5.87 billion, an increase of 10.89% compared with 2020; gross profit stood at NT\$2.69 billion, an increase of 26.47% compared with the previous year; net income after tax was NT\$1.66 billion, an increase of 21.67% compared with the previous year, and earnings per share were NT\$33.97.

In the global smartphone market, as the pandemic has gradually slowed down in various countries, according to the data from market research institutions, the number of mobile phones sold rebounded slightly to 1.37 billion compared to 2020, with an annual growth rate of 7.8%. Benefiting from the trend of full-display smartphones and the increasing penetration rate of OLED mobile phones, the Company's products have been adopted by mobile phone brand clients for their high-end models due to our excellent product features, quality, and supply capacity. As the price of ambient light and proximity sensors for high-sensitivity under-display applications has increased, and clients' demand for mobile phone camera auxiliary functions has increased, the Company's sensors that combine RGB and ambient light source flicker are adopted for the under-display camera. This has expanded the scope of the application of optical sensors other than the mobile phone screen, thereby facilitating shipments and the stable growth of revenue from optical sensors. As the quality and reliability of the Company's acceleration sensors have continuously enhanced, our products have passed mobile phone brand clients' reliability tests and been adopted by them. Moreover, benefiting from the increasing market demand due to the shortage of supply

from international manufacturers, the Company's shipments of mobile phones and wearable device applications have grown further. Furthermore, due to the price adjustment strategy, our revenue from acceleration sensors surged. Driven by the application of automotive electronics, high-performance computing and 5G mobile phones, the demand for integrated circuit chips has risen significantly, resulting in a shortage of wafer production capacity either in advanced or traditional processes. As the market suffered from a severe chip shortage, the overall supply was constrained. The Company has actively coordinated the production capacity with existing wafer suppliers, while verifying trial production by other wafer manufacturers, to increase the supply of wafers and allocate back-end processes flexibly to fully satisfy our clients' needs. As a result, we achieved continuous growth in both revenue and net income in 2021.

(II) Profitability analysis

Item Analyzed		2021	2020
Return on assets		24.73%	28.85%
Return on equity		34.23%	42.86%
Paid-in capital ratio (%)	Operating income	388.46%	314.27%
	Net profit before tax	402.89%	316.91%
Net profit margin		28.28%	25.78%
Earnings per share (NTD) (Note)		33.97	28.81

Note: This is calculated based on the number of weighted average shares issued in the year.

(III) Status of Research and Development

The Company actively retains and recruits outstanding critical R&D talents and continues to invest in R&D capacity. In addition to upgrading product technology and quality reliability, we have actively diversified our product lines. In 2021, our R&D expenses reached NT\$550 million, an increase of 49.16% compared to NT\$360 million in 2020.

In response to the continuous increase in the penetration rate of OLED mobile phones and the user's increasing requirement for the comfort of screen color display, the Company has continued to enhance the sensitivity and the technology of accurate sensing of screen color temperature for our optical sensors. In 2021, we launched an ambient light source RGB sensor for a full-display narrow-bezel solution, which has not only improved the sensitivity of the proximity sensing function but allowed the mobile phone to detect changes in color light sources in the environment to adjust the color temperature of the screen. In addition, to improve the sensitivity of existing under-display application products and eliminate the effect of under-display lens flare, we launched the next-generation under-display multi-laser (the light wavelength of the light-emitting component is 940nm) and long-wavelength (the light wavelength of the light-emitting component is 1300nm) ambient light and proximity sensors. Furthermore, we actively expanded the scope of the application of optical sensors in products other than mobile phones and released small-sized under-display optical sensors with low power consumption for wearable devices. We continue to improve the quality and reliability of our acceleration sensors and developed a new generation of the micro-electro-mechanical system (MEMS) platform to increase our production capacity, continue to verify new inertial sensor gyroscopes, and improve the characteristics of MEMS sensors to move toward the mass production stage.

In our layout of diverse products, we rolled out the specific absorption rate (SAR) sensors to prevent the human body from absorbing mobile phone electromagnetic wave radiation through the reduction of the electromagnetic radiation from the mobile phone when it is in contact with the human body as detected by the sensor, in response to the regulation on SAR under the 5G mobile telecommunications regulations. We also released a multi-channel (3CH/5CH) capacitive sensor, which is applied to the true wireless stereo (TWS) earphone capacitive sensing module. The sensor enables in-ear detection and provides a multi-channel capacitive touch switch for TWS earphones.

## II. 2022 Business Plan Overview and Future Development Strategies

In 2022, the instability of the pandemic, the shortage of semiconductor production capacity and materials, and the pressure of rising freight and chip costs will pose a daunting challenge to our operations. The Company will continue to tighten our ties with our clients and strengthen the flexibility of product supply to improve the stickiness of our brand clients; facilitate the application of our existing optical and acceleration sensors in a variety of application fields to extend our technologies to other sensor application fields, thereby optimizing our product mix to maintain the growth momentum of revenue and profit.

As for our product R&D direction, we will continue to optimize the sensitivity of our existing optical sensors, develop a color temperature algorithm in alignment with the characteristics of RGB coatings, and develop multi-channel spectrum sensors and algorithms to detect color temperature more accurately. Meanwhile, we will expand the diverse applications of our products and develop UV and skin sensors for wearable devices. Furthermore, we will strive to improve the reliability of product stress for our acceleration sensors produced in new production platforms to increase our production capacity. We will also launch MEMS gyroscopes and acceleration sensors, which are applied to inertial measurement units, to provide a more complete inertial sensing solution. We will optimize the sensing performance of the SAR sensors and develop multi-channel (8CH) capacitive touch sensors to increase the market share of our new product line of capacitive sensors. In terms of our layout of diverse products, we will design and develop air pressure sensors, which are applied to the air pressure sensing functions of mobile phones, wearable devices, and drones.

In the face of a challenging year, the Company will focus on improving our product competitiveness, pursue technological leadership, and expand the layout of new application markets for our products, while continuing to promote revenue and profit growth to enable our shareholders, clients, and employees to share our operational results together.

# **Sensortek Technology Corp.**

## **2021 Audit Committee's Review Report**

The Board of Directors has prepared the Company's business report, financial statements, and the profit distribution proposal for 2021, in which the financial statements have been audited by Deloitte & Touche Taipei, Taiwan Republic of China with the audit report issued. The above business report, financial statements, and profit distribution proposal have been verified by the Audit Committee and deemed as appropriate, and reported as above in accordance with the relevant provisions of the Securities Exchange Act and the Company Act for approval.

Sincerely,

2022 Annual Shareholders' Meeting of Sensortek Technology Corp.

Sensortek Technology Corp.

Chairman of the Audit Committee: Jen-Chi Lu

March 15, 2022

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Sensortek Technology Corporation

### **Opinion**

We have audited the accompanying financial statements of Sensortek Technology Corporation (the Company), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



The key audit matters for the Company's Financial Statements for the year ended December 31, 2021 are stated as follows:

### Recognition of sales revenue

The Company's main source of revenue comes from the sale of goods. For the year ended December 31, 2021, the revenue recognized was NT\$5,873,003 thousand, please refer to Notes 4, 21 and 33 for information of accounting policy of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' order and checking the transaction conditions, the business management unit creates a order in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, the production management unit would issue packing lists and invoices from the system, the Company would obtain signed packing list or the bill of ladings on sight from the shipping companies when those shipping companies pick up the goods, then the system would check the shipping-related information, to generate the sales details. The accounting officers would recognize sales revenue according to the sales details.

