

Stock Code: 6201

YA HORNG ELECTRONIC CO., LTD.

2020 Regular Shareholders' Meeting

Meeting Agenda

Meeting Time : The Republic of China June 9,2020(Tuesday)Nine o'clock in the morning

Meeting Place : No.35,Shalun,Anding Dist.,Tainan City 745,Taiwan(R.O.C.)
(Conference Room of the company executive Building)

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YA HORNG ELECTRONIC CO., LTD.

2020 Regular Shareholders' Meeting Procedure

1. Call the Meeting to Order And Chairperson Remarks
2. Management Presentations
3. Proposals Presentations
4. Discussion Presentations
5. Elections
6. Other Matters
7. Questions and Motions
8. Adjournment

YA HORNG ELECTRONIC CO., LTD.

Year 2020 Agenda of Annual Meeting of Shareholders

Time : The Republic of China June 9,2020(Tuesday)Nine o'clock in the morning

Place : No.35,Shalun,Anding Dist.,Tainan City 745,Taiwan(R.O.C.)

(Conference Room of the company executive Building)

1.Call the Meeting to Order and Chairperson Remarks

- (1)Call the Meeting to Order
- (2)Chairperson Remarks

2.Management Presentations

- (1)2019 Business Report
- (2)Supervisor's Review Report on the 2019 Financial Statements
- (3)Employees' bonus and directors' compensation from 2019 profits
- (4)Distribution of 2019 Profits
- (5)Amendment to the Guidelines for the Adoption of Ethical Conduct
- (6)Other reporting Matters

3.Proposals Presentations

- (1)Adoption of the 2019 Business Report and Financial Statements
- (2) Adoption of the Proposal for Distribution of 2019 Profits

4.Discussion Presentations

- (1)Amendment to the Company's Corporate Charter
- (2)Amendment to the Operational procedures for Acquisition and Disposal of Assets
- (3)Amendment to the Operational Procedures for Endorsements and Guarantees
- (4)Amendment to the Operational Procedures for Loaning of Company Funds
- (5)Amendment to the Operating Procedures for Trading Derivatives
- (6)Amendment to the Procedures for Election of Directors and Supervisors

5.Elections

The 17th Election of of the seven Directors

6. Other Matters

Proposal of Release the Prohibition on Directors from Participation in Competitive Business

7.Questions and Motions

8.Adjournment

1. Call the Meeting to Order and Chairperson Remarks

2. Management Presentations

(1) Proposed by the Board

Proposal: 2019 Business Report

Explanation: The 2019 Business Report is attached as pp. [8-9], Annex 1.

(2) Proposed by the Board

Proposal: Supervisor's Review Report on the 2019 Financial Statements

Explanation : The 2019 Supervisor's Review Report is attached as pp.[10], Annex 2.

(3) Proposed by the Board

Proposal: Employees' bonus and directors' compensation from 2019 profits

Explanation: Handle in accordance with Article 26 of the Articles of Association of the Company and pass the resolution of the Board of Directors, and issue it to the supervisors in cash NT \$ 5,380,000 for work and NT \$ 21,537,000 for employees.

(4) Proposed by the Board

Proposal: Distribution of 2019 Profits

Explanation: YAHORNG company 2019-year after-tax net profit of 239, 549, 276 yuan, according to the company regulations to mention the statutory surplus of the public product 10%, and another according to the basis of the shareholders of the register of shares per share of cash dividends allocated 2.5 yuan, cash payments to yuan (yuan below), its abnormal 0 of the total number into the company's other income, the base date for dividend distribution and the date of distribution are intended to be authorized by the chairman.

(5) Proposed by the Board

Proposal: Amendment to the Guidelines for the Adoption of Ethical Conduct.

Explanation: In accordance with the company's need to establish an audit committee, some provisions were revised. The Report is attached as pp. [11-13], Annex 3

(6) Proposed by the Board

Proposal: Other reporting Matters

Explanation: No.

3. Proposals Presentations

(1) Proposed by the Board

Proposal: Adoption of the 2019 Business Report and Financial Statements

Explanation: 1) The company's 2019 consolidated financial report and individual financial report were approved by the board of directors and sent to The supervisor is requested to review the completion.

2) Business report and financial report (The Report is attached as pp. [8-9], Annex 1 and pp. [14-29], Annex 4 .

Resolution:

(2)Proposed by the Board

Proposal:Adoption of the Proposal for Distribution of 2019 Profits

Explanation:1)YAHORNG company 2019-year after-tax net profit of 239, 549, 276 yuan, according to the company regulations to mention the statutory surplus of the public product 10%, and another according to the basis of the shareholders of the register of shares per share of cash dividends allocated 2.5yuan, cash payments to yuan (yuan below), its abnormal 0 of the total number into the company's other income, the distribution base day and issuance day to brought to the shareholders will authorize the Board of other.
2)Profit Distribution Table (The Report is attached as pp. [30], Annex 5.

Resolution:

4.Discussion Presentations

(1)Proposed by the Board

Proposal: Amendment to the Company's Corporate Charter. Please proceed to discuss.

Explanation: In accordance with the company's operations and the establishment of the audit committee, some provisions were revised.The Report is attached as pp. [31-33], Annex 6.

Resolution:

(2)Proposed by the Board

Proposal:Amendment to the Operational Procedures for Acquisition and Disposal of Assets.

Explanation: In accordance with the company's need to establish an audit committee, some provisions were revised.The Report is attached as pp. [34-35], Annex 7.

Resolution:

(3)Proposed by the Board

Proposal:Amendment to the Operational Procedures for Endorsements and Guarantees.

Explanation: In accordance with the company's need to establish an audit committee, some provisions were revised.The Report is attached as pp. [36], Annex 8.

Resolution:

(4)Proposed by the Board

Proposal: Amendment to the Operational Procedures for Loaning of Company Funds

Explanation: In accordance with the company's need to establish an audit committee, some provisions were revised.The Report is attached as pp. [37], Annex 9.

Resolution:

(5)Proposed by the Board

Proposal:Amendment to the Operational Procedures for Trading Derivatives.

Explanation: In accordance with the company's need to establish an audit committee, some provisions were revised.The Report is attached as pp. [38], Annex 10.

Resolution:

(6)Proposed by the Board

Proposal: Amendment to the Procedures for Election of Directors and Supervisors.

Explanation:In accordance with the company's need to establish an audit committee, some provisions were revised, At the same time, it was renamed as Director Election.The Report is attached as pp. [39-40], Annex 11.

Resolution:

5.Election

Proposal: The 17th Election of of the seven Directors ◦

Explanation:1) The 16th term of the Board of Directors and Supervisors of the Company expired On June 7, 2020. Since the Company intends to set up an audit committee in accordance with the provisions of the Securities Exchange Law, the supervisor was removed from office as the supervisor.

2)It is planned to re-elect seven directors (four ordinary directors and three independent directors) at the shareholders' general meeting on June 9, 2020.The term of office of the newly appointed directors is three years, starting from June 9, 2020 to June 8,2023.The Report is attached as pp. [41-42], Annex 12.

Voting Results:

6.Other Matters

Proposed by the Board

Proposal:Proposal for Release the Prohibition on Directors from Participation in Competitive Business. Please proceed to discuss.

Explanation: 1)Proposal for release the prohibition on directors from participation in competitive business.

2)If the newly-appointed directors of the shareholders meeting have any of the above-mentioned circumstances, they intend to request the shareholders' general meeting to agree to the lifting of the restriction on the competition of the new directors and their representatives, (Please refer to the part-time status of each candidate at the time of nomination The Report is attached as pp. [43], Annex 13.

Resolution:

7.Questions and Motions

8.Adjournment

Business Report

Dear Ladies and gentlemen,

First of all, thank you shareholders in the past year, the full support of the company, on behalf of the company to the shareholders to pay the deepest respect and gratitude!

1. 2019 Business Achievements:

(1) Results of the implementation of the Business plan:

The company's 2019-year group combined operating income net of NT \$3,235,177, Net profit after tax is NT \$239,549 yuan, the after-tax surplus of 2.69 yuan per share.

(2) Budget execution situation: according to the "Public Disclosure company public financial Forecasting Information Processing Guidelines", the company does not need to disclose 2019 annual financial forecasting information, so there is no 2019-year budget implementation analysis data.

(3) Financial balance and profitability analysis: For a 2019-year financial overview, please refer to the accompanying financial statements.

(4) Research development status:

The company's 2019-year group invested 129,738 Yuan in research and development costs, about 4.01% of the turnover. To facilitate the research and development of electronic audio, small household appliances and other new products, in order to strengthen the development capacity and quality, and cultivate the ability of independent development.

Actively towards self-development of important key technologies of products and cooperation with domestic and foreign academic and research institutions to expand the scale of R & D team, the construction of the company's more complete core competitiveness.

2. Of the current year (Y2020) business plan

(1) Business policy:

A. Specializing in high value-added, quality products, strive for high profits.

B. Product differentiation design to make products more competitive and low parity, to improve the value of products.

C. Actively introduce new products and expand the mainland domestic and overseas markets, to provide customers with more rapid and perfect service, with a view to increase group revenue.

D. Integration of the group parts and design rationalization, parts standardization, strengthen procurement, reduce the cost of materials.

E. Reinvested in a labor-intensive Southeast Asian subsidiary to digest some orders and reduce production costs.

(2) Expected sales quantity and its basis:

The company's Y2020 group forecast sales situation as follows:

Unit: Thousand Set

Year Tems	2020 Annual Forecast Sales Quantity
Audio Products	723
Small Appliances	1,068
Other Products	150
Total	1,941

According to: The company expects sales quantity according to the industry environment and market supply and demand situation, and considers its own Capacity and group business development, the company firmly believe that upgrading product quality is sustainable management Important factors, the company will continue to develop new products, continuously improve product quality, customer Satisfaction and maintain good relations with suppliers, and jointly toward the company's goals.

(3) Important Marketing Policy:

A. Product differentiation design makes the product more competitive and low parity, in order to improve

the value of products.

B. Through the Professional Procurement Unit, in many ways to seek cheaper parts source, in order to reduce the cost of materials.

C. Work with the school and external design house to attract new blood.

D. Improve the international medical regulations system and enhance the competitiveness of the production of healthcare products.

E. R & d related products, such as composite motor products, composite coffee machine products. I.

Integrate parts and design rationalization/parts standardization/strengthen purchasing system ` reduce material cost.

3. The future company development strategy

(1) Looking for a third plant can digest some orders and reduce production costs.

(2) Long Delivery parts do inventory management.

(3) Strive to develop and expand the new customer base and higher-order high-end turntable market, additional manpower to seek highly qualified manufacturers.

(4) Integrate product development and production, promote design simplification and production automation, reduce human instability, improve Competitive.

(5) Expand other markets to collaborate with customers.

(6) Focus on strengthening the cardiovascular related sensory device technology, and continue to explore the digital health care application program.

(7) Actively explore the market for new customers.

4. Influenced by external competitive environment, regulatory environment and overall business environment

(1) Impact of external competitive environment:

The company pays close attention to any external changes that may affect the business and operating development of the company, Republic of China The Y2019 period is not affected by the major external competition environment and the business and operation of the company.

(2) Impact of regulatory environment:

A. According to the letter No. 1080021452 of the Taiwan Certificate on the 25th of November of the Republic of China, the listed companies are required to comprehensively improve their ability to prepare their own financial statements. The response method adopted has no significant impact on the company and was reported to the board of directors on March 6, 2020.

B. According to Guangdong Yuewei Disease Control Letter [2020] No. 14, the guidelines for the prevention and control of new types of coronavirus in enterprises and factories after the holidays, mainland subsidiaries have announced relevant arrangements: (1) the establishment of a prevention and control leadership group, and (2) key populations Classification, (3) Daily epidemic prevention operations. Therefore, there is no significant impact on the company's business and operation development.

(3) Impact of the overall business environment:

A. Raw materials, wages, exchange rates and other continued rise, and mainland factory bidding, resulting in less competitive prices, affecting some large thin profit of the machine to undertake difficulties, coupled with the mainland labor shortage affecting production efficiency and shipping. In other, by the U.S.-China trade war, although the company's small part of the product items in the list but the impact is very little, Ashong Electric group has been staying in Taiwan, maintaining cross-strait production base, Provide customers with more flexibility Production services.

B. In Q1 2020, affected by the new coronavirus (COVID-19), the global epidemic was severe. The U.S. epidemic is heating up, crude oil has plummeted, and the stock exchange market has fluctuated widely. These epidemic fear shocks continue. In the face of concerns, Yahongdian Group continues to pay attention to the upstream and downstream supply, demand and Facing the impact of the Group, funds will be more cautious and conservative in responding to changes in these economic situations. another, The Group has adopted the "prevention of employees, stable production, and epidemic prevention outside the factory" as its epidemic prevention strategy, and has fully expanded its plant Epidemic prevention operations, all members participate together to achieve "prevent the occurrence, avoid infection" and "mitigation of rush Strike, and quickly respond "to the overall epidemic prevention goal.