We have assessed that the customers of the Company whose annual revenue growth rates for 2021 have changed significantly to be subject to the risk of validity of revenue recognition. Therefore, our audit procedures performed with respect to these customers to confirm the validity of revenue recognition of the Company include the following:

1. We understood and tested the effectiveness of the design and implementation of the key internal controls over revenue recognition.
2. We sampled and inspected whether an original purchase order existed for each sale and was approved appropriately.
3. We inspected product names and quantities on the internal and external accounting certificates are consistent with the amount recognized as revenue.
4. We inspected the reasonableness of collection of accounts receivable from sales customers with significant changes in revenue and whether the collection amounts and counterparties were consistent with the revenue recognized.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 misstatements of the financial statements, whether due to fraud or errors, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng Chih Lin and Yu Feng Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2022

# Sensortek Technology Corporation

## Balance Sheets

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollar

	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Assets</b>								
Current assets								
Cash and cash equivalents (Notes 4, 6 and 28)	\$ 1,975,445	27	\$ 3,086,052	50	\$ 55,360	1	\$ 759,395	-
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 28)	418,890	6	342,873	5	849,328	12	119,922	2
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 28)	387,091	5	282,073	5	163,345	2	404,430	7
Financial assets at amortized cost - current (Notes 4, 9, 28 and 30)	1,527,400	21	1,160,500	19	10,019	-	8,564	-
Trade receivables, net (Notes 4, 10 and 28)	332,862	5	295,821	5	311,864	4	187,066	3
Trade receivables - related parties, net (Notes 4, 10, 28 and 29)	441,988	6	157,072	2	5,574	-	6,206	-
Other receivables (Notes 4, 10 and 28)	5,916	-	8,986	-	3,795	-	12,862	-
Inventories (Notes 4, 5 and 11)	678,295	10	320,395	5	1,872,735	26	1,498,445	24
Prepayments (Note 16)	47,966	1	63,446	1	5,448	-	11,662	-
Other current assets (Notes 16 and 28)	1,328	-	1,509	-	184,941	3	155,108	3
Total current assets	5,817,181	81	5,718,727	92	190,389	3	166,770	3
Non-current assets								
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 28)	80,111	1	-	-	2,063,124	29	1,665,215	27
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 28)	226,788	3	110,164	2	489,126	7	489,126	8
Property, plant and equipment (Notes 4 and 12)	578,598	8	239,464	4	2,202,370	30	2,202,370	35
Right-of-use assets (Notes 4 and 13)	10,891	-	18,420	-	307,009	4	170,464	3
Investment properties (Notes 4 and 14)	430,732	6	-	-	2,108,721	29	1,684,451	27
Intangible assets (Notes 4, 15 and 29)	72,458	1	93,543	1	2,415,730	33	1,854,915	30
Other non-current assets (Notes 16, 28 and 29)	4,128	-	32,910	1	50,537	1	1,602	-
Total non-current assets	1,403,706	19	494,501	8	5,157,763	71	4,548,013	73
Total assets	\$ 7,220,887	100	\$ 6,213,228	100	\$ 7,220,887	100	\$ 6,213,228	100
<b>Liabilities and Equity</b>								
Current Liabilities								
Short-term borrowings (Notes 17, 26 and 28)								
Trade payables (Note 28)								
Accrued profit-sharing bonus to employees' compensation and remuneration of directors (Note 22)								
Other payables (Note 18)								
Other payables - related parties (Notes 28 and 29)								
Current tax liabilities (Notes 4 and 23)								
Lease liabilities - current (Notes 4, 13, 26, 28 and 29)								
Other current liabilities (Notes 21 and 28)								
Total current liabilities								
Non-current Liabilities								
Lease liabilities - non-current (Notes 4, 13, 26, 28 and 29)								
Other non-current liabilities (Notes 26 and 28)								
Total non-current liabilities								
Total liabilities								
Equity (Note 20)								
Share capital								
Ordinary shares								
Capital surplus								
Retained earnings								
Legal reserve								
Unappropriated earnings								
Total retained earnings								
Other equity								
Unrealized gain (loss) on financial assets at fair value through other comprehensive income								
Total equity								
Total liabilities and equity								

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

# Sensortek Technology Corporation

## Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

	2021		2020	
	Amount	%	Amount	%
Net revenue (Notes 4, 21, 29 and 33)	\$ 5,873,003	100	\$ 5,296,054	100
Costs of revenue (Notes 4, 11 and 22)	<u>3,181,972</u>	<u>54</u>	<u>3,168,226</u>	<u>60</u>
Gross profit	<u>2,691,031</u>	<u>46</u>	<u>2,127,828</u>	<u>40</u>
Operating expenses (Notes 4, 10, 19, 22 and 29)				
Selling and marketing expenses	117,352	2	97,111	2
General and administrative expenses	123,427	2	124,270	2
Research and development expenses	<u>550,780</u>	<u>10</u>	<u>369,258</u>	<u>7</u>
Total operating expenses	<u>791,559</u>	<u>14</u>	<u>590,639</u>	<u>11</u>
Other operating income and expenses (Note 22)	<u>598</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income from operations	<u>1,900,070</u>	<u>32</u>	<u>1,537,189</u>	<u>29</u>
Non-operating income and expenses (Notes 4 and 22)				
Interest income	22,051	-	22,807	-
Other income	17,452	-	4	-
Other gains and losses	31,563	1	( 8,505)	-
Finance costs	<u>( 453)</u>	<u>-</u>	<u>( 1,378)</u>	<u>-</u>
Total non-operating income and expenses	<u>70,613</u>	<u>1</u>	<u>12,928</u>	<u>-</u>
Income before income tax	1,970,683	33	1,550,117	29
Income tax expense (Notes 4 and 23)	<u>309,334</u>	<u>5</u>	<u>184,663</u>	<u>3</u>
Net income for the year	<u>\$ 1,661,349</u>	<u>28</u>	<u>\$ 1,365,454</u>	<u>26</u>

(Continued)

	<b>2021</b>		<b>2020</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Other comprehensive income (loss) (Note 20)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 51,458	1	\$ 1,621	-
Items that may be reclassified subsequently to profit or loss				
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	( 2,523 )	-	( 19 )	-
Other comprehensive income (loss) for the year	<u>48,935</u>	<u>1</u>	<u>1,602</u>	<u>-</u>
 Total comprehensive income (loss) for the year	 <u>\$ 1,710,284</u>	 <u>29</u>	 <u>\$ 1,367,056</u>	 <u>26</u>
 Earnings per share (Note 24)				
Basic	<u>\$ 33.97</u>		<u>\$ 28.81</u>	
Diluted	<u>\$ 33.74</u>		<u>\$ 28.70</u>	

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

(Concluded)

## Sensortek Technology Corporation

### Statements of Changes in Equity

For the years ended December 31, 2021 and 2020  
Unit: In Thousands of New Taiwan Dollars, unless otherwise stated

	Share capital (Note 20)		Capital surplus (Note 20)	Retained earnings (Note 20)		Other equity (Note 20) Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
	Shares (In Thousands)	Amount		Legal reserve	Unappropriated earnings		
Balance at January 1, 2020	37,781	\$ 377,813	\$ 49,228	\$ 38,174	\$ 1,358,039	\$ -	\$ 1,823,254
Appropriation of 2019 earnings	-	-	-	132,290	( 132,290)	-	-
Legal reserve	-	-	-	-	( 831,189)	-	( 831,189)
Cash dividends	-	-	-	-	( 75,563)	-	-
Share dividends	7,556	75,563	-	-	-	-	-
Employee compensation is issued in stock are not vested	-	-	20,633	-	-	-	20,633
Compensation costs of share-based payments	-	-	33,904	-	-	-	33,904
Issuance of ordinary shares for cash	3,575	35,750	2,098,605	-	-	-	2,134,355
Net income for the year ended December 31, 2020	-	-	-	-	1,365,454	-	1,365,454
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-	1,602	1,602
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,365,454	1,602	1,367,056
Balance at December 31, 2020	48,912	489,126	2,202,370	170,464	1,684,451	1,602	4,548,013
Appropriation of 2020 earnings	-	-	-	136,545	( 136,545)	-	-
Legal reserve	-	-	-	-	( 1,100,534)	-	( 1,100,534)
Cash dividends	-	-	-	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	1,661,349	-	1,661,349
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	48,935	48,935
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,661,349	48,935	1,710,284
Balance at December 31, 2021	48,912	489,126	2,202,370	307,009	2,108,721	50,537	5,157,763

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

# Sensortek Technology Corporation

## Statements of Cash Flows

For the years ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollar

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Income before income tax	\$ 1,970,683	\$ 1,550,117
Adjustments for:		
Depreciation expense	97,063	77,880
Amortization expense	29,493	9,264
Net gain on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	( 42,168 )	( 7,873 )
Finance costs	453	1,378
Interest income	( 22,051 )	( 22,807 )
Compensation costs of share-based payments	-	33,904
Loss on disposal of property, plant and equipment	338	-
Write-downs of inventories	20,984	13,576
Unrealized net loss on foreign currency exchange	3,521	9,564
Gains on lease modification	( 917 )	-
Net changes in operating assets and liabilities		
Trade receivables	( 38,189 )	68,947
Trade receivables from related parties	( 287,025 )	16,832
Other receivables	7	( 8 )
Inventories	( 378,884 )	105,713
Prepayments	16,023	( 13,361 )
Other current assets	181	( 973 )
Trade payables	93,424	90,467
Other payables	64,393	115,271
Other payables to related parties	1,462	1,468
Other current liabilities	( 9,067 )	11,248
Accrued profit-sharing bonus to employees' compensation and remuneration of directors	43,423	( 9,720 )
Cash generated from operations	1,563,147	2,050,887
Interest received	25,196	18,012
Interest paid	( 171 )	( 1,093 )
Income tax paid	( 185,079 )	( 186,148 )
Net cash generated from operating activities	<u>1,403,093</u>	<u>1,881,658</u>

(Continued)



	<u>2021</u>	<u>2020</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 142,789)	(\$ 390,677)
Acquisition of financial assets at amortized cost	( 3,320,958)	( 2,981,500)
Proceeds from the return of principle of financial assets at amortized cost	2,954,058	3,012,800
Acquisition of financial assets at fair value through profit or loss	( 253,076)	( 335,000)
Proceeds from sale of financial assets at fair value through profit or loss	139,116	-
Increase in prepayments for investment	-	( 30,000)
Acquisition of property, plant and equipment	( 545,872)	( 220,286)
Proceeds from disposal of property, plant and equipment	69	-
Increase in refundable deposits	( 1,720)	( 7,767)
Decrease in refundable deposits	502	10,722
Acquisition of intangible assets	( 8,814)	( 100,101)
Acquisition of investment properties	( <u>308,857</u> )	<u>-</u>
Net cash used in investing activities	( <u>1,488,341</u> )	( <u>1,041,809</u> )
Cash flows from financing activities		
Proceeds from short-term borrowings	521,121	670,639
Repayments of short-term borrowings	( 465,641)	( 670,639)
Guarantee deposits received	35,801	35,727
Guarantee deposits refunded	-	( 2,454)
Repayment of the principal portion of lease liabilities	( 7,512)	( 5,300)
Cash dividends distributed	( 1,100,534)	( 831,189)
Proceeds from issuance of ordinary shares	-	2,134,355
Employee compensation is issued in stock are not vested	<u>-</u>	<u>20,633</u>
Net cash generated from (used in) financing activities	( <u>1,016,765</u> )	<u>1,351,772</u>
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	( <u>8,594</u> )	( <u>15,553</u> )
Net increase (decrease) in cash and cash equivalents	( 1,110,607)	2,176,068
Cash and cash equivalents at the beginning of the year	<u>3,086,052</u>	<u>909,984</u>
Cash and cash equivalents at the end of year	<u>\$ 1,975,445</u>	<u>\$ 3,086,052</u>

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

(Concluded)

**Sensortek Technology Corp.**  
**2021 Profit Distribution Proposal**

Unit: NT\$

Item	Amount
Unappropriated retained earnings	447,371,711
Net profit after tax for current period	1,661,348,658
Less: appropriation of legal surplus reserve of 10%	(166,134,866)
Retained earnings available for distribution for current period	1,942,585,503
Less: allocated items	
Shareholders' dividends (cash dividend of NT\$30 per share)	(1,467,378,540)
Unappropriated retained earnings	475,206,963

- Note: (1) In compliance with the Finance Taxation's letter of April 30, 1998, the Ministry of Finance, No. 871941343, individual identification shall be adopted in the distribution of earnings. According to the earnings distribution principle of the Company, the earnings of 2021 shall be distributed first.
- (2) The total number of shares issued by the Company is 48,912,618 shares, which is used as the basis for calculating the distribution of shareholders' dividends.

**Sensortek Technology Corp.**  
**Director Candidate List**

Name	Education Background	Professional Experience	Current Position
Sitronix Technology Corp. Representative: Vincent Mao	EMBA, National Taiwan University Master of Electrical Engineering, National Cheng Kung University	Chairman & CEO, Sitronix Technology Corp.	Chairman & CEO, Sitronix Technology Corp. Chairman, Sitronix Holding International Limited. Director, mCore Technology Corp. Chairman & CEO, Forcelead Technology Corp. Director, Infinno Technology Corp. Chairman, Sitronix Investment Corp. Director, Sync-Tech System Corp. Director, Silicon Power Computer & Communications Inc. Independent Director, Compal Broadband Networks Inc. Director, Ezglobal Network Service Inc.
Sitronix Technology Corp. Representative: Sheng-Su Lee	Master of Electrical Engineering, National Taiwan University	General Manager, Sitronix Technology Corp.	Chairman & CEO, Sensortek Technology Corp. Deputy Chairman & CEO, Silicon Power Computer & Communications Inc. Director, Sitronix Technology Corp. Director, Silicon Power Investment CO., LTD
Sitronix Technology Corp. Representative: Chu-Yuan Yang	Master of Electrical Engineering, National Taiwan University	General Manager, Sensortek Technology Corp.	General Manager, Sensortek Technology Corp.
Hua-Cheng Tseng	Bachelor of Electronic Engineering, National Taiwan Ocean University	Chairman, Magnachip Semiconductor, Ltd.	

**Sensortek Technology Corp.**  
**Independent Director Candidate List**

Name	Education Background	Professional Experience	Current Position
Chun-Yi Hsu	Master of Business Administration, The University of Texas	Assistant Manager, China Development Industrial Bank Managing Director, Joint Management Consulting Co., Ltd.	Chairman, Bo Rui International Asset Management Co., Ltd. Chairman, Kun Yi Capital Co. Ltd. Director, Kurochaya Restaurant Business Co., Ltd. Director, M2 Communication, Inc. Director, Shenzhen China-Europe Rabbit Fund Management Co., Ltd.
Shu-Chun Huang	EMBA, National Taiwan University Master of Management of Technology, National Chiao Tung University	Special Assistant to the President and Consultant, ITE Tech. Inc. Manager, Strategic Marketing Department, Vanguard International Semiconductor Corporation	Chairperson, Choice Delights Incorporated Director, Lerain Technology Co., Ltd.
Jen-Chi Lu	Master of Accounting, Chung Yuan Christian University	Assistant Manager, Deloitte & Touche	Partner, Lian Wei CPAs Independent Director, Visgeneer Inc.