Ashong will continue to strive for the spirit of continuous innovation and change, in good faith, steady, solid and do a good job in each product, I wish you everyone happy.

Chairman : HUANG CHIN-I

President : HSU JUEI FENG

Accounting Manager : CHAO CHIH-YUNG

2019 Audit Report by Supervisors

The Board of Directors has prepared and submitted to the undersigned, the business report, financial statements and proposal for distribution of earnings of the Company. The financial statements of. in fiscal year 2019 have been duly audited by Huang, Shih-Chieh and Lee, Fang-Wen, Certified Public Accountants of Ernst & Young, Taiwan. We, the supervisors, have duly reviewed the financial statements along with the business report and proposal for distribution of earnings of the Company and hereby verify that they comply with the requirements of Company Law and relevant regulations. This report is duly submitted in accordance with Article 219 of the Company Law, and we hereby submit this report.

Sincerely

2020 Regular Shareholders' Meeting

YA HORNG ELECTRONIC CO., LTD.

Supervisor : TING,TSEH-SIANG

 TSAI,MING-CHING

 UANG,PAO-CHUANG

On the date of March 20, 2020

YA HORNG ELECTRONIC CO., LTD.

Comparison Table for the Guidelines for the Adoption of Ethical Conduct

Before and After Revision

Before the Version	After the Version
Method name Code of Ethical Conduct for <u>irectors, Supervisors and Managers</u>	Method name Code of Ethical Conduct
Article 1 Purpose of and basis for adoption In recognition of the necessity to assist the companies in Taiwan in their establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, <u>supervisors</u> , and managerial act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.	Article 1 Purpose of and basis for adoption In recognition of the necessity to assist the companies in Taiwan in their establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, and managerial act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.
Article 2 The object for which All directors, <u>company supervisors and managers</u> of the Board of Directors of the Company shall be bound by these Guidelines.	Article 2 The object for which All directors company managers of the Board of Directors of the Company shall be bound by these Guidelines.
Article 3 Preventing conflicts of interest The directors, <u>supervisors</u> or managers of the Company shall conduct their official duties in an objective and efficient manner and shall not be able to hold their duties with the intention of obtaining undue benefits to themselves, spouses, parents, children or relatives within the third party. The Company and the aforementioned personnel or their affiliated enterprises, such as funds loans and, for their endorsement of the guarantee, major asset transactions or goods exchanges, should follow the Company's "fund loan stake and other operating procedures", "endorsement guarantee measures" and "acquisition or disposition of assets processing procedures" and procurement and delivery related operations provisions. "Procedures for Loaning Funds with thers", "Endorsement Guarantee Measures", "Procedures for Acquiring or Disposing of Assets" and related procurement and supply operations.	Article 3 Preventing conflicts of interest The directors or managers of the Company shall conduct their official duties in an objective and efficient manner and shall not be able to hold their duties with the intention of obtaining undue benefits to themselves, spouses, parents, children or relatives within the third party. The Company and the aforementioned personnel or their affiliated enterprises, such as funds loans and, for their endorsement of the guarantee, major asset transactions or goods exchanges, should follow the Company's "fund loan stake and other operating procedures", "endorsement guarantee measures" and "acquisition or disposition of assets processing procedures" and procurement and delivery related operations provisions. "Procedures for Loaning Funds with thers", "Endorsement Guarantee Measures", "Procedures for Acquiring or Disposing of Assets" and related procurement and supply operations.
Article 4 Avoiding opportunities for elf-interest Directors, <u>supervisors</u> or managers of the Company shall refrain from the use of the Company's property, information or the use of their positions for personal gain, or for personal gain, and shall refrain from acting for themselves or others in the business of the Company. The directors, <u>supervisors</u> or managers of the Company are responsible for aintaining or increasing the legitimate and legitimate interests of the Company when the ompany has a profit opportunity.	Article 4 Avoiding opportunities for elf-interest Directors or managers of the Company shall refrain from the use of the Company's property, information or the use of their positions for personal gain, or for personal gain, and shall refrain from acting for themselves or others in the business of the Company. The directors or managers of the Company are responsible for aintaining or increasing the legitimate and legitimate interests of the company when the ompany has a profit opportunity.
Article 5 Confidentiality The Directors, <u>Supervisors</u> or Managers of the Company shall have a duty of confidentiality to	Article 5 Confidentiality The Directors or Managers of the Company shall have a duty of confidentiality to any information that may

<p>any information that may cause harm to the Company, customers or suppliers, except as authorized or disclosed by law, after the Company itself, the Customer or the Supplier may be exploited or disclosed by the Competitor.</p>	<p>cause harm to the company, customers or suppliers, except as authorized or disclosed by law, after the company itself, the Customer or the Supplier may be exploited or disclosed by the Competitor.</p>
<p>Article 6 Fair Directors, <u>supervisors</u> or managers of the Company shall treat the Company's customers, suppliers, competitors or employees fairly and shall not obtain improper benefits by manipulating, concealing or abusing information they have learned on the basis of their duties, making false statements or other unfair transactions on important matters.</p>	<p>Article 6 Fair Directors or managers of the Company shall treat the Company's customers, suppliers, competitors or employees fairly and shall not obtain improper benefits by manipulating, concealing or abusing information they have learned on the basis of their duties, making false statements or other unfair transactions on important matters.</p>
<p>Article 7 Protect and use company assets appropriately The Directors, <u>Supervisors</u> or Managers of the Company are responsible for protecting the Company's assets, ensuring that they are used effectively and lawfully in official business and that theft, negligence or waste shall be avoided, which may affect the Profitability of the Company.</p>	<p>Article 7 Protect and use company assets appropriately The Directors or Managers of the Company are responsible for protecting the Company's assets, ensuring that they are used effectively and lawfully in official business and that theft, negligence or waste shall be avoided, which may affect the Profitability of the Company.</p>
<p>Article 8 Follow the law Directors, <u>supervisors</u> or managers of the Company shall indeed comply with the provisions of the Securities Exchange Act and other relevant laws and regulations.</p>	<p>Article 8 Follow the law Directors or managers of the Company shall indeed comply with the provisions of the Securities Exchange Act and other relevant laws and regulations.</p>
<p>Article 9 Whistleblowing procedures The Company shall <u>strengthen the promotion of these Guidelines, employees in the suspicion or discovery of violations of laws and regulations or these Guidelines, should be in real name, written way to the supervisor, manager or internal audit supervisor, the whistleblower should do a good duty to protect the whistleblower.</u></p>	<p>Article 9 Whistleblowing procedures The company shall <u>raise awareness of ethics internally and encourage employees to report to a company, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.</u></p>
<p>Article 10 Disciplinary measures When the directors <u>and supervisors</u> of the Company have committed any violation of these Guidelines, they shall be prosecuted in accordance with the provisions of civil law, criminal law and related laws and regulations, and if the managers of the Company violate these Standards, they shall be appropriately disciplined in accordance with the rules of work. After the disciplinary measures for the violation of these Guidelines are confirmed, the violation of the person's title, name, date of violation, cause of violation, violation of the Code, and handling of the information disclosed in real time at the Public Information Observatory shall be recovered in accordance with the law if the circumstances are significant and the company has suffered damage.</p>	<p>Article 10 Disciplinary measures When the directors of the Company have committed any violation of these Guidelines, they shall be prosecuted in accordance with the provisions of civil law, criminal law and related laws and regulations, and if the managers of the Company violate these Standards, they shall be appropriately disciplined in accordance with the rules of work. After the disciplinary measures for the violation of these Guidelines are confirmed, the violation of the person's title, name, date of violation, cause of violation, violation of the Code, and handling of the information disclosed in real time at the Public Information Observatory shall be recovered in accordance with the law if the circumstances are significant and the company has suffered damage.</p>
<p>Article 11 The system of application In the event of a breach by a director and supervisor of the Company in violation of this Code, the director may request an investigation</p>	<p>Article 11 grievance system When the directors and manager of the company violates this standard, Appeals can be filed according to employee appeals processing points.</p>

<p>from the Ombudsman, but in the case of the Ombudsman himself, he or she may request another supervisor to investigate, and if the Manager of the Company has been disciplined for breaching the Code, he may lodge a complaint on the points of handling the employee's complaint.</p>	
<p>Article 12 Procedures for exemption The code of ethical conduct adopted by a company must require that any exemption for directors, <u>supervisors</u>, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption.</p>	<p>Article 12 Procedures for exemption The code of ethical conduct adopted by a company must require that any exemption for directors or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption.</p>
<p>Article 15 Enforcement A company's code of ethical conduct, and any amendments to it, shall <u>enter into force after it has been adopted</u> by the board of directors, <u>delivered to each supervisor</u>, and submitted to a shareholders meeting.</p>	<p>Article 15 Enforcement A company's code of ethical conduct, and any amendments to it, shall <u>be approved by the audit committee, approved</u> by the board of directors, <u>and become effective after being</u> submitted to a shareholders meeting.</p>
<p>Article 16 This Code was first formulated on June 13, 2008.</p>	<p>Article 16 These guidelines were first formulated on June 13, 2008, <u>and the first amendment was made on June 9, 2020.</u></p>

Independent Auditors' Report Translated from Chinese

To Ya Horng Electronic Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Ya Horng Electronic Co., Ltd. (the "Company") as of December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2019 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Loss allowance on accounts receivable

As of December 31, 2019, the Company's net accounts receivable amounted to NT\$455,866 thousand, which accounted for a significant amount of 14% of total assets. Loss allowance on accounts receivable is measured by lifetime expected credit losses, and the process involves appropriate groupings to accounts receivable and analysis of related assumptions used including aging bucket and rate of loss. As the evaluation required management's judgment, analysis, and estimation, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, evaluating and testing management's established internal controls; analyzing and assessing appropriateness of groupings and rate of loss; sample-testing the provision matrix, including the appropriateness of aging buckets and vouching to original supporting document; and inspecting amounts collected in subsequent period to assess their recoverability.

We also assessed the adequacy of disclosures of accounts receivable. Please refer to Notes 5, 6, and 12 to the parent company only financial statements.

Valuation for slow-moving inventories

As of December 31, 2019, the Company's net inventories amounted to NT\$384,100 thousand, which accounted for a significant amount of 12% of total asset. The Company's manufacturing process was initiated after receiving purchase orders, therefore various raw materials were acquired based on respective orders. As the allowance of obsolescence loss required significant management judgment, we thus determined this as a

key audit matter.

Our audit procedures included, but not limited to, evaluating the appropriateness of management's established internal controls and provisioning policy of allowance of obsolescence loss, including sample testing the accuracy of inventory aging time period; performing and evaluating the changes of the slow-moving inventories aging; analyzing the obsolescence loss of inventories requiring individual assessment; recalculating the allowance for reduction of inventory, to ensure that the valuation for slow-moving inventories followed accounting policies.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 parent company only financial statements.

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

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

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Huang, Shih-Chieh

Lee, Fang-Wen

Ernst & Young, Taiwan

March 06, 2020

Independent Auditors' Report Translated from Chinese

To Ya Horng Electronic Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Ya Horng Electronic Co., Ltd. (the "Company") and its subsidiaries as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2019 and 2018, and their consolidated financial performance and cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2019 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Loss allowance on accounts receivable

As of December 31, 2019, the Company's net accounts receivable amounted to NT\$491,492 thousand, which accounted for a significant amount of 15% of total consolidated assets. Loss allowance on accounts receivable is measured by lifetime expected credit losses, and the process involves appropriate groupings to accounts receivable and analysis of related assumptions used including aging bucket and rate of loss. As the evaluation required management's judgment, analysis, and estimation, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, evaluating and testing management's established internal controls; analyzing and assessing appropriateness of groupings and rate of loss; sample-testing the provision matrix, including the appropriateness of aging buckets and vouching to original supporting document; and inspecting amounts collected in subsequent period to assess their recoverability.

We also assessed the adequacy of disclosures of accounts receivable. Please refer to Notes 5, 6 and 12 to the Company's consolidated financial statements.

Valuation for slow-moving inventories

As of December 31, 2019, the Company's consolidated net inventories amounted to NT\$754,650 thousand, which accounted for 23% of total consolidated asset. The Company's manufacturing process was initiated after receiving purchase orders, therefore various raw materials were acquired based on respective orders. As the allowance of obsolescence loss required significant management judgment, we thus determined this a key audit matter.