## Attachment 6

### Sensortek Technology Corp.

#### Articles of Incorporation

#### Comparison table before and after amendment

No.	After Amendment	Before Amendment	Explanation
Article 08	<p>A Shareholders' Meeting can be a regular meeting or a special meeting. The Company shall convene a regular meeting once every year within six months after the end of each fiscal year and special meetings shall be convened when necessary in accordance with relevant laws and regulations.</p> <p>The convening of Shareholders' Meeting shall be handled in accordance with Article 172 of the Company Act. <u>The Company may convene the shareholders' meeting by video conferencing or other methods announced by the central competent authority.</u></p>	<p>A Shareholders' Meeting can be a regular meeting or a special meeting. The Company shall convene a regular meeting once every year within six months after the end of each fiscal year and special meetings shall be convened when necessary in accordance with relevant laws and regulations.</p> <p>The convening of Shareholders' Meeting shall be handled in accordance with Article 172 of the Company Act.</p>	Amended in line with the law.
Article 21	<p>This Articles of Incorporation was formulated on November 10, 2009.</p> <p>The 1st amendment was made on July 31, 2012.</p> <p>The 2nd amendment was made on December 26, 2012.</p> <p>The 3rd amendment was made on March 31, 2016.</p> <p>The 4th amendment was made on June 13, 2017.</p> <p>The 5th amendment was made on February 26, 2019.</p> <p>The 6th amendment was made on May 21, 2019.</p> <p>The 7th amendment was made on August 03, 2021.</p> <p><u>The 8th amendment was made on June 21, 2022.</u></p>	<p>This Articles of Incorporation was formulated on November 10, 2009.</p> <p>The 1st amendment was made on July 31, 2012.</p> <p>The 2nd amendment was made on December 26, 2012.</p> <p>The 3rd amendment was made on March 31, 2016.</p> <p>The 4th amendment was made on June 13, 2017.</p> <p>The 5th amendment was made on February 26, 2019.</p> <p>The 6th amendment was made on May 21, 2019.</p> <p>The 7th amendment was made on August 03, 2021.</p>	Inclusion of amendment date and amendment number.

## Sensortek Technology Corp.

## Procedures for Acquisition or Disposal of Assets

## Comparison table before and after amendment

After Amendment	Before Amendment	Explanation
<p>Article3: Exclusion of related parties Professional appraisers and their officers, certified public accountants (CPAs), attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable 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 3 years have already passed since completion of service</p>	<p>Article 3: Exclusion of related parties Professional appraisers and their officers, certified public accountants (CPAs), attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable 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 3 years have already passed since completion of service</p>	<p>Amended with reference to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</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 personnel referred to in the preceding paragraph shall comply with the <u>self-regulatory rules of the industry associations to which they belong and with the following provisions:</u></p> <p>I.Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II.When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the</p>	<p>of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II.May not be a related party or de facto related party of any party to the transaction.</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 personnel 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 <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>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.</p> <p>III.They shall undertake an item-by-item evaluation of the <u>appropriateness</u> 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 personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>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.</p> <p>III.They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> 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 personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate,</u> and that they have complied with applicable laws and regulations.</p>	
<p>Article 6 :</p> <p>Appraisal procedures and means of price determination</p> <p>I. Security investments</p> <p>For acquisition or disposal of securities, the Company shall, prior to the date of</p>	<p>Article 6:</p> <p>Appraisal procedures and means of price determination</p> <p>I.Security investments</p> <p>For acquisition or disposal of securities, the Company shall, prior to the date of</p>	<p>Amended with reference to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>



After Amendment	Before Amendment	Explanation
<p>occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. 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 competent securities authority.</p> <p>II. Real property, equipment or right-of-use assets thereof</p>	<p>occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (hereinafter referred as "ARDF")</u>. 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 competent securities authority.</p> <p>II. Real property, equipment or right-of-use assets thereof</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>For acquisition or disposal of real property or right-of-use assets thereof, the price shall be determined in reference to the current value under public announcement, appraised current value, actual transaction price of neighboring real estate. For acquisition or disposal of equipment or right-of-use assets thereof, the Company shall collect relevant price information in advance and the price shall be determined after price inquiry, comparison and negotiation.</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% 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 prior to the date of</p>	<p>For acquisition or disposal of real property or right-of-use assets thereof, the price shall be determined in reference to the current value under public announcement, appraised current value, actual transaction price of neighboring real estate. For acquisition or disposal of equipment or right-of-use assets thereof, the Company shall collect relevant price information in advance and the price shall be determined after price inquiry, comparison and negotiation.</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% 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 prior to the date of</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(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 of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</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</p>	<p>occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(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 of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</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</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>CPA shall be engaged to 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% or more of the transaction amount.</p> <p>2.The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(IV) No more than three 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 six months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>III. Memberships or intangible assets or right-of-use assets thereof</p>	<p>CPA shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and</u> 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% or more of the transaction amount.</p> <p>2.The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(IV)No more than three 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 six months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>III.Memberships or intangible assets or right-of-use assets thereof</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>For acquisition or disposal of memberships, the Company shall collect relevant price information in advance and the price shall be determined in consideration of the return that may be generated and in reference to the latest closing price at the time.</p> <p>For acquisition or disposal of intangible assets or right-of-use assets thereof, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company's technology and business, and after relevant laws and contract content have been carefully evaluated.</p> <p>Where the Company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20% 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 CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of</p>	<p>For acquisition or disposal of memberships, the Company shall collect relevant price information in advance and the price shall be determined in consideration of the return that may be generated and in reference to the latest closing price at the time.</p> <p>For acquisition or disposal of intangible assets or right-of-use assets thereof, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company's technology and business, and after relevant laws and contract content have been carefully evaluated.</p> <p>Where the Company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20% 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 CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of</p>	

After Amendment	Before Amendment	Explanation
<p>the transaction price.</p> <p>IV – VII Omitted</p>	<p>the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>IV – VII Omitted</p>	
<p>Article 8 :</p> <p>Public announcement and regulatory filing procedures Under any of the following circumstances, the Company shall publicly announce and report the relevant information on the website designated by the competent securities authority in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event:</p> <p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of</p>	<p>Article 8 :</p> <p>Public announcement and regulatory filing procedures Under any of the following circumstances, the Company shall publicly announce and report the relevant information on the website designated by the competent securities authority in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event :</p> <p>I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic</p>	<p>Amended with reference to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

After Amendment	Before Amendment	Explanation
<p>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.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>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.</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount <u>reaches NT\$500 million or more.</u></p> <p>V. Where land is acquired</p>	<p>government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>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.</p> <p>IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount <u>meets any of the following criteria:</u></p> <p><u>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</u></p> <p><u>(II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</u></p> <p>V. Where land is acquired</p>	

After Amendment	Before Amendment	Explanation
<p>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 in the transaction reaches NT\$500 million.</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five paragraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription</p>	<p>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 in the transaction reaches NT\$500 million.</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five paragraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds.</p> <p>(II) Trading of bonds under repurchase and resale agreements, or subscription</p>	