Our audit procedures included, but not limited to, evaluating the appropriateness of management's established internal controls and provisioning policy of allowance of obsolescence loss, including sample testing the accuracy of inventory aging time period; performing and evaluating the changes of the slow-moving inventories aging; analyzing the obsolescence loss of inventories requiring individual assessment; recalculating the allowance for reduction of inventory, to ensure that the valuation for slow-moving inventories followed accounting policies.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Company's consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2018 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2019 and 2018.

Huang, Shih-Chieh

Lee, Fang-Wen

Ernst & Young, Taiwan

March 06, 2020

YA HORNG ELECTRONIC CO., LTD.
INDIVIDUAL BALANCE SHEET
DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

Assets			DECEMBER 31,2019		DECEMBER 31,2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
	current assets					
1100	Cash and cash equivalents	4/6(1)	\$950,177	29	\$996,923	31
1110	Current financial assets at fair value through profit or loss	4/6(2)	8,788	-	8,741	-
1150	Bills receivable, net	4/6(3)(12)	3		0	
1170	Accounts receivable, net	4/6(4)(12)	455,866	14	497,615	15
130x	Inventories, manufacturing business, net	4/6(5)	384,100	12	359,740	11
1470	Other current assets		18,021	1	10,790	-
11xx	Total current assets		<u>1,816,955</u>	<u>56</u>	<u>1,873,809</u>	<u>57</u>
	Non-current assets					
1550	Investing in equity law	4/6(6)	958,287	30	1,016,826	31
1600	Property, plant and equipment	4/6(7)	415,625	13	411,927	13
1755	Right-of-use assets	4/6(13)	150	-	0	-
1760	Investment real estate	4/6(8)	18,630	1	19,165	1
1780	Intangible assets	4	3,998	-	5,824	-
1840	Deferred tax assets	4/6(17)	20,726	1	20,842	1
1900	Other non-current assets		2,591	-	4,021	-
15xx	Total non-current assets		<u>1,420,007</u>	<u>45</u>	<u>1,478,605</u>	<u>46</u>
1xxx	Total assets		<u>\$3,236,962</u>	<u>101</u>	<u>\$3,352,414</u>	<u>100</u>

YA HORNG ELECTRONIC CO., LTD.
INDIVIDUAL BALANCE SHEET
DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

Liabilities and Equity			DECEMBER 31,2019		DECEMBER 31,2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Current liabilities					
2130	Total liabilities-flow	4/6(11)	30,576	1	34,762	1
2150	Notes payable	4	\$3,180	-	\$1,550	-
2170	Accounts payable	4	182,280	5	141,919	4
2180	Accounts payable to related parties	4/7	355,709	11	470,434	14
2200	Other payables	4	94,122	3	91,381	3
2220	Other payables-related persons	4/7	16	-	730	-
2230	Current tax liabilities	4/6(17)	34,760	1	38,817	1
2280	Lease liabilities-current	4/6(13)	151	-	0	-
2300	Other current liabilities, others	4/6(18)	2,423	-	3,891	-
21xx	Total current liabilities		<u>703,217</u>	<u>21</u>	<u>783,484</u>	<u>23</u>
	Non-current liabilities					
2570	Deferred tax liabilities	4/6(17)	30,394	1	36,665	1
2640	Net defined benefit liability, non-current	4/6(9)	84,227	3	89,068	4
2645	Deposit security	4	129	-	129	-
25xx	Total non-current liabilities		<u>114,750</u>	<u>4</u>	<u>125,862</u>	<u>5</u>
2xxx	Total liabilities		<u>817,967</u>	<u>25</u>	<u>909,346</u>	<u>28</u>
	Share capital					
3100	Share capital	6(10)	892,000	28	892,000	27
3200	Capital surplus	6(10)	333,205	10	333,202	10
3300	Retained earnings					
3310	Legal reserve	6(10)	487,130	15	460,788	14
3320	Special reserve	6(10)	83,011	2	83,011	2
3350	Unappropriated retained earnings (accumulated deficit)	6(10)	705,307	22	729,375	22
	Total retained earnings		<u>1,275,448</u>	<u>39</u>	<u>1,273,174</u>	<u>38</u>
3400	Other equity interest	4	(81,658)	(3)	(55,308)	(2)
3xxx	Total equity		<u>2,418,995</u>	<u>75</u>	<u>2,443,068</u>	<u>73</u>
	Total liabilities and equity		<u>\$3,236,962</u>	<u>100</u>	<u>\$3,352,414</u>	<u>101</u>

The accompanying notes are an integral part of these financial statements. See report of independent accountants dated March 06, 2020.

YA HORNG ELECTRONIC CO., LTD.AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

Assets			DECEMBER 31,2019		DECEMBER 31,2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
	current assets					
1100	Cash and cash equivalents	4/6(1)	\$1,279,491	40	\$1,359,516	41
1110	Financial assets as measured by fair value through profit and loss-flow	4/6(2)	8,788	-	8,741	-
1136	Financial assets in terms of amortization costs-flow	4/6(3.12)	0	-	93,387	3
1150	Notes receivable, net	4/6(4.12)	3	-		-
1170	Accounts receivable, net	4/6(5.12)	491,492	15	534,834	16
130x	Inventories, manufacturing business, net	4/6(6)	754,650	23	642,207	20
1470	Other current assets		48,602	2	37,452	1
11xx	Total current assets		<u>2,583,026</u>	<u>80</u>	<u>2,676,137</u>	<u>81</u>
	Non-current assets					
1600	Property, plant and equipment	4/6(7)/7	561,310	18	541,738	17
1755	Right-of-use asset	4/6(13)	12,235	-		-
1760	Investment property, net	4/6(8)	23,894	1	44,951	1
1780	Intangible assets	4	3,998	-	5,824	-
1840	Deferred tax assets	4/6(17)	20,726	1	20,842	1
1900	Other non-current assets	8	7,576	-	22,866	-
15xx	Total non-current assets		<u>629,739</u>	<u>20</u>	<u>636,221</u>	<u>19</u>
1xxx	Total assets		<u><u>\$3,212,765</u></u>	<u><u>100</u></u>	<u><u>\$3,312,358</u></u>	<u><u>100</u></u>

(Continued)

YA HORNG ELECTRONIC CO., LTD.AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

Liabilities and Equity			DECEMBER 31,2019		DECEMBER 31,2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Current liabilities					
2130	Total liabilities-flow	4/6.11	\$30,576	1	\$34,762	1
2150	Notes payable	4	3,180	-	1,550	-
2170	Accounts payable	4	441,572	14	333,313	10
2180	Accounts payable to related parties	4/7	19,843	1	190,429	6
2200	Other payables	4/7	145,223	5	135,413	4
2230	Current tax liabilities	4/6.17	34,760	1	39,391	1
2280	Lease liabilities-current	4/6.13	151	-	-	-
2300	Other current liabilities, others		3,313	-	5,482	-
21xx	Total current liabilities		<u>678,618</u>	<u>22</u>	<u>740,340</u>	<u>22</u>
	Non-current liabilities					
2570	Deferred tax liabilities	4/6.17	30,394	1	36,665	1
2640	Net defined benefit liability, non-current	4/6.9	84,227	2	90,377	3
2645	Deposit security	4	531	-	1,908	-
25xx	Total non-current liabilities		<u>115,152</u>	<u>3</u>	<u>128,950</u>	<u>4</u>
2xxx	Total liabilities		<u>793,770</u>	<u>25</u>	<u>869,290</u>	<u>26</u>
31xx	Equity attributable to owners of parent					
3100	Share capital	6.10	892,000	28	892,000	27
3200	Capital surplus	6.10	333,205	10	333,202	10
3300	Retained earnings					
3310	Legal reserve	6.10	487,130	15	460,788	14
3320	Special reserve	6.10	83,011	3	83,011	3
3350	Unappropriated retained earnings (accumulated deficit)	6.10	705,307	22	729,375	22
	Total retained earnings		<u>1,275,448</u>	<u>40</u>	<u>1,273,174</u>	<u>39</u>
3400	Other equity interest	4	<u>(81,658)</u>	<u>(3)</u>	<u>(55,308)</u>	<u>(2)</u>
3xxx	Total equity		<u>2,418,995</u>	<u>75</u>	<u>2,443,068</u>	<u>74</u>
	Total liabilities and equity		<u>\$3,212,765</u>	<u>100</u>	<u>\$3,312,358</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements. See report of independent accountants dated March 06, 2020.

YA HORNG ELECTRONIC CO., LTD.
INCOME STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2019 AN 2018

Unit: NT\$ thousand

	Items	Notes	2019		2018	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	4/6(11)/7	\$3,155,834	100	\$3,088,514	100
5000	Operating costs	4/6(5)(9)(14)/7	(2,600,536)	(82)	(2,602,907)	(84)
5900	Gross profit (loss) from operations		555,298	18	485,607	16
5910	Not realizing the benefits of sales		(944)	-	(512)	-
5920	has achieved the benefits of sales		512	-	692	-
5950	NET gross margin of business		554,866	18	485,787	16
6000	Operating expenses	4/6(9)(12)(13)(14)/7				
6100	Selling expenses		(51,783)	(2)	(45,110)	(1)
6200	Administrative expenses		(106,477)	(3)	(111,938)	(4)
6300	Research and development expenses		(119,341)	(4)	(117,624)	(4)
	Total operating expenses		(277,601)	(9)	(274,672)	(9)
6900	Net operating income (loss)		277,265	9	211,115	7
7000	Non-operating income and expenses					
7010	Other income	6(15)	21,794	0	15,742	0
7020	Other gains and losses	4/6(15)	(9,381)	0	46,696	1
	Interest expense		(9)	0	(7)	0
7070	The share of subsidiaries, affiliated enterprises and joint ventures with equity Law recognized	4	7,977	0	56,694	2
	Total non-operating income and expenses		20,381	0	119,125	3
7900	Profit (loss) from continuing operations before tax		297,646	9	330,240	10
7950	Tax expense (income)	4/6(17)	(58,097)	(2)	(66,828)	(2)
8200	Profit (loss)		239,549	7	263,412	8
8300	Other comprehensive income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	4/6(16)	4,456	-	(8,643)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4/6(16)(17)	(891)	-	3,970	-
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	4/6(16)	(32,938)	--	(5,027)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	4/6(16)(17)	6,588	-	(1,519)	-
	Comprehensive income, attributable to owners of parent		(22,785)	--	(11,219)	-
8500	Total comprehensive income for the year		\$216,764	7	\$252,193	8
	Earnings per share (in dollars)	6(18)				
9750	Basic earnings (loss) per share from continuing operations		\$2.69		\$2.95	
9850	Diluted earnings per share		\$2.67		\$2.93	

The accompanying notes are an integral part of these financial statements. See report of independent accountants dated March 06, 2020.

YA HORNG ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

	Items	Notes	2019		2018	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	4/6(11)/7	\$3,235,177	100	\$3,260,777	100
5000	Operating costs	4/6(6)(9)(14)/7	(2,556,961)	(79)	(2,674,721)	(82)
5900	Gross profit (loss) from operations		678,216	21	586,056	18
6000	Operating expenses	4/6(9)(12)(13)(14)/7				
6100	Selling expenses		(69,992)	(2)	(85,396)	(3)
6200	Administrative expenses		(201,114)	(6)	(188,411)	(7)
6300	Research and development expenses		(129,738)	(4)	(131,338)	(4)
	Total operating expenses		(400,844)	(12)	(405,145)	(14)
6900	Net operating income (loss)		277,372	9	180,911	6
7000	Non-operating income and expenses					
7010	Other income	6(15)/7	35,496	1	34,199	1
7020	Other gains and losses	4/6(15)	(12,595)	- 1	121,996	4
7050	Interest expense	4/6(15)	(9)	-	(7)	-
	Total non-operating income and expenses		22,892	-	156,188	5
7900	Profit (loss) from continuing operations before tax		300,264	9	337,099	10
7950	Tax expense (income)	4/6(17)	(60,715)	(2)	(73,687)	(2)
8200	Profit (loss)		239,549	7	263,412	8
8300	Other comprehensive income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	4/6(16)	4,456	-	(8,643)	0
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4/6(16)(17)	(891)	-	3,970	-
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	4/6(16)	(32,938)	(1)	(5,027)	0
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	4/6(16)(17)	6,588	-	(1,519)	-
	Comprehensive income, attributable to owners of parent		(22,785)	(1)	(11,219)	0
8500	Total comprehensive income for the year		\$216,764	6	\$252,193	8
8600	Profit attributable to:					
8610	Owners of the parent		\$239,549		\$263,412	
8700	Comprehensive income attributable to:					
8710	Owners of the parent		\$216,764		\$252,193	
	Earnings per share (in dollars)					
9750	Basic earnings (loss) per share from continuing operations	6(18)	\$2.69		\$2.95	
9850	Diluted earnings per share		\$2.67		\$2.93	

The accompanying notes are an integral part of these consolidated financial statements. See report of independent accountants dated March 06, 2020.

YA HORNG ELECTRONIC CO., LTD.
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

Items	share capital	Capital surplus	Total equity			ther equity inter	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings (accumulated)	Exchange differences on translation of	
	3100	3200	3310	3320	3350	3410	3XXX
2018/01/01 Equity	\$892,000	\$333,190	\$440,275	\$89,838	\$671,642	\$(48,762)	\$2,378,183
2017 Annual surplus Reference and allocation							
Legal reserve appropriated	-	-	20,513	-	(20,513)	-	-
Cash dividends of ordinary share	-	-	-	-	(187,320)	-	(187,320)
Special surplus reserve rotation				(6,827)	6,827		-
Changes in other capital reserves		-					12
2018 Profit (loss)	-	-	-	-	263,412	-	263,412
2018 Other comprehensive income	-	-	-	-	(4,673)	(6,546)	(11,219)
Comprehensive income	-	-	-	-	258,739	(6,546)	252,193
2018 Equity	<u>\$892,000</u>	<u>\$333,202</u>	<u>\$460,788</u>	<u>\$83,011</u>	<u>\$729,375</u>	<u>\$(55,308)</u>	<u>2,443,056</u>
2019/01/01 Equity	\$892,000	\$333,202	\$460,788	\$83,011	\$729,375	\$(55,308)	2,443,068
2018 Annual surplus Reference and allocation							
Legal reserve appropriated	-	-	26,342	-	(26,342)	-	-
Cash dividends of ordinary share	-	-	-	-	(240,840)	-	(240,840)
Other changes in capital reserve		3					3
2019 Profit (loss)	-	-	-	-	239,549	-	239,549
2019 Other comprehensive income	-	-	-	-	3,565	(26,350)	(22,785)
Total comprehensive income	-	-	-	-	243,114	(26,350)	216,764
2018/12/31 Equity	<u>\$892,000</u>	<u>\$333,205</u>	<u>\$487,130</u>	<u>\$83,011</u>	<u>\$705,307</u>	<u>\$(81,658)</u>	<u>\$2,418,995</u>

The accompanying notes are an integral part of these financial statements. See report of independent accountants dated March 06, 2020.

Note 1: The actual distribution of the staff bonus 17,383 thousand Yuan, the director of the director of the remuneration 4,050 thousand Yuan, the Republic of 2017-annual comprehensive income statement dec

Note 2: The actual distribution of the staff bonus 23,910 thousand Yuan, the director of the director of the remuneration 5,978 thousand Yuan, the Republic of 2018-annual comprehensive income statement dedu

YA HORNG ELECTRONIC CO., LTD.AND SUBSIDIARIES
STATEMENT OF STOCKHOLDERS'EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

Items	Equity attributable to owners of parent						Total equity
	share capital	Capital surplus	Total equity			Other equity inter	
			Legal reserve	Special reserve	Unappropriat ed retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial	
	3100	3200	3310	3320	3350	3410	3XXX
2018/01/01 Equity	\$892,000	\$333,190	\$440,275	\$89,838	\$671,642	\$(48,762)	\$2,378,183
2017 Annual surplus Reference and allocation							
Legal reserve appropriated	-	-	20,513	-	(20,513)	-	-
Cash dividends of ordinary share	-	-	-	-	(187,320)	-	(187,320)
Special surplus reserve rotation				(6,827)	6,827		-
		12					12
2018 Profit (loss)	-	-	-	-	263,412	-	263,412
2018 Other comprehensive income	-	-	-	-	(4,673)	(6,546)	(11,219)
Total comprehensive income	-	-	-	-	258,739	(6,546)	252,193
2018/12/31 Equity	<u>\$892,000</u>	<u>\$333,202</u>	<u>\$460,788</u>	<u>\$83,011</u>	<u>\$729,375</u>	<u>\$(55,308)</u>	<u>\$2,443,068</u>
2019/01/01 Equity	\$892,000	\$333,202	\$460,788	\$83,011	\$729,375	\$(55,308)	\$2,443,068
2018 Annual surplus Reference and allocation							
Legal reserve appropriated	-	-	26,342	-	(26,342)	-	-
Cash dividends of ordinary share	-	-	-	-	(240,840)	-	(240,840)
		3					3
2019 Profit (loss)	-	-	-	-	239,549	-	239,549
2019 Other comprehensive income	-	-	-	-	3,565	(26,350)	(22,785)
Total comprehensive income	-	3	-	-	243,114	(26,350)	216,764
2019/12/31 Equity	<u>\$892,000</u>	<u>\$333,205</u>	<u>\$487,130</u>	<u>\$83,011</u>	<u>\$705,307</u>	<u>\$(81,658)</u>	<u>\$2,418,995</u>

The accompanying notes are an integral part of these consolidated financial statements. See report of independent accountants dated March 06, 2020.

YA HORNG ELECTRONIC CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Items	2019	2018	Items	Unit: NT\$ thousand	
	AMOUNT	AMOUNT		2019	2018
				AMOUNT	AMOUNT
CASH FLOWS FROM OPERATING ACTIVITIES:			Cash flows from (used in) investing activities :		
Profit (loss) before tax	\$297,646	\$330,240	Acquire investment in equity law	(26,837)	-
Adjustments :			Disciplinary subsidiary	50,000	
Adjustments to reconcile profit (loss) :			Acquisition of property, plant and equipment	(18,247)	(15,992)
Depreciation expense	16,171	16,606	Disposition of property, plant and equipment		158,270
Amortization expense	2,537	1,167	Other receivables-reduction of relationship	(711)	(6,405)
Interest expense	9	-	Net cash flows from (used in) investing activities	<u>4,205</u>	<u>135,873</u>
Interest income	(14,386)	(10,513)			
The share of the loss of subsidiaries, affiliated enterprises and joint ventures (interests) identified by equity I	(7,977)	(56,694)			
Loss (gain) on disposal of property, plan and equipment					
Disposition of non-current assets to be sold (benefits)	-	(27,901)	Cash flows from (used in) financing activities :		
Not realizing the benefits of sales	944	512	Deposit margin increase		(741)
Achieved sales (benefits)	(512)	(692)	Repayment of lease principal	(1,094)	
Changes in operating assets and liabilities :			Cash dividends paid	(240,840)	(187,320)
Decrease (increase) in financial assets held for trading	-	(8,680)	Interest paid	(1)	
(Increase) financial assets measured at fair value through profit or loss	(47)	-	Other fundraising activities	3	
Notes receivable (increase)	(3)		Net cash flows from (used in) financing activities	<u>(241,932)</u>	<u>(188,061)</u>
Decrease (increase) in accounts receivable	41,749	65,795			
Decrease (increase) in other operating assets	-	77			
Decrease (increase) in inventories	(24,360)	(138,709)	Net increase (decrease) in cash and cash equivalents	(46,746)	41,979
Decrease (increase) in other current assets	(7,338)	6,050	Cash and cash equivalents at beginning of period	996,923	954,944
Decrease (increase) in other operating assets	1,430	666	Cash and cash equivalents at end of period	<u>\$950,177</u>	<u>\$996,923</u>
Liabilities (Decrease)	(4,186)	(3,207)			
Increase (decrease) in notes payable	1,630	(1,649)			
Increase (decrease) in accounts payable	40,361	(60,378)			
Increase (decrease) in accounts payable to related parties	(114,725)	(84,151)			
Increase (decrease) in other payable	2,741	5,066			
Other payables-Increased number of related persons	(714)	730			
Increase (decrease) in other current liabilities	(1,468)	3,727			
Increase (decrease) in net defined benefit liability	(385)	5,499			
Cash inflow (outflow) generated from operations	<u>229,117</u>	<u>43,561</u>			
Interest received	14,493	10,615			
Dividend collected	9,983	66,881			
Income taxes refund (paid)	(62,612)	(26,890)			
Net cash flows from (used in) operating activities	<u>190,981</u>	<u>94,167</u>			

The accompanying notes are an integral part of these consolidated financial statements. See report of independent accountants dated March 06, 2020.

YA HORNG ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Unit: NT\$ thousand

Items	2019	2018	Items	2019	2018
	AMOUNT	AMOUNT		AMOUNT	AMOUNT
CASH FLOWS FROM OPERATING ACTIVITIES:			Cash flows from (used in) investing activities :		
Profit (loss) before tax	\$300,264	\$337,099	Disposition of financial assets as measured by amortization costs	93,387	121,128
Adjustments :			Disposition of non-current assets pending sale		158,270
Adjustments to reconcile profit (loss) :			Acquisition of property, plant and equipment	(53,853)	(23,272)
Depreciation expense	50,901	55,549	Proceeds from disposal of property, plant and equipment	53	4,890
Amortization expense	2,537	1,218	Acquisition of intangible assets	(711)	(6,414)
Interest expense	9	7	Net cash flows from (used in) investing activities	<u>38,876</u>	<u>254,602</u>
Interest income	(20,866)	(20,891)			
Loss (gain) on disposal of property, plan and equipment	50	(34)	Cash flows from (used in) financing activities :		
Disposition of non-current assets to be sold (benefits)	-	(111,797)	Deposit margin increase	(1,377)	92
Disposition of investment losses	-	12,634	Repayment of lease principal	(1,094)	
Non-financial assets Impairment loss	-	(1,482)	Cash dividends paid	(240,840)	(187,320)
Changes in operating assets and liabilities :			Interest paid	(1)	(7)
Decrease (increase) in financial assets held for trading		(8,983)	Other fundraising activities	3	
Mandatory financial assets measured at fair value through gains and losses (increase)	(47)	(37)	Net cash flows from (used in) financing activities	<u>(243,309)</u>	<u>(187,235)</u>
Decrease (increase) in notes receivable	(3)	391			
Decrease (increase) in accounts receivable	43,342	87,054	Effect of exchange rate changes on cash and cash equivalents	(35,801)	(14,337)
Decrease (increase) in inventories	(103,230)	(238,007)	Net increase (decrease) in cash and cash equivalents	(80,025)	215,090
Decrease (increase) in other current assets	(11,895)	120,392	Cash and cash equivalents at beginning of period	<u>1,359,516</u>	<u>1,144,426</u>
Decrease (increase) in other operating assets	2,276	5,343	Cash and cash equivalents at end of period	<u>\$1,279,491</u>	<u>\$1,359,516</u>
Liabilities (Decrease)	(4,186)	(3,214)			
Increase (decrease) in notes payable	1,630	(2,323)			
Increase (decrease) in accounts payable	108,259	(34,571)			
Increase (decrease) in accounts payable to related parties	(170,586)	(11,865)			
Increase (decrease) in other payable	9,810	(19,527)			
Increase (decrease) in other current liabilities	(2,169)	3,156			
Increase (decrease) in net defined benefit liability	(1,694)	5,415			
Cash inflow (outflow) generated from operations	<u>204,402</u>	<u>175,527</u>			
Interest received	21,611	20,383			
Income taxes refund (paid)	(65,804)	(33,850)			
Net cash flows from (used in) operating activities	<u>160,209</u>	<u>162,060</u>			

The accompanying notes are an integral part of these consolidated financial statements. See report of independent accountants dated March 06, 2020

YA HORNG ELECTRONIC CO., LTD.
PROFIT DISTRIBUTION TABLE
Year 2019

(Unit: NTD \$)

Beginning retained earnings	462,193,247
Add: Other comprehensive gains and losses (actuarial gains and losses) (2019 degrees of the Republic of China)	3,564,613
Unappropriated Retained Earnings After Adujstment Plus:	465,757,860
Add: Net Income of 2019	239,549,276
Less: 10% legal reserve	(23,954,928)
Distributable net profit	681,352,208
Distributable items:	
Cash Dividend to shareholders(nt@2.5)	(223,000,000)
Unappropriated retained earnings	458,352,208

Chairman : HUANG CHIN-I

President : HSU JUEI FENG

Accounting Manager : CHAO CHIH-YUNG

YA HORNG ELECTRONIC CO., LTD.
Comparison Table for the Articles of Incorporation
Before and After Revision