<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Paragraph 2 ~ Paragraph 3 omitted.</p> <p>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 <u>the Company's</u> subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent securities authority by the 10th day of each month.</p>	<p>or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Paragraph 2 ~ Paragraph 3 omitted.</p> <p>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 <u>any</u> subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent securities authority by the 10th day of each month.</p>	
<p>Article 14 :</p> <p>Resolution procedures</p> <p>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% or more of paid-in capital, 10% or more of the</p>	<p>Article 14 :</p> <p>Resolution procedures</p> <p>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% or more of paid-in capital, 10% or more of the Company's total assets,</p>	<p>Amended with reference to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>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 consent had been granted the Audit Committee and approval have been sought from the Board of Directors:</p> <p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>II. The reason for choosing the related party as a transaction counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with <a href="#">Article 15 and Article 16</a>.</p> <p>IV. The date and price at which the related party originally acquired the real</p>	<p>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 consent had been granted the Audit Committee and approval have been sought from the Board of Directors:</p> <p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>II. The reason for choosing the related party as a transaction counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with <a href="#">the Procedures</a>.</p> <p>IV. The date and price at which the related party originally acquired the real property,</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p>	<p>the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>V.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.</p> <p>VI.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII.Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2 of Article 8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items duly handled in accordance with the Procedures where consent have been obtained from the</p>	

After Amendment	Before Amendment	Explanation
<p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which <u>the Company</u> directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, if an independent director objects to or expresses reservations about any matter, it shall be</p>	<p>Audit Committee and approval sought from the Board of Directors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which <u>it</u> directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting :</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, if an independent director objects to or expresses reservations about any matter, it shall be</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>recorded in the minutes of the Board of Directors meeting. Pursuant to provisions of Paragraph 1, it shall be first approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members is not obtained, the transaction may only proceed if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p><u>If the Company or the Company's subsidiary that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10% or more of the company's total assets, the 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 transactions between the</u></p>	<p>recorded in the minutes of the Board of Directors meeting. Pursuant to provisions of Paragraph 1, it shall be first approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members is not obtained, the transaction may only proceed if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p>	

After Amendment	Before Amendment	Explanation
<p><u>company and the Company's parent company or subsidiaries or between the Company's subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in <u>Paragraph 1 and</u> the preceding paragraph shall be made in accordance with Paragraph 2 of Article 8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items duly handled in accordance with the Procedures <u>shall be submitted to the shareholders meeting,</u> where consent have been obtained from the Audit Committee and approval sought from the Board of Directors need not be counted toward the transaction amount.</p>		
<p>Article 17 :</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Articles 15 and 16 herein are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>I. A special reserve shall be</p>	<p>Article 17 :</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Articles 15 and 16 herein are uniformly lower than the transaction price, the following steps shall be taken :</p> <p>I.A special reserve shall be set</p>	<p>Amended with reference to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the real property transaction price 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 <u>an investee which meets the transaction terms under this subparagraph</u>, then the special reserve called for under Paragraph 1, Article 41 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>II. Independent directors shall comply with Article 218 of the Company Act.</p> <p>III. Actions taken pursuant to the Paragraphs 1 and 2 herein shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>Where the Company has set</p>	<p>aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the real property transaction price 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 another company, then the special reserve called for under Paragraph 1, Article 41 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>II.Independent directors shall comply with Article 218 of the Company Act.</p> <p>III.Actions taken pursuant to the Paragraphs 1 and 2 herein shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>Where the Company has set</p>	

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Explanation</b>
<p>aside a special reserve under the preceding paragraph, the Company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or 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 competent securities authority has given its consent.</p> <p>When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>aside a special reserve under the preceding paragraph, the Company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or 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 competent securities authority has given its consent.</p> <p>When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	



## Sensortek Technology Corp. Articles of Incorporation

### Chapter 1: General provisions

- Article 1: The Company is organized in accordance with the provisions of the Company Act, named "昇佳電子股份有限公司," and the English name is set as "Sensortek Technology Corp."
- Article 2: The Company's businesses is as follows:
- (I) CC01080 Electronics components manufacturing
  - (II) F113030 Wholesale of precision instruments
  - (III) F118010 Wholesale of computer software
  - (IV) F119010 Wholesale of electronic materials
  - (V) F213040 Retail sale of precision instruments
  - (VI) F218010 Retail sale of computer software
  - (VII) F219010 Retail sale of electronic materials
  - (VIII) F401010 International trade
  - (IX) I301010 Software design services
  - (X) I599990 Other designing
  - (XI) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3: The head office of the Company is in Hsinchu County, Taiwan. If necessary, the Company will establish a branch offices or representative offices domestically or overseas with the resolution of the Board of Directors and the approval by the competent authority.
- Article 4: The Company's announcement method is specified under the Company Act.
- Article 5: The Company may transfer the investment to the Company as necessary, which maybe a limited liability shareholder of the company through a resolution of the Board of Directors. The total investment is not subject to the relevant investment quota as stipulated in Article 13 of the Company Act.
- Article 5-1: The Company may make external endorsements/guarantees, and the operations shall be in accordance with the Company's "Procedures for Endorsement and Guarantee."

### Chapter 2: Shares

Article 6: The registered capital of the Company is NT\$800 million, divided into 80 million full shares at a par value of NT\$10 per share. The Board of Directors shall be authorized to issue the shares in installments. NT\$50 million from the aforesaid capital shall be reserved for the issuance of employee stock options totaling 5 million shares at a par value of NT\$10 per share. The shares may be issued in installments in accordance with the resolution of the Board of Directors.

Article 6-1: The Company shall issue shares in accordance with the provisions of the Company Act and relevant laws and regulations, and may be exempted from printing any certificate in respect of the shares issued by it, but shall register the shares issued with a centralized securities custody institution.

The procedures for handling related shareholder services operations shall be in accordance to the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 6-2: Upon resolution adopted by two thirds or more of the votes of shareholders present at the Shareholders' Meeting that is attended by shareholders representing more than half of the total issued shares of the Company, the Company may issue employee stock options with the subscription price lower than the market price (net value per share) or buy back its shares and transfer such shares to its employees at a price lower than the average price of all shares bought back by the Company.

Article 6-3: Qualification requirements of transferees of the shares purchased by the Company in accordance with the law, employees entitled to receive employee stock options and new shares with restricted rights, and employees who have the right of subscribing to new shares may include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to resolve on the requirements and allocation methods.

Article 7: Share transfers shall be made in accordance with Article 165 of the Company Act.

### **Chapter 3: Shareholders' Meeting**

Article 8: A Shareholders' Meeting can be a regular meeting or a special meeting. The Company shall convene a regular meeting once every year within six months after the end of each fiscal year and special meetings shall be convened when necessary in accordance with relevant laws and regulations.

The convening of Shareholders' Meeting shall be handled in accordance with Article 172 of the Company Act.

Article 9: When a shareholder is unable to attend the Shareholders' Meeting for any reason, it shall be handled in accordance with Article 177 of the Company Act.

Unless otherwise provided for in the Company Act, the appointment of proxies to

attend a Shareholders' Meeting shall be in accordance with "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority.

Article 10: Shareholders of the Company have one vote per share, except as otherwise provided in relevant laws and regulations.

Article 11: Resolutions at a Shareholders' Meeting shall, unless otherwise provided for in relevant laws and regulations, be adopted by a majority vote of the shareholders present, in person or by a proxy, who represent more than one-half of the total number of voting shares.

When the Company convenes a Shareholders' Meeting, shareholders may exercise their voting power in writing or by way of electronic transmission in the Shareholders' Meeting and the method of exercising their voting power shall be described in the Shareholders' Meeting notice.

The resolutions of the Shareholders' Meeting shall be recorded and handled in accordance with the provisions of Article 183 of the Company Act.

Article 12: The Shareholders' Meeting is convened by the Board of Directors, and led by the Chairman. If the Chairman of the Board of Directors is absent or cannot perform his duties for some reason, the Chairman of the Board of Directors shall designate one director to act on his behalf. In the absence of such a designation, the directors shall nominate among themselves to act on behalf of the Chairman. If the Shareholders' Meeting is convened by any person entitled to convene the meeting other than the board, such person shall be the meeting's chair. If there is more than one such person entitled to convene the meeting, those persons shall nominate among themselves to be the meeting's chair.

#### **Chapter 4: Directors and audit committee**

Article 13: The Company has five to nine directors with a three-year term and eligible for re-election. The election of directors shall adopt the candidate nomination system in accordance to Article 192-1 of the Company Act and the shareholders shall elect the directors from among the nominees listed in the roster of candidates. Among the above-mentioned, the number of independent directors shall not be less than three and not less than one-fifth of the seats in the board.

The professional qualifications, shareholdings, restrictions of concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be handled in accordance with the provisions of the competent authority.

The Company purchase liability insurance in accordance with the law during the course of its business operations and term of office of directors.

Article 13-1: In accordance with Article 14-4 of the Securities and Exchange Act, the Company shall set up an audit committee composed of all independent directors, which shall exercise the functions and powers of supervisors prescribed by the

Company Act, Securities and Exchange Act, and other regulations.

The Company shall establish a remuneration committee or other functional committees as required by laws or business.

Article 14: The Board of Directors is organized by the directors, and shall elect the Chairman of the Board of Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman of the Board of Directors shall externally represent the Company.

A notice setting forth the purpose of the meeting shall be given to each director no later than seven days prior to a Board of Directors meeting; however, a Board of Directors meeting may be convened at any time in case of emergency. The Board of Directors may be summoned by fax or e-mail instead of written notice.

Article 15: When the Chairman of the Board of Directors is on leave or absent or fail to exercise his/her power and authority for any reason, an acting Chairman shall be designated in accordance with the provisions of Article 208 of the Company Act.

Article 15-1: The directors shall attend the Board of Directors meeting in person. If for any reason a director is unable to attend a Board of Directors meeting, such director may appoint another director as his/her proxy in accordance with the provisions of Article 205 of the Company Act. However, no director may act as proxy for more than one other director. When a Board of Directors meeting is held by means of video conference, directors participating in such meeting via webcam shall be deemed to have attended the meeting in person.

Article 16: The Board of Directors shall determine the directors' remuneration in accordance with the extent of their participation in the operation of the Company and the value of their contribution, with reference to the domestic and foreign industry standards.

## **Chapter 5: Managers**

Article 17: The Company may appoint managerial personnel. The appointment, dismissal and compensation of such managerial personnel shall be made in accordance with Article 29 of the Company Act.

## Chapter 6: Accounting

Article 18: At the end of each fiscal year, the Board of Directors of the Company shall provide the following and submit to shareholders for approval in accordance with the legal procedures.

- (I) Business report.
- (II) Financial statements.
- (III) Proposals on distribution of earnings or compensation of deficits.

Article 18-1: If the Company makes a profit during the fiscal year, it shall set aside 1% to 25% of the profits as compensation for employees, and shall set aside not more than 1% of the profits as compensation for directors. However, if there is accumulated loss on the books of the Company, portion of the profit equaling the loss shall first be set aside to cover the latter before distributing compensation for employees and compensation for directors in accordance with the aforesaid proportion.

Employees' compensation may be distributed in the form of shares or in cash in accordance with resolution by the Board of Directors, and employees entitled to such distribution may include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

Article 19: If the account closing at the end of the fiscal year of the Company discloses profit after income tax, it shall be distributed in the following order:

- (I) Make up for accumulated losses.
- (II) Appropriate 10% as legal reserve, however, restrictions shall not apply if the amount of allocated legal reserve has reached the total paid-in capital of the Company.
- (III) Special reserve to be allocated or reversed in accordance with laws or regulations of the competent authority.
- (IV) The remaining profit, if any, shall collectively with any unappropriated earnings at beginning of the fiscal year (including adjusted unappropriated earnings) be included in an earnings distribution plan submitted by the Board of Directors for resolution at a Shareholders' Meeting.

The Company shall appropriate, yearly, no less than 10% of the surplus available for dividends as dividend bonus, where the dividend bonus may be distributed in form of cash or shares; provided, however, that the cash dividend shall not be less than 10% of the total dividends. The policy of dividend distribution shall be based on the Company's current and future investment environment, capital needs, domestic and foreign competition, capital budget and other factors, taking into account the interests of shareholders, balance of dividends, and long-term financial planning of the Company. The Board of Directors shall prepare a distribution plan and report to the Shareholders' Meeting on a yearly basis according to laws.

Article 19-1: Distribution of dividends and bonuses in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the Shareholders' Meeting.

Article 19-2: If the Company incurs no loss, distribution of legal reserve (portion which exceeded 25% of the paid-in capital) and capital surplus pursuant to the Company Act in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the Shareholders' Meeting.

Article 20: Matters that are covered in this Articles of Incorporation shall be handled in accordance with relevant laws and regulations.

Article 21: This Articles of Incorporation was formulated on November 10, 2009.

The 1st amendment was made on July 31, 2012.

The 2nd amendment was made on December 26, 2012.

The 3rd amendment was made on March 31, 2016.

The 4th amendment was made on June 13, 2017.

The 5th amendment was made on February 26, 2019.

The 6th amendment was made on May 21, 2019.

The 7th amendment was made on August 03, 2021.

Sensortek Technology Corp.

Chairman: Sheng-Su Lee

**Sensortek Technology Corp.**  
**Rules of Procedure for Shareholders' Meeting**

**Article 1: Purpose and legal reference**

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

**Article 2: Scope of application**

Except as otherwise provided by relevant laws, regulations or the Company's Articles of Incorporation, the Company's shareholders' meetings shall be held in accordance with these Rules.

**Article 3: Convention and notice of shareholders' meetings**

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

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

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the

meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter as set forth in Paragraph 1 of Article 185 of the Company Act shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

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

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

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

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

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform



to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

**Article 4: Attendance by proxy and authorization**

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

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

After a proxy form has been delivered to 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 before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 5: Principles determining the place and time of a shareholders' meeting**

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

**Article 6: Preparation of attendance book and other documents**

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

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

Shareholders and their proxies (collectively, "shareholders") shall attend

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

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

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

**Article 7: Chair of the shareholders' meeting and non-voting participants**

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 chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

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

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.

**Article 8: Video or audio recording of the proceeding of the meeting**

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

**Article 9: Share number calculation for attendance at shareholders' meetings and convention of meetings**

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

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

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

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

**Article 10: Discussion of proposals**

If a shareholders' meeting is convened by the Board of Directors, the meeting

agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### **Article 11: Speeches of shareholders**

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

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

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

When an attending shareholder is speaking, other shareholders may not speak or

interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

#### **Article 12: Calculation of voting shares and recusal system**

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### **Article 13:** A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or

electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and 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. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

voting shall be required.

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.

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

#### **Article 14: Election**

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.

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

#### **Article 15: Meeting minutes and acknowledgment**

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

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

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

#### **Article 16: Public disclosure**

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by

solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

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

#### **Article 17: Maintenance of order at the meeting place**

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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

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

#### **Article 18: Recess and resumption of a shareholders' meeting**

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

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

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

#### **Article 19: Supplementary provisions**



Matters not set forth in the Rules shall be dealt in accordance with the Company Act, the Securities and Exchange Act and relevant laws and regulations.