Before the Version	After the Version
Chapter 4 Directors <u>and Supervisors</u>	Chapter 4 Directors
<p>Article 15 The company has a director of five to nine people, <u>Three persons</u>, of whom The independent dong At least <u>two</u> or more people, directors, The election of independent directors is a candidate <u>Nomination system for people</u>.,endent directors, Election of independent directors shall adopt the candidates nomination system prescribed . In the election of directors, shall be governed by the provisions of law 198th and 1 of the company law 192th of the company, Independent and non-independent directors shall be elected at the same time, but the quota shall be calculated separately. The votes earned on behalf of the more voting rights were elected as independent directors and non-independent directors.</p> <p>The directors <u>and monitors</u> are Ren Zhi by the shareholders, for a term of three years, for re-election. The total amount of shares held by the directors <u>and monitors</u> of the shares of the company shall be set out in accordance with the standards prescribed by the Financial Supervision and Management Committee of the Executive Yuan, "the directors of the public issuing companies, the monitoring of the percentage of shares and the inspection of enforcement rules".</p>	<p>Article 15 The company has a director of five to nine people, of whom The independent dong At least <u>three</u> or more people, directors, The election of independent directors is a candidate <u>Nomination system for people</u>.,endent directors, Election of independent directors shall adopt the candidates nomination system prescribed . In the election of directors, shall be governed by the provisions of law 198th and 1 of the company law 192th of the company, Independent and non-independent directors shall be elected at the same time, but the quota shall be calculated separately. The votes earned on behalf of the more voting rights were elected as independent directors and non-independent directors.</p> <p>The directors are Ren Zhi by the shareholders, for a term of three years, for re-election. The total amount of shares held by the directors of the shares of the company shall be set out in accordance with the standards prescribed by the Financial Supervision and Management Committee of the Executive Yuan, "the directors of the public issuing companies, the monitoring of the percentage of shares and the inspection of enforcement rules".</p>
<p>Article 18 When the director of Inspector expires and is less than re-election, extending its practice to the re-election of the <u>supervisor</u> of the office, but the competent authority in accordance with the authority of the limited company re-election, failure still not re-election, since the expiration of the time, of course.</p>	<p>Article 18 When the director of Inspector expires and is less than re-election, extending its practice to the re-election of the of the office, but the competent authority in accordance with the authority of the limited company re-election, failure still not re-election, since the expiration of the time, of course.</p>
<p>Article 19 If there is a shortfall of one-third of directors <u>or all supervisors have been dismissed</u>, shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor. The directors of the Company shall be more than half of the seats, <u>the monitoring of the human or the Ombudsman and the directors, should at least a seats or more than one of the following relations.</u> (1) Spouse. (2) Relatives within two degree.</p>	<p>Article 19 If there is a shortfall of one-third of directors, shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor. The directors of the Company shall be more than half of the seats, the directors, should at least a seats or more than one of the following relations. (1) Spouse. (2) Relatives within two degree.</p>
<p>Article 22 Supervisors may attend Board meetings to speak in the meeting but without vote.</p>	delete

<p>Article 22-1 The Company shall be responsible for the purchasing of the Director <u>and the Inspector</u> in the term of office for the implementation of the business scope of the law should be liable for its liability insurance.</p>	<p>Article 22 The Company shall be responsible for the purchasing of the Director in the term of office for the implementation of the business scope of the law should be liable for its liability insurance. <u>The Board of Directors is authorized to decide the compensation to all directors and supervisors at a rate consistent with general practices in the try;</u> <u>The transportation fee of directors and supervisors shall be agreed upon by the Board in accordance with the usual level of the industry. The directors of the Company shall be remunerated by monthly salary in accordance with the remuneration of the company in addition to the distribution of directors in the office of the Company in accordance with article 26th of these bylaws.</u></p>
<p>Article 22-2 The Board of Directors is authorized to decide the compensation to all directors and supervisors at a rate consistent with general practices in the industry; The transportation fee of directors and supervisors shall be agreed upon by the Board in accordance with the usual level of the industry. The directors of the company shall be remunerated by monthly salary in accordance with the remuneration of the company in addition to the distribution of directors in the office of the Company in accordance with article 26th of these bylaws.</p>	<p>delete</p>
<p>Article 25 <u>After the close of each fiscal year, At the end of each fiscal year, the Board shall have the following books and statements prepared in accordance of the Company Law and forward to supervisors for auditing within the prescribed time period before acknowledged in the hareholder's meeting.</u> (1)Business Report. (2)Financial Statements.3.Proposal Concerning Appropriation of Net Profits or Recovering Of osses.</p>	<p>Article 25 <u>At the end of each fiscal year of the company, the board of directors shall compile the following list and submit it to the shareholders' general meeting for approval.</u> (1)Business Report. (2)Financial Statements. (3)Proposal Concerning Appropriation of Net rofits or Recovering Of osses.</p>
<p>Article 26 (1)If the Company reports a surplus, the Profits shall be appropriated,The remuneration for employees may not fall below 2% and The remuneration for directors may not exceed 5%.If the Company has accumulated losses, the Company shall reserve an amount to offset it.Surplus refers to profit before tax deducted appropriated employee mpensation, Employee compensations mentioned in preceding paragraph shall be distributed in stoks or in cash. The payment shall apply to employees in the bsidiaries as well whoever meets criteria developed by the Board of Directors. (2)the company's annual accounts after the pure benefits, in addition to the law to pay income tax, should first compensate for the previous annual losses, the balance of its remaining 10% as the statutory surplus reserves, but the statutory surplus accumulation of accumulated capital amounted to the total amount is not in</p>	<p>Article 26 (1)If the Company reports a surplus, the Profits shall be appropriated,The remuneration for employees may not fall below 2% and The remuneration for directors may not exceed 5%.If the Company has accumulated losses, the Company shall reserve an amount to offset it. Surplus refers to profit before tax deducted appropriated employee mpensation, Employee compensations mentioned in preceding paragraph shall be distributed in stocks or in cash. The payment shall apply to employees in the bsidiaries as well whoever meets criteria developed by the Board of Directors. (2)the company's annual accounts after the pure benefits, in addition to the law to pay income tax, should first compensate for the previous annual losses, the balance of its remaining 10% as the statutory surplus reserves, but the statutory surplus accumulation of accumulated capital amounted to the total amount is not in</p>

<p>this limit, and accordance with the law to make or slewing special surplus reserves, and then on balance, together with the cumulative unspent surplus of the previous year as the to allocate surplus, in addition to the retention of partial surplus not allocated to the discretion of the Board of Directors to propose a dividend distribution, to report shareholder resolution. The company assigns all or one of the dividends and dividends or statutory surplus reserve and capital reserve, in the form of cash, the Board of Directors shall be authorized to be present by more than two-thirds of the directors and, with the consent of a majority of the participants, and shall report to the shareholders ' meeting.</p> <p>(3)Because the company's future enterprise life cycle should be a positive maturity, that is growth and interest rate as a relatively stable industry, is the future dividend policy of the Department of Cash dividend-based, stock dividend supplement, the dividend distribution policy should take into account the company's future product planning investment environment and other matters to the demand of funds, and the interests shareholders; dividend issuance of shareholders, in addition to improving the competitive status of the major capital budget, investment in the environment nvestment or other major capital expenditures, such as capital requirements, The allocation of cash dividends is not less than 50%% of the total dividend issued in the year.</p>	<p>this limit, and accordance with the law to make or slewing special surplus reserves, and then on balance, together with the cumulative unspent surplus of the previous year as the to allocate surplus, in addition to the retention of partial surplus not allocated to the discretion of the Board of Directors to propose a dividend distribution, to report shareholder resolution. The company assigns all or one of the dividends and dividends or statutory surplus reserve and capital reserve, in the form of cash, the Board of Directors shall be authorized to be present by more than two-thirds of the directors and, with the consent of a majority of the participants, and shall report to the shareholders ' meeting.</p> <p>(3)Because the company's future enterprise life cycle should be a positive maturity, that is growth and interest rate as a relatively stable industry, is the future dividend policy of the Department of Cash dividend-based,stock dividend supplement, the dividend distribution policy should take into account the company's future product planning investment environment and other matters to the demand of funds, and the interests shareholders; dividend issuance of shareholders, in addition to improving the competitive status of the major capital budget, investment in the environment nvestment or other major capital expenditures, such as capital requirements, The allocation of cash dividends is not less than 50%% of the total dividend issued in the year.</p>
<p>Article 30 This statute is made in the Republic of China November 7, 1981, the First Amendment to the Republic of July 10, 1984, the Second Amendment to the Republic of August 14,1985, the third amendment to the Republic of China February 28, 1986, the Fourth Amendment to the Republic of China May 2, 1990, the Fifth Amendment to the Republic of August 15, 1991, the Sixth Amendment to the Republic of November 1, 1998, seventh Amendment to the Republic of March 24,2000, eighth, The Ninth amendment to the Republic of July 3, 2001, the Tenth Amendment to the Republic of China October 24, 2001, the 11th Amendment to the Republic of June 10, 2002, the 12th Amendment to the Republic of China June 20, 2003, 13th Amendment to the Republic of China October 29, 2003, 14th on the Republic of June 3, 2004 in the Republic of June 10, 2005, 15th modified in the Republic of June 14, 2006, 16th on the Republic of June 14, 2007, 18th Amendment to the Republic of June 11, 2010, 19th Amendment to the Republic of June 6,2012, 20th Amendment to the Republic of China June 10, 2013, 21st Amendment to the Republic of China June 11, 2014, 22nd on the Republic of June 14, 2016, 23nd on the Republic of June 05, 2018, 24nd on the Republic of June 06, 2019.</p>	<p>Article 30 This statute is made in the Republic of China November 7, 1981, the First Amendment to the Republic of July 10, 1984, the Second Amendment to the Republic of August 14,1985, the third amendment to the Republic of China February 28, 1986, the Fourth Amendment to the Republic of China May 2, 1990, the Fifth Amendment to the Republic of August 15, 1991, the Sixth Amendment to the Republic of November 1, 1998, seventh Amendment to the Republic of March 24,2000,eighth,The Ninth amendment to the Republic of July 3, 2001, the Tenth Amendment to the Republic of China October 24, 2001, the 11th Amendment to the Republic of June 10, 2002, the 12th Amendment to the Republic of China June 20, 2003, 13th Amendment to the Republic of China October 29, 2003, 14th on the Republic of June 3, 2004 in the Republic of June 10, 2005, 15th modified in the Republic of June 14, 2006, 16th on the Republic of June 14, 2007, 18th Amendment to the Republic of June 11, 2010, 19th Amendment to the Republic of June 6,2012, 20th Amendment to the Republic of China June 10, 2013, 21st Amendment to the Republic of China June 11, 2014, 22nd on the Republic of June 14, 2016, 23nd on the Republic of June 05, 2018, 24nd on the Republic of June 06, 2019, <u>25nd on the Republic of June 09, 2020.</u></p>

YA HORNG ELECTRONIC CO., LTD.
Operational Procedures for Acquisition and Disposal of Assets
Before and After Revision

Before the Version	After the Version
<p>Article 10 (Abbreviated)</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. ~4. (Abbreviated)</p>	<p>Article 10 (Abbreviated)</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; <u>The transaction should be approved by the Audit Committee. The committee agreed and after approval by the board of directors.</u></p> <p>2. ~4. (Abbreviated)</p>
<p>Article 16</p> <p>When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, <u>the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</u></p> <p><u>(The following is omitted)</u></p> <p>After the company has set up an audit committee, it shall be approved by the supervisor according to the first provision, and shall be approved by more than one-half of all members of the audit committee, and a resolution of the board of directors shall be proposed. If the above paragraph is not approved by more than one-half of all members of the audit committee, more than two-thirds of all directors may agree to do so, and the resolutions of the audit committee shall be stated in the minutes of the board meeting.</p>	<p>Article 16</p> <p>When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, <u>After the approval of the audit committee and the approval of the board of directors, the transaction contract and payment shall be signed:</u></p> <p><u>(The following is omitted)</u></p> <p><u>According to the first stipulation, more than one-half of all members of the audit committee shall agree and propose a resolution of the board of directors. If the above paragraph is not approved by more than one-half of all members of the audit committee, more than two-thirds of all directors may agree to do so, and the resolutions of the audit committee shall be stated in the minutes of the board meeting.</u></p>
<p>Article 18 (Abbreviated)</p> <p>2. Supervisors should be in accordance with company law 280 Articles apply. If an audit committee is set up <u>After the first paragraph of this paragraph is unique to the Audit Committee. The members of the board of directors are allowed to use it</u></p> <p><u>(The following is omitted)</u></p>	<p>Article 18 (Abbreviated)</p> <p>2. The Audit Committee shall be in accordance with Company Law 280 Articles apply. <u>(The following is omitted)</u></p>

<p>Article 25 After this processing procedure is approved by the board of directors, it will be sent to the supervisors and reported to the shareholders' meeting for approval. If any director has objections and has a record or written statement, the company shall also send the director's objection materials to the supervisors. When submitting the procedures for obtaining or disposing of assets to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered. Any objections or reservations made by the independent director shall be stated in the minutes of the board meeting.</p>	<p>Article 25 The Company's "Procedure for Obtaining or Disposing of Assets" was approved by the Audit Committee, approved by the Board of Directors, and implemented after submission to the shareholders' meeting for approval. The same applies to amendments. If any director expresses objections and has a record or written statement, the company should also send the director's objections to the audit committee. When submitting the "Procedure for Obtaining or Disposing of Assets" to the Board of Directors for discussion, the opinions of each independent director should be fully considered, and the opinions and reasons for their approval or opposition should be included in the minutes of the meeting. If the first item is not approved by more than one-half of all the members of the audit committee, it may be agreed by more than two-thirds of all the directors, and the resolutions of the audit committee shall be stated in the minutes of the board meeting. The company's acquisition or disposal of assets shall be approved by the audit committee in accordance with this procedure or other legal provisions, and shall be approved by more than one half of all members of the audit committee. If no more than one-half of all members of the audit committee agree, it may be agreed by more than two-thirds of all directors, and the resolutions of the audit committee shall be stated in the minutes of the board meeting. All members of the audit committee referred to in this procedure and all directors referred to in the preceding paragraph are calculated based on actual incumbents.</p>
<p>Article 26 his process was established in the Republic of China September 1, 2000, First Amendment to the Republic of February 10, 2003, the Second Amendment June 14, 2006, the third amendment to June 14, 2007, fourth revision in June 6, 2012, the fifth revision to June 11, 2014, the sixth revision to June 8, 2017, <u>seventh amended on June 6, 2019.</u></p>	<p>Article 26 This process was established in the Republic of China September 1, 2000, First Amendment to the Republic of February 10, 2003, the Second Amendment June 14, 2006, the third amendment to June 14, 2007, fourth revision in June 6, 2012, the fifth revision to June 11, 2014, the sixth revision to June 8, 2017, <u>seventh amended on June 6, 2019, Eighteenth h amended on June 9, 2020.</u></p>

YA HORNG ELECTRONIC CO., LTD.
Operational Procedures for Endorsements and Guarantees
Before and After Revision

Before the Version	After the Version
<p>Article 6 1.~4. (Abbreviated) 5.If, in the event of a change in the circumstances of the company, the object of endorsement guarantees the original conformity with the provisions of these measures and the subsequent non-conformity, or the amount of the endorsement guarantee exceeds the amount specified by the basis of the calculation of the limit, the amount or excess of the endorsement guarantee for that object shall be eliminated at the expiry of the period stipulated in the The relevant improvement plans should be sent to the monitors, which should be sent to the independent directors together and the improvement should be completed according to the planned time schedule. 6. (Abbreviated)</p>	<p>Article 6 1.~4. (Abbreviated) 5. When the company changes due to circumstances, the endorsement guarantee object originally conforms to the provisions of the enforcement measures and then does not comply with the regulations, or the ndorsement guarantee amount exceeds the set limit due to the basis of the calculation of the limit change, the endorsement of the guarantee amount or exceeding the limit The copies should be eliminated when the contract period expires or the improvement plan is set within a certain period, the relevant improvement plan should be sent to the independent directors, and the improvement should be completed according to the plan schedule. 6. (Abbreviated)</p>
<p>Article 13 After the adoption of this operation method by the Board of Directors, send the monitors and report to the shareholders ' meeting for their consent. In the event of an objection by a director and a record or written statement, the Company shall challenge it and send it to the monitors and the reporting shareholders ' meeting for discussion and amendment. <u>(The following is omitted)</u></p>	<p>Article 13 This operation method shall be implemented after being approved by more than one-half of all members of the audit committee and submitted to the board of shareholders for approval by the board of directors. If any director expresses objections and has a record or written statement, the company shall submit their objections to the shareholders' meeting for discussion, and the amendment shall be the same. <u>(The following is omitted)</u></p>
<p>Article 14 This method of operation was established on September 1, 89, the First Amendment in the Republic of China on June 10, 91, the Second Amendment to the Republic of China June 20, 92 and the third amendment to the Republic of June 14, 95. Fourth amended on June 14, 96 of the Republic of China, fifth amended on June 13, 97 of the Republic of China, sixth Amendment to the Republic of China June 12, 98, seventh Amendment to the Republic of China June 11, 99, eighth Amendment to the Republic of China June 10, 102, nineth amended on the Republic of China June 6, 108.</p>	<p>Article 14 This method of operation was established on September 1, 89, the First Amendment in the Republic of China on June 10, 91, the Second Amendment to the Republic of China June 20, 92 and the third amendment to the Republic of June 14, 95. Fourth amended on June 14, 96 of the Republic of China, fifth amended on June 13, 97 of the Republic of China, sixth Amendment to the Republic of China June 12, 98, seventh Amendment to the Republic of China June 11, 99, eighth Amendment to the Republic of China June 10, 102, nineth amended on the Republic of China June 6, 108, Tenth amended on the Republic of China June 9, 109.</p>

YA HORNG ELECTRONIC CO., LTD.
Operational Procedures for Loaning of Company Funds
Before and After Revision

Before the Version	After the Version
<p>Article 8 1. (Abbreviated) 2. The public company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records cordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found, Independent directors shall be notified in riting together. 3. The company shall set up an improvement plan to send the relevant improvement plans to the monitors, who shall send them to the independent directors together and to complete the improvement according to the planned schedule, if the loan and the object do not conform to the requirements of this operating procedure or the time limit for the balance due to the change of circumstances. (Abbreviated below)</p>	<p>Article 8 1. (Abbreviated) 2. The public company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records cordingly. They shall promptly notify in writing of any material violation found, Independent directors shall be notified in riting together. 3. The company shall set up an improvement plan to send the relevant improvement plans to the monitors, who shall send them to the independent directors the improvement according to the planned schedule, if the loan and the object do not conform to the requirements of this operating procedure or the time limit for the balance due to the change of circumstances. (Abbreviated below)</p>
<p>Article 12 A public company intending to loan funds to others shall formulate its Operational Procedures for Loaning Funds to Others in compliance with these Regulations, and, after passage by the board of directors, submit the Procedures to <u>each supervisor and</u> submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion <u>to each supervisor and</u> for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. This operating procedure shall give full consideration to the views of the independent directors when they report to the Board for discussion, and the Independent director shall include in the proceedings of the board if he has objections or reservations.</p>	<p>Article 12 A public company intending to loan funds to others shall formulate its Operational Procedures for Loaning Funds to Others in compliance with these Regulations, and, after passage by the board of directors, submit the Procedures to submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. This operating procedure shall give full consideration to the views of the independent directors when they report to the Board for discussion, and the Independent director shall include in the proceedings of the board if he has objections or reservations.</p>
<p>Article 13 This method of operation was established in the Republic of China on September 1, 89, the First Amendment on June 10, 91, the Second Amendment on June 10, 92, the third amendment on June 10, 94, the fourth Amendment to June 14, 96 and the fifth Amendment to June 9, 97, The sixth Amendment was amended on June 12, 98, the seventh on June 11, 99, the eighth on June 10, 102, the ninth on June 14, 105 and the tenth Amendment on June 6, 108.</p>	<p>Article 13 This method of operation was established in the Republic of China on September 1, 89, the First Amendment on June 10, 91, the Second Amendment on June 10, 92, the third amendment on June 10, 94, the fourth Amendment to June 14, 96 and the fifth Amendment to June 9, 97, The sixth Amendment was amended on June 12, 98, the seventh on June 11, 99, the eighth on June 10, 102, the ninth on June 14, 105 and the tenth Amendment on June 6, 108 and the eleventh Amendment on June 9, 109.</p>

YA HORNG ELECTRONIC CO., LTD.
Operational Procedures for Trading Derivatives
Before and After Revision

Before the Version	After the Version
<p>Article 16 A public company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book.</p> <p>A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, board <u>all supervisors</u> shall be notified in writing.</p>	<p>Article 16 A public company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book.</p> <p>A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>The Audit Committee</u> shall be notified in writing.</p>
<p>Article 16-1 The Company shall urge subsidiaries to engage in derivative commodity transactions in accordance with the relevant guidelines to "engage in derivative commodity affairs processing procedures" and in accordance with the procedures established. The company's internal auditors shall also include the subsidiary's "engaged in derivative commodity transaction processing procedures" in the internal audit scope, perform audit operations on a regular or irregular basis, and review their own inspection reports.</p> <p>If a major violation is found, the board <u>and the monitors</u> shall be notified in writing.</p>	<p>Article 16-1 The Company shall urge subsidiaries to engage in derivative commodity transactions in accordance with the relevant guidelines to "engage in derivative commodity affairs processing procedures" and in accordance with the procedures established. The company's internal auditors shall also include the subsidiary's "engaged in derivative commodity transaction processing procedures" in the internal audit scope, perform audit operations on a regular or irregular basis, and review their own inspection reports.</p> <p>If a major violation is found, the independent director <u>The Audit Committee</u> shall be notified in writing.</p>
<p>Article 17 The "Procedures for dealing with derivative commodities" shall be implemented after the approval of the Board of directors and shall be submitted to the shareholders ' meeting for amendment.<u>If a director objects and has a record or written statement, the company shall send the director's objection data to the monitors.</u></p> <p>The views of independent directors shall be fully taken into account in the discussion of the Board of Directors of the "Procedures for dealing with derivative commodities" in accordance with the preceding paragraph, and independent directors who have objections or reservations shall be set out in the proceedings of the Board of Directors.</p>	<p>Article 17 The "Procedures for dealing with derivative commodities" This 『 Engaged in Derivative Commodities Trading ProcessWith the approval of the Audit Committee, theThe meeting will be approved and should be reported to the shareholdersIt ' s the same when it ' s amended.If not all members of the Audit Committee IIIIf more than one-hundred agrees, allMore than two-thirds of the directors agreed to do it,Not limited by the provisions of the preceding paragraph, and shall beThe minutes of the board meeting specify the audit committeeResolution..</p> <p>The views of independent directors shall be fully taken into account in the discussion of the Board of Directors of the "Procedures for dealing with derivative commodities" in accordance with the preceding paragraph, and independent directors who have objections or reservations shall be set out in the proceedings of the Board of Directors.</p>

<p>Article 18 This procedure was set out on September 1, 89 of the Republic of China; The First Amendment was made on June 20, 92, the Second Amendment on June 10, 94, the third amendment on June 14, 95, the fourth Amendment to June 14, 96 and the fifth Amendment to June 6, 108.</p>	<p>Article 18 This procedure was set out on September 1, 89 of the Republic of China; The First Amendment was made on June 20, 92, the Second Amendment on June 10, 94, the third amendment on June 14, 95, the fourth Amendment to June 14, 96 and the fifth Amendment to June 6, 108 and the sixth Amendment to June 9, 109.</p>
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Annex11

YA HORNG ELECTRONIC CO., LTD.
Operational Procedures for Election of Directors and Supervisors
Before and After Revision

Before the Version	After the Version
<p>Method name Operational Procedures for Election of Directors <u>and Supervisors</u></p>	<p>Method name Operational Procedures for Election of Directors</p>
<p>Article 1 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors <u>and supervisors</u> shall be conducted in accordance with these Procedures.</p>	<p>Article 1 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.</p>
<p>Article 2 The cumulative voting method shall be used for election of the directors <u>and supervisors</u> at this Corporation. Each share will have voting rights in number equal to the directors <u>or supervisors</u> to be elected, and may be cast for a single candidate or split among multiple candidates.</p>	<p>Article 2 The method of election of directors of the company shall be in accordance with the provisions of the company law. The nomination system for candidates shall be adopted for election. Voting adopts the single-cumulated cumulative election method, Each share will have voting rights in number equal to the directors <u>or supervisors</u> to be elected, and may be cast for a single candidate or split among multiple candidates.</p>
<p>Article 5 <u>The ballot boxes shall be prepared by the board of directors and</u> publicly checked by the vote monitoring personnel before voting commences.</p>	<p>Article 5 Publicly checked by the vote monitoring personnel before voting commences.</p>