**Article 20:** These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

**Sensortek Technology Corp.  
Procedures for Election of Directors**

- 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 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 these Procedures.
- Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
- I. The ability to make judgments about operations.
  - II. Accounting and financial analysis ability.
  - III. Business management ability.
  - IV. Crisis management ability.
  - V. Knowledge of the industry.
  - VI. An international market perspective.
  - VII. Leadership ability.
  - 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.
- Article 4: The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be conducted in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."
- Article 5: Elections of the Company's directors 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 call a Special Shareholders' Meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- When the number of independent directors falls below that required under the provision of Paragraph 1, 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, a Special Shareholders' Meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 6: The cumulative voting method shall be used for election of the directors of 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 multiple candidates.
- Article 7: The board of directors shall prepare separate 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. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- 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 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.
- Article 9: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10: A ballot is invalid under any of the following circumstances:
- I. The ballot was not prepared by a person with the right to convene . .
  - II. A blank ballot is placed in the ballot box.
  - III. The writing is unclear and indecipherable or has been altered.
  - IV. The candidate whose name is entered in the ballot dose not conform to the director candidate list .
  - V. Other words or marks are entered in addition to the number of voting rights allotted.
- Article 11: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on the site.
- The ballots for the election referred to in the preceding paragraph shall be kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 12: These Procedures, and any amendments hereto, shall be implemented after approval by a Shareholders' Meeting.

**Sensortek Technology Corp.**  
**Procedures for Acquisition or Disposal of Assets**

**Chapter 1            General**

Article 1:        Purpose and legal basis

These Procedures have been formulated for the purposes of securing assets, implementing information disclosure, and strengthening the management of the Company's acquisition or disposal of assets, and is stipulated in accordance with Article 36-1 of the Securities and Exchange Act and other relevant laws and regulations promulgated by the competent securities authorities; provided that where another act or regulation provides otherwise, the provisions of such act shall prevail.

Article 2:        Scope of assets

- I.     Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc.
- II.    Real property (including land, houses and buildings, investment property) and equipment.
- III.   Memberships.
- IV.   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 law.
- IX.   Other major assets.

Article 2-1:     Terms referred to herein are defined as follows:

- 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 other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- 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."

Article 3: Exclusion of related parties

Professional appraisers and their officers, certified public accountants (CPAs), attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- I. May not have previously received a final and unappealable 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 3 years have already passed since completion of service of the sentence, since 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 personnel 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, in order 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 personnel 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 4: Scope and amount of investment

The Company shall follow the below limits for investment in securities and purchases of real property and right-of-use assets thereof not for business use:

- I. The total amount of real property and its right-of-use assets thereof acquired by the Company for non-operational use shall not exceed 50% of the Company's owners' equity stated in the financial statements of the Company for the most recent period, certified or reviewed by a CPA.
- II. The total amount of securities invested shall not exceed the Company's owners' equity stated in the financial statements of the Company for the most recent period, certified or reviewed by a CPA.
- III. Acquisition of any individual security shall not exceed 40% of the Company's owners' equity stated in the financial statements of the Company for the most recent period, certified or reviewed by a CPA.

## **Chapter 2                      Procedures for acquisition or disposal of assets**

Article 5: Execution unit, authorized amount and authorized delegation level

- I. For the acquisition or disposal of securities investment with the intention of long-term holding, the finance and accounting unit shall prepare an assessment report and obtain approval by the Board of Directors if the amount of acquisition or disposal securities is more than 20% of the paid-in capital at the end of the previous year.
- II. For the acquisition or disposal of securities investment with the intention of short-term holding, with the exception of money market funds, the finance and accounting unit shall prepare an assessment report and obtain approval by the Chairman if the amount of transaction is less than or equal to NT\$80 million, or by the Board of Directors if the said amount is more than NT\$80 million.
- III. For acquisition or disposal of real property or right-of-use thereof, the management unit shall be responsible for submission of relevant information; where the amount is higher than 20% of the paid-in capital of the previous year, it must be ratified by the Board of Directors before its

execution.

- IV. For acquisition or disposal of other assets (including equipment or right-of-use thereof, memberships and intangible assets or right-of-use assets thereof), transactions shall be handled in accordance with relevant provisions of the Company's internal controls and degree of authority delegated for procurement and various payments.
- V. For acquisition or disposal of derivatives, transactions shall be handled in accordance with relevant provisions of the Company's "Procedures for Derivatives Trading."
- VI. For assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law, transactions shall be handled in accordance with relevant provisions of Chapter 5 of the Procedures.

With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the 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 the Audit Committee.

Where a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, 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.

Any transaction involving major assets or derivatives 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 one-half or more of all Audit Committee members is not obtained, the transaction may proceed if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

#### Article 6: Appraisal procedures and means of price determination

##### I. Security investments

For acquisition or disposal 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 CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (hereinafter referred as "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 competent securities authority.

##### II. Real property, equipment or right-of-use assets thereof

For acquisition or disposal of real property or right-of-use assets thereof, the price shall be determined in reference to the current value under public announcement, appraised current value, actual transaction price of

neighboring real estate. For acquisition or disposal of equipment or right-of-use assets thereof, the Company shall collect relevant price information in advance and the price shall be determined after price inquiry, comparison and negotiation.

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% 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 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 of Directors; 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 CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the 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% or more of the transaction amount.
  2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than three 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 six months have elapsed, an opinion may still be issued by the original professional appraiser.

### III. Memberships or intangible assets or right-of-use assets thereof

For acquisition or disposal of memberships, the Company shall collect relevant price information in advance and the price shall be determined in consideration of the return that may be generated and in reference to the latest closing price at the time. For acquisition or disposal of intangible assets or right-of-use assets thereof, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company's technology and business, and after relevant laws and



contract content have been carefully evaluated.

Where the Company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20% 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 CPA 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.

IV. For acquisition or disposal of derivatives trading, the price shall be determined in consideration of the trading status of futures market, the trend of exchange rate and interest rate, and shall be handled in accordance with the relevant provisions of the Company's "Procedures for Derivatives Trading."

V. For assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law, the price shall be determined in consideration of the nature of business, net value per share, asset value, technical and profit-making capabilities, production capacity and future growth potential, and shall be handled in accordance with relevant provisions of Chapter 5 of the Procedures.

VI. Other major assets

For acquisition or disposal of claims of financial institutions, derivatives, assets acquired in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law and other major assets, the Company shall collect relevant price information in advance on the subject matter of the transaction asset, and the price shall be determined after relevant laws and contract content have been carefully evaluated.

VII. 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 6-1: The calculation of the transaction amounts referred to in Paragraphs 1-3 of the preceding article shall be made in accordance with Paragraph 2 of Article 8 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 handled in accordance with the Procedures and obtained value appraisal report from professional appraiser or opinion from CPA need not be counted toward the transaction amount.

Article 7: Information preservation

The Company shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for five years except where another act provides otherwise.

Article 8: Public announcement and regulatory filing procedures

Under any of the following circumstances, the Company shall publicly announce and report the relevant information on the website designated by the

competent securities authority in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or 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. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
  - (I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  - (II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- V. 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 in the transaction reaches NT\$500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five paragraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - (I) Trading of domestic government bonds.
  - (II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- III. 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.

- IV. 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 Procedures need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by 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 competent securities authority by the 10th day of each month.

Article 9: Corrections and changes to public announcement

When the Company at the time of public announcement makes an error or omission in an item required by provisions of Article 8 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.

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 competent securities authority within two days counting inclusively from the date of occurrence of the event:

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

Article 10: Control on acquisition or disposal of asset by subsidiaries

- I. The Company's subsidiaries shall establish "Procedures for Acquisition or Disposal of Assets" in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
- II. Any of the subsidiary's acquisition or disposal of assets shall be handled in accordance with the relevant regulations of the subsidiary's "Procedures for Acquisition and Disposal of Assets."
- III. Information required to be publicly announced and reported in accordance with the provisions of Article 8 on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by to Company within two days counting inclusively from the date of occurrence of the event, and a public report of relevant information shall be made by the Company on the information reporting website designated by the competent securities authority.
- IV. The paid-in capital or total assets of the Company shall be the standard

applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 8.

Article 11: Scope and amount for subsidiary investments

The restrictions on the amount of property and its right-of-use assets or securities purchased by each subsidiary of the Company for non-business use are as follows:

- I. The total amount of property and its right-of-use assets not for business use shall not exceed the equity attributable to owners of the subsidiary in the latest financial statements of the subsidiary that have been certified or reviewed by a certified public accountant.
- II. The total amount of investment in securities shall not exceed the equity attributable to owners of the subsidiary in the latest financial statements of the subsidiary that have been certified or reviewed by a certified public accountant.
- III. The limit of investment in individual securities shall not exceed the equity attributable to owners of the subsidiary in the latest financial statements of the subsidiary that have been certified or reviewed by a certified public accountant.

Article 12: Penalties

Any relevant personnel of the Company in breach of these Procedures and/or any related laws and regulations shall be subject to disciplinary actions of warning, demerits, demotion, suspension, salary reduction or other punishments proportional to the gravity of the breach, and the incident shall be taken as matters for internal review.

### **Chapter 3                      Transactions with related parties**

Article 13: Scope of Application

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Chapter and this Chapter. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 6-1 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.

Article 14: Resolution procedures

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% or more of paid-in capital, 10% 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 consent had been granted the Audit Committee and approval have been sought from the Board of Directors:

- 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 assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the Procedures.
- 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 signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.
- VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- 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 Paragraph 2 of Article 8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items duly handled in accordance with the Procedures where consent have been obtained from the Audit Committee and approval sought from the Board of Directors 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 parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next Board of Directors 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, 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.

Pursuant to provisions of Paragraph 1, it shall be first approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit

Committee members is not obtained, the transaction may only proceed if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

Article 15: Appraisal procedures

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

- I. 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.
- II. 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 one year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

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

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.

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

- I. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- II. More than five 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.
- III. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
- IV. 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% of the issued shares or authorized capital.

Article 16: When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 17

herein. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - (I) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three 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.
  - (II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- II. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

"Completed transactions involving neighboring or closely valued parcels of land" in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; "transactions involving 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 obtainment of the right-of-use assets thereof.

Article 17: Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Articles 15 and 16 herein are uniformly lower than the transaction price, the following steps shall be taken:

- I. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the real property transaction price 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 another company, then the special reserve called for under Paragraph 1, Article 41 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.

- II. Independent directors shall comply with Article 218 of the Company Act.
- III. Actions taken pursuant to the Paragraphs 1 and 2 herein shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Where the Company has set aside a special reserve under the preceding paragraph, the Company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or 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 competent securities authority has given its consent.

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

#### **Chapter 4 Engaging in derivatives trading**

Article 18: When the Company engages in derivatives trading, it shall be in accordance with the Company's "Procedures for Derivatives Trading" by personnel authorized to do so. The Company shall report to the soonest meeting of the Board of Directors, and shall also pay attention to risk and audit matters to implement internal control system.

#### **Chapter 5 Procedures for mergers and consolidations, splits, acquisitions, and assignment of shares**

Article 19: When the Company conducts a merger, demerger, acquisition, or transfer of shares, 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 by a public company of a subsidiary in which it directly or indirectly holds 100% 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% of the respective subsidiaries' issued shares or authorized capital.

Article 20: When the Company participates in a merger, demerger, acquisition, or transfer of shares, 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 and include it along with the expert opinion referred to in Paragraph 1 of the preceding Article when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a 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.

Article 21: When the Company participates in a merger, demerger, or acquisition, the Company and other companies participating in the 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 competent securities authority is notified in advance of extraordinary circumstances and grants consent.

When the Company participates in a transfer of shares, the Company and other companies participating in the transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the competent securities authority is notified in advance of extraordinary circumstances and grants consent.

When the Company has listed on an exchange or has its shares traded on an OTC market and participates in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference. The Company shall, within two days counting inclusively from the date of passage of a resolution by the Board of Directors, report in the prescribed format and via the Internet-based information system the information set out in the following Paragraphs 1 and 2 to the competent securities authority for recordation.

- 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 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 Board of Directors meetings.

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

Article 22: When the Company participates in a merger, demerger, acquisition, or transfer of shares, every person participating in or privy to the plan for merger,

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

Article 23: When the Company participates in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- I. 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.
- II. An action, such as a disposal of major assets, that affects the Company's financial operations.
- III. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- VI. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 24: The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- I. Handling of breach of contract.
- II. 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.
- III. 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.
- IV. The manner of handling changes in the number of participating entities or companies.
- V. Preliminary progress schedule for plan execution, and anticipated completion date.
- VI. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 25: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer with the Company intends further to carry out a merger, demerger, acquisition, or share transfer with

another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

Article 26: 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(s) whereby the latter is required to abide by the provisions of Articles 21, 22, and 25 herein.

## **Chapter 6            Supplementary provisions**

Article 27: Matters not set forth in the Procedures shall be dealt in accordance with relevant laws and regulations and relevant regulations of the Company.

Article 28: For the calculation of 10% of total assets under the 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.

Article 29: The Procedures, and any amendments hereto, shall, after being approved by the Audit Committee and the Board of Directors, be submitted to the shareholders' meeting for consent. 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.

Amendments or modifications to the Procedures shall be approved with the consent of one-half or more of all Audit Committee members and then submitted to the Board of Directors for consideration and resolution. If approval of more than one-half of all Audit Committee members 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.

**Sensortek Technology Corp.**  
**Shareholdings of All Directors**

- I. The Company's paid-in capital is NT\$489,126,180 and a total of 48,912,618 shares have been issued.
- II. In accordance with the provisions of Article 26 of the "Securities and Exchange Act" and "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the total number of shares held by all directors shall not be less than 3,913,009 shares, and the total number of shares held by all directors has met statutory minimum shareholding requirements.
- III. The shares held by individual and all directors as of the book closure date of this shareholders' meeting (April 23, 2022) are shown in the table below:

Title	Name	Shares held	Shareholding ratio
Chairman	Representative of Sitronix Technology Corporation: Sheng-Su Lee	22,529,596	46.06%
Director	Representative of Sitronix Technology Corporation: Vincent Mao	22,529,596	46.06%
Director	Representative of Sitronix Technology Corporation: Chu-Yuan Yang	22,529,596	46.06%
Director	Hua-Cheng Tseng	-	-
Independent Director	Jen-Chi Lu	-	-
Independent Director	Chun-Yi Hsu	-	-
Independent Director	Shu-Chun Huang	-	-
Total number of shares owned by all directors		22,529,596	46.06%

Note 1: If there are more than two independent directors, the shareholding ratio calculated of all the directors other than independent directors shall be reduced to 80%.

Note 2: The Company has established an Audit Committee and therefore there is no statutory number of shares held by the supervisor applicable.



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