<p>Article 9 The number of directors <u>and supervisors</u> will be as specified in this Corporation'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. <u>Those who are elected as directors and supervisors at the same time in accordance with the preceding paragraph shall decide in their own discretion whether to act as directors or supervisors, or whose personal data are verified by the examination or the inspector signed by the examination or who has lost their effectiveness in accordance with the relevant laws and regulations, and whose vacancy shall be declared by the elected person in the general meeting of the elected person by the majority of the original election.</u></p>	<p>Article 9 The directors of the company have the capacity to act from the shareholders' meeting The selection of the person is based on the company's articles of association The number of places depends on the electronic voting platform and the shareholders' meeting The statistical results of the election votes Representatives with more voting rights are elected in turn Independent director or non-independent director. If there are two Or more than two people have the same weight but exceed the rules When the quota is set, a lottery will be drawn by the same number Certainly, those who are not present will be drawn by the chairman.</p>
<p>Article 10 The Company does not elect another ombudsman when setting up an audit committee.</p>	<p>delete</p>
<p>Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected.</p>	<p>Article 10 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected.</p>
<p>Article 12 A person who does not comply with article 26 ter, paragraph 4, of the Securities Exchange Act shall be elected without its validity.</p>	<p>Article 11 A person who does not comply with article 26 ter, paragraph 4, of the Securities Exchange Act shall be elected without its validity.</p>
<p>Article 13 The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.</p>	<p>delete</p>
<p>Article 14 These Measures do not provide for matters to be handled in accordance with the provisions of the Company Law, the Articles of Association of the Company and the relevant laws and regulations.</p>	<p>Article 12 These Measures do not provide for matters to be handled in accordance with the provisions of the Company Law, the Articles of Association of the Company and the relevant laws and regulations.</p>
<p>Article 15 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>
<p>Article 16 This Measure was first amended on 1 September 89 in the Republic of China and amended for the first time on 14 June 96.</p>	<p>Article 15 This Measure was first amended on 1 September 89 in the Republic of China and amended for the first time on 14 June 96, the Second Amendment on 09 June 109.</p>

YA HORNG ELECTRONIC CO., LTD.
List of directors (including independent directors)

Serial number	Account numbers	Name	ID NO.	Education	Experience	Nominee category	Name of government or legal person represented	Whether to serve as three consecutive independent directors / reason
1	1	HUANG, CHIN-I	R10222xxxx	Tainan Municipal Anding District Anding	YAHORNG ELECTRONIC CO., LTD. - Chairman	director	-	-
2	2	HSU, WEN-TING	D10051xxxx	CHUWAN Elementary school	YAHORNG ELECTRONIC CO., LTD. - Vice Chairman	director	-	-
3	339	HSU JUEI FENG	D12083XXXX	Polytechnic University	YAHORNG ELECTRONIC CO., LTD. General manager	director	-	-
4	332	HUANG, WEI-PO	R12309XXXX	University of Bridgeport, MBA	YAHORNG ELECTRONIC CO., LTD. - director & business manager	director	-	-
5		JUNG CHAO CHEN	Q12077XXXX	National Chung Cheng University -Master of Laws	Water CPA Firm - Accountant	Independent director	-	Not
6		TSAI YU CHIN	P22196XXXX	National Chung Cheng University -Master of Accounting and Information Technology Institute	Nan Tai CPAs & Co.. - Partnership accountant	Independent director	-	Not
7		CHOU MAO HSIUNG	R12138XXXX	National Cheng Kung University -accountancy	KGI SECURITIE CO., LTD. -INVESTMENT BANKING AVP	Independent director	-	Not

YA HORNG ELECTRONIC CO., LTD.
Director's Competition Situation Table

JOB TITLE	Name	
Director	HUANG, CHIN-I	YA HORNG (DG) LEGAL REPRESENTATIVE DIRECTOR AND CHAIRMAN YA HORNG (M)BHD CHAIRMAN YA HORNG (BVI) LEGAL REPRESENTATIVE DIRECTOR HIGH GOAL LIMITED LEGAL REPRESENTATIVE DIRECTOR ATTEN(D) CHAIRMAN ABILITY CO., LTD. LEGAL REPRESENTATIVE DIRECTOR BEST YIELD LIMITED LEGAL REPRESENTATIVE DIRECTOR HIGH POWER LIMITED LEGAL REPRESENTATIVE DIRECTOR
Director	HSU, WEN-TING	YA HORNG (DG) LIMITED LEGAL REPRESENTATIVE DIRECTOR YA HORNG (M)BHD DIRECTOR YA HORNG (BVI) LIMITED LEGAL REPRESENTATIVE DIRECTOR HIGH GOAL LIMITED LEGAL REPRESENTATIVE DIRECTOR ABILITY CO., LTD. LEGAL REPRESENTATIVE DIRECTOR BEST YIELD LIMITED LEGAL REPRESENTATIVE DIRECTOR HIGH POWER LIMITED LEGAL REPRESENTATIVE DIRECTOR
Director	HSU JUEI FENG	YA HORNG(PHILIPPINES) LEGAL REPRESENTATIVE DIRECTOR
Director	HUANG, WEI-PO	YA HORNG (DG) LEGAL REPRESENTATIVE DIRECTOR

YA HORNG ELECTRONIC CO., LTD.

Directors, Supervisors and Managers' Code of Ethical Conduct (Before the Version)

Article 1: Purpose of and basis for adoption

In recognition of the necessity to assist the companies in Taiwan in their establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, and managerial act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.

Article 2: The object for which

All directors company managers of the Board of Directors of the Company shall be bound by these Guidelines.

Article 3: Preventing conflicts of interest

The directors or managers of the Company shall conduct their official duties in an objective and efficient manner and shall not be able to hold their duties with the intention of obtaining undue benefits to themselves, spouses, parents, children or relatives within the third party.

The Company and the aforementioned personnel or their affiliated enterprises, such as funds loans and, for their endorsement of the guarantee, major asset transactions or goods exchanges, should follow the Company's "fund loan stake and other operating procedures", "endorsement guarantee measures" and "acquisition or disposition of assets processing procedures" and procurement and delivery related operations provisions.

Article 4: Avoiding opportunities for self-interest

Directors or managers of the Company shall refrain from the use of the Company's property, information or the use of their positions for personal gain, or for personal gain, and shall refrain from acting for themselves or others in the business of the Company.

The directors or managers of the Company are responsible for maintaining or increasing the legitimate and legitimate interests of the Company when the company has a profit opportunity.

Article 5: Confidentiality

The Directors or Managers of the Company shall have a duty of confidentiality to any information that may cause harm to the Company, customers or suppliers, except as authorized or disclosed by law, after the Company itself, the Customer or the Supplier may be exploited or disclosed by the Competitor.

Article 6: Fair

Directors or managers of the Company shall treat the Company's customers, suppliers, competitors or employees fairly and shall not obtain improper benefits by manipulating, concealing or abusing information they have learned on the basis of their duties, making false statements or other unfair transactions on important matters.

Article 7: Protect and use company assets appropriately

The Directors or Managers of the Company are responsible for protecting the Company's assets, ensuring that they are used effectively and lawfully in official business and that theft, negligence or waste shall be avoided, which may affect the Profitability of the Company.

Article 8: Follow the law

Directors or managers of the Company shall indeed comply with the provisions of the Securities Exchange Act and other relevant laws and regulations.

Article 9: Whistleblowing procedures

The company shall raise awareness of ethics internally and encourage employees to report to a company, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

Article 10: Disciplinary measures

When the directors of the Company have committed any violation of these Guidelines, they shall be prosecuted in accordance with the provisions of civil law, criminal law and related laws and regulations, and if the managers of the Company violate these Standards, they shall be appropriately disciplined in accordance with the rules of work.

After the disciplinary measures for the violation of these Guidelines are confirmed, the violation of the person's title, name, date of violation, cause of violation, violation of the Code, and handling

of the information information disclosed in real time at the Public Information Observatory shall berecovered in accordance with the law if the circumstances are significant and the company hassuffered damage.

Article 11: The system of application

In the event of a breach by a director and supervisor of the Company in violation of this Code, the director may request an investigation from the Ombudsman, but in the case of the Ombudsman himself, he or she may request another supervisor to investigate, and if the Manager of the Company has been disciplined for breaching the Code, he may lodge a complaint on the points of handling the employee's complaint.

Article 12: Exemption syr

Directors, supervisors or managers of the Company, if they are exempted from the constraints of this Code, shall, after the adoption by the resolution of the Board of Directors, disclose in real time at the Public Information Observatory the title of the person allowed to be exempted, the name, the date on which the board of directors has adopted the exemption, the period during which the exemption applies, the reasons for the application of the exemption and the applicable guidelines for the exemption.

Article 13: How to expose

These Guidelines shall be disclosed in the Annual Report, The Public Information Statement and the Public Information Observatory and shall be revised in the same light.

Article 14: By-laws

These Guidelines shall be handled in accordance with the relevant laws and regulations and the articles of association of the Company.

Article 15: Announcement of implementation

These Guidelines shall be implemented after the adoption of the Board of Directors and shall be sent to the Supervisors and to the Shareholders' Meeting, as amended.

Article 16: The Code was established on 13 June 1997 in the Republic of China.

Appendix 2

**YA HORNG ELECTRONIC CO., LTD.
Corporate Charter(Before the Version)**

Section 1 General Provisions

Article 1 : The Company shall be incorporated under the Company Law of the Republic of China, and its nameshall be YA HORNG ELECTRONIC CO., LTD.

Article 2 : The business scope of the company shall be as follows:

- (1)CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
- (2)CN01010 Furniture and Fixtures Manufacturing
- (3)CC01110 Computers and Computing Peripheral Equipments Manufacturing
- (4)CC01080 Electronic Parts and Components Manufacturing
- (5)CC01120 Data Storage Media Manufacturing and Duplicating
- (6)CE01021 Metrological Instruments Manufacturing
- (7)CF01011 Medical Materials and Equipment Manufacturing
- (8)CQ01010 Die Manufacturing
- (9)F401010 international trade industry.
- (10)F108031 Wholesale of Drugs, Medical Goods
- (11)F208031 Retail sale of Medical Equipments
- (12)F401181 Metrological Instruments Importing
- (13)F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- (14)ZZ99999 other businesses not prohibited or restricted by law except any business requiring special approval

Article 3 : The Company is headquartered in Tainan City, Taiwan and when necessary may establish branches at home and abroad according to resolutions by the board of directors.

Article 4 : The company as a result of business needs to guarantee for the third person (including endorsement · The process shall behandled in accordance with the Company's Regulations Governing Endorsement and Guarantee.

Section 2 Shares

Article 5 : The authorized capital of the Company is NT\$1.2 billion, consisting of 1.2billion shares, all of common stock, with a par value of NT\$10 per share.

The board of directors is authorized to issue the shares in separate installments as required.

Article 6 : The company has to issue registered shares, Signed or stamped by a director representing the company Chapter, in accordance with the law by the competent authority or its nuclear Issued after the issuance of the registration institution visa Yes. Shares issued by the company are exempt from To print shares, but to negotiate the concentration of securities Custody of the business organization login.

Section 3 Shareholders' Meeting

Article 7 : The company's shares work noted in accordance with the competent authority issued by the public issuing shares of the company's stock handling guidelines and related laws.

Article 8 : Registration for transfer of shares all be suspended 60 days before the convocation of any regular shareholders' meeting, 30 days before the convocation of special shareholders' meeting, or 5 days before the record day for distribution of dividend, interest and bonus or any other benefit as scheduled by the Company.

Article 9 : Shareholders' meeting shall be of two types, namely regular and special shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year. Special shareholders' meeting shall be convened in accordance with relevant laws, rules and regulations of the Republic of China.

Article 10 : Except as otherwise stipulated in the Decree, Each share is entitled to one voting right, which have no voting rights.

Article 11 : If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it, And to exercise, on his/her behalf, all rights at the meeting, in accordance with Article 177 of the Company Law of the Republic of China.

Article 12 : The shareholders' meeting shall be convened by the board of directors. The chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, To be represented by the vice chairman or other directors under the company law. be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.

Article 13 : Unless otherwise provided for in the Company Law, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares. The voting shall be deemed to be passed by the chairman, if he is consulted with no objection to the present shareholders, with the same effect as the voting.

Article 14 : The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman and announced to all shareholders within 20 days. The production and distribution of the preceding proceedings shall be governed by the provisions of the company law.

Section 4 Directors and Supervisors

Article 15 : The company has a director of five to nine people, Three persons, of whom The independent dong At least two or more people, directors, The election of independent directors is a candidate nomination system for people., endent directors, Election of independent directors shall adopt the candidates nomination system prescribed . In the election of directors, shall be governed by the provisions of law 198th and 1 of the company law 192th of the company, Independent and non-independent directors shall be elected at the same time, but the quota shall be calculated separately.

The votes earned on behalf of the more voting rights were elected as independent directors and non-independent directors.

The directors and monitors are Ren Zhi by the shareholders, for a term of three years, for e-election.

The total amount of shares held by the directors and monitors of the shares of the company shall be set out in accordance with the standards prescribed by the Financial supervision and anagement Committee of the Executive Yuan, "the directors of the public issuing companies, the monitoring of the percentage of shares and the inspection of enforcement ules".

Article 16 : The board of directors shall consist of the directors of the Company; the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors, And to elect a vice chairman in the same way. To execute all matters of the company pursuant to decrees, statutes, shareholders 'meetings and the resolutions of the board.

Article 17 : Unless otherwise provided for by applicable law or regulation, a resolution of the board of Directors shall be adopted by the consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting. Directors shall attend meetings of the board of directors. If a director is unavailable to attend a meeting in person, the director may issue a power

of attorney for the given meeting specifying scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting pursuant to Article 205 of the Company Act. When directors are interested in meeting matters, they should be at the time of the board of directors explaining important content of their own interests.

Article 18 : When the director of Inspector expires and is less than re-election, extending its practice to the re-election of the supervisor of the office, but the competent authority in accordance with the authority of the limited company re-election, failure still not re-election, since the expiration of the time, of course.

Article 19 : If there is a shortfall of one-third of directors or all supervisors have been dismissed, shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor. The directors of the Company shall be more than half of the seats, the monitoring of the human or the Ombudsman and the directors, should at least a seats or more than one of the following relations.

(1) Spouse.

(2) Relatives within two degree.

Article 20 : The company's operating principles and other important matters to the Board of Directors except for the first meeting of the board of directors of every new term, which shall be convened pursuant to Article 203 of the Company Act, all other meetings of the board of directors shall be convened by the chairman of the board of directors, If the chairman of the board is on leave or cannot perform his duties for some reason. To be represented by the vice chairman or other directors under the company law. the Board of Directors notice, In accordance with the provisions of the company law.

Though in emergency situations, a meeting may be called whenever necessary.

Notice of the described in the preceding paragraph may be in writing, shall contain the subject for paper, e-mail or fax.

Article 21 : The resolutions of the meetings of the board of directors shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting. Such minutes, together with the attendance list, shall be filed and kept at the head office of the Company and announced to all directors within 20 days.

Article 22 : Supervisors may attend Board meetings to speak in the meeting but without vote.

Article 22-1 : The Company shall be responsible for the purchasing of the Director and the Inspector in the term of office for the implementation of the business scope of the law should be liable for its liability insurance.

Article 22-2 : The Board of Directors is authorized to decide the compensation to all directors and supervisors at a rate consistent with general practices in the industry; The transportation fee of directors and supervisors shall be agreed upon by the Board in accordance with the usual level of the industry. The directors of the Company shall be remunerated by monthly salary in accordance with the remuneration of the company in addition to the distribution of directors in the office of the Company in accordance with article 26th of these bylaws.

Section 5 Managers

Article 23 : The company has to set up a number of managers, its appointment, recall and remuneration, in accordance with the Law Article 29 provisions.

Section 6 Accounting

Article 24 : The Company's fiscal year is starting from January 1 until December 31 of every calendar year.

Article 25 : After the close of each fiscal year, At the end of each fiscal year, the Board shall have the following books and statements prepared in accordance of the Company Law and forward to supervisors for auditing within the prescribed time period before acknowledged in the shareholder's meeting.

(1) Business Report.

(2) Financial Statements.

(3) Proposal Concerning Appropriation of Net Profits or Recovering Of losses.

Article 26 : (1) If the Company reports a surplus, the profits shall be appropriated, The remuneration foremployees may not fall below 2% and The remuneration for directors may not exceed 5%. If the Company has accumulated losses, the Company shall reserve an amount to offset it. Surplus refers to profit before tax deducted appropriated employee compensation, Employee compensations mentioned in preceding paragraph shall be distributed in stocks or in cash. The payment shall apply to employees in the subsidiaries as well whoever meets criteria developed by the Board of Directors.

(2) the company's annual accounts after the pure benefits, in addition to the law to pay income tax, should first compensate for the previous annual losses, the balance of its remaining 10% as the statutory surplus reserves, but the statutory surplus accumulation of accumulated capital

amounted to the total amount is not in this limit, and accordance with the law to make or slewing special surplus reserves, and then on balance, together with the cumulative unspent surplus of the previous year as the to allocate surplus, in addition to the retention of partial surplus not allocated to the discretion of the Board of Directors to propose a dividend istribution, to report shareholder resolution.

The company assigns all or one of the dividends and dividends or statutory surplus reserve and capital reserve, in the form of cash, the Board of Directors shall be authorized to be present by more than two-thirds of the directors and, with the consent of a majority of the participants, and shall report to the shareholders ' meeting.

- (3)Because the company's future enterprise life cycle should be a positive maturity, that sgrowth and interest rate as a relatively stable industry, is the future dividend policy of the Department of Cash dividend-based, stock dividend supplement, the dividend distribution policy should take into account the company's future product planning investment environment and other matters to the demand of funds, and the interests shareholders; dividend issuance of shareholders, in addition to improving the competitive status of the major capital budget, investment in the environment nvestment or other major capital expenditures, such as capital requirements, The allocation of cash dividends is not less than 50%% of the total dividend issued in the year.

Section 7 Additional Rules

Article 27 : the Company may engage in domestic or foreign investment in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against xceeding 40 percent of paid-up capital described in, and authorizes the board to execute.

Article 28 : Theorganizational rules and operational rules shall be separately worked out by the board of irectors.

Article 29 : Anymatters inadequately provided for herein shall be subject to Company Lawand other laws and regulations concerned.

Article 30: This statute is made in the Republic of China November 7, 1981, the First Amendment to the Republic of July 10, 1984, the Second Amendment to the Republic of August 14, 1985, the third amendment to the Republic of China February 28, 1986, the Fourth Amendment to the Republic of China May 2, 1990, the Fifth Amendment to the Republic of August 15, 1991, the Sixth Amendment to the Republic of November 1, 1998, seventh Amendment to the Republic of March 24, 2000, eighth, The Ninthamendment to the Republic of July 3, 2001, the Tenth Amendment to the Republic of ChinaOctober 24, 2001, the 11th Amendment to the Republic of June 10, 2002, the 12th Amendment to the Republic of China June 20, 2003, 13th Amendment to the Republic of China October 29, 2003, 14th on the Republic of June 3, 2004 in the Republic of June 10, 2005, 15th modified in the Republic of June 14, 2006, 16th on the Republic of June 14, 2007, 18th Amendment to the Republic of June 11, 2010, 19th Amendment to the Republic of June 6, 2012, 20th Amendment to the Republic of China June 10, 2013, 21st Amendment to the Republic of China June 11, 2014, 22nd on the Republic of June 14, 2016, 23nd on the Republic of June 05, 2018, 24nd on the Republic of June 06, 2019.

Appendix 3

YA HORNG ELECTRONIC CO., LTD.

Operational Procedures for Acquisition and Disposal of Assets(Before the Version)

Article 1: Objective

In order to safeguard investment, the implementation of information disclosure, the companytoacquire or dispose of assets, should be handled in accordance with this procedure.

Article 2: Basis

These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act")and Publiccompanies shall handle the acquisition or disposal of assets in compliance with these Regulations; provided, where financial laws or regulations provide otherwise, such provisions shall govern.

Article 3: The term "assets" as used in these Regulations includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangibe assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and

overdue receivables).

7. Derivatives.

8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

9. Other major assets.

Article 4: Appraisal procedures

1. Obtaining or disposing of securities not traded in the centralized trading market or securities brokerage premises shall consider the net worth, profitability, future development potential, market interest rate, bond coupon rate, debtor's debt letter and the transaction price at that time.
2. Obtaining or disposing of marketable securities in the centralized trading market or securities brokerage premises, in accordance with the equity or bond price.
3. Obtaining or disposing of the other assets of the preceding two, in order to inquire, price, bargain or open tender, the option of the means of the present value of the announcement, the valuation of the present value, the actual transaction prices adjacent to real estate, and so on, if complying with this procedure shall announce the standard of Declaration, and should refer to the valuation report of the professional appraiser.

Article 5: The process of obtaining or disposing of assets

1. Acquisition or disposition of assets, the Contractor shall be obtained or punished for the reasons, subject matter, transaction relative person, transfer price, receipt and payment condition and price reference basis and other matters to evaluate, petition the authority ruling, and by the management department to carry out, the related matters according to the company's internal control system related work stipulation and this procedure handles.
2. The company acquisition or disposition of securities is the finance Department, the execution unit of immovable property and other fixed assets is the use department and the relevant unit of responsibility. Other assets of non-negotiable portfolio investment, immovable property and other fixed assets shall be assessed by the relevant Executive unit.
3. Third, the related assets of the acquisition or disposal of the relevant work in accordance with the company's internal control system of the relevant provisions. If a major violation is found, the relevant personnel shall be punished according to the breach.

Article 6: Summary rights

The purchase and sale of the company's portfolio investment shall be approved by the general manager and the Chairman.

Article 7: Investment quota

In addition to acquiring assets for business use, the company has to invest in immovable property and marketable securities that are not for business use, and the limits of its quota are as follows:

1. The total amount of immovable property that is not for business use is limited to 40% of the shareholders' equity in the financial report of the company to check the visa for the latest period.
2. Second, the total amount of portfolio investment is not limited by the amount of investment in the 13th company law.
3. The limitation of investing in individual securities is not limited by the amount of investment in the company law 13th.

The company has not publicly issued subsidiaries to buy non-business real estate and marketable securities.

The limits are as follows:

1. The total amount of immovable property not for business use shall not exceed the NT \$ 5 Qian million.
2. The total amount of portfolio investment shall not exceed 40% of the net worth of the company.
3. The limit of investing in individual securities shall not exceed 40% of the net worth of the company.

Article 8: The standard of announcement and declaration should be handled Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. 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 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where 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:

- (1). For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (2). For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
- (1). Trading of domestic government bonds
 - (2). Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 - (3). 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:

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

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

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

When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

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

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

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

Article 10: In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use

assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

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

Article 11: THE company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 12: Intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 13: 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 14: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. 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.
2. May not be a related party or de facto related party of any party to the transaction.
3. 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:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. 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.

3.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.

4.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 15: THE company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12-1 herein.

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

Article 16: When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

2.The reason for choosing the related party as a trading counterparty.

3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance.

4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.

5.Monthly cash flow forecasts for the year commencing from the anticipated of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

7.Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, The Board of Directors shall, in accordance with rule fifth, authorize the Chairman to make a firm decision within a certain amount, and then report the most recent confirmation of the Board of Directors:

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

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

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

After the establishment of the Audit Committee, the company shall, in accordance with the first provision, be recognized by the Ombudsperson, with the consent of all members of the Board of Auditors, and shall refer to the resolution of the Board of Directors.If the preceding paragraph does not agree with more than one-second per cent of all members o f the Board of Auditors, it shall be agreed by more than two-thirds per cent of all directors, and the Board's resolution should be included in the proceedings of the Board.

Article 17: Where a public 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:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

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

1. The difference between the transaction price of immovable property or its right to use assets and the cost of assessment shall be set out in accordance with the provisions of the special surplus reserve, which shall not be assigned or transferred to the issue. If the investor in the evaluation of the investment and interest law of the company is a public offering company, it shall also make a special surplus reserve in accordance with the provisions of the proposed amount according to the shareholding ratio.
2. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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

When a public 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 arms length transaction.

Article 19: The company engaged in derivative financial commodities, should be in accordance with the Company "engaged in derivative financial commodity transaction procedures", and should pay attention to risk management and audit matters to implement the internal control system.

Article 20: The company that conducts a merger, demerger, acquisition, or transfer shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to 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 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

A public company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in 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: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

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

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

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

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 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 subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(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 two paragraphs.

Article 22: The companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

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

The company merger, segmentation, acquisition or share of the contract shall specify the relevant matters in accordance with the provisions in order to safeguard the interests of participating companies.

Article 23: Provisions of acquisition or disposition of subsidiary assets the acquisition or disposition of assets of a subsidiary shall also be made accordance with the relevant provisions of "the acquisition or disposition of assets of the public issuing company", "obtaining or disposing of assets procedures".

1. Subsidiaries are non-domestic public issuing companies, obtaining or disposing of assets amounting to the declaration of the eighth article should be declared standard by the parent company to declare the announcement matters.
2. The company's declared standard in the subsidiary's declaration of "The amount of capital received 20% or total assets 10%", is the parent company's paid-up capital or total assets.

Article 24: Financial Statements Disclosure matters

The company obtains or disposes of assets of the process of the eighth article shall announce The standard of Declaration, and its trading object is the real relationship person, should disclose the content of the announcement to the financial statement notes, and to mention the shareholders will report.

Article 25: Execution date

The company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's. 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.

Article 26: This process was established in the Republic of China September 1, 2000, First Amendment to the Republic of February 10, 2003, the Second Amendment June 14, 2006, the third amendment to June 14, 2007, fourth revision in June 6, 2012, the fifth revision to June 11, 2014, the sixth revision to June 8, 2017, seventh amended on June 6, 2018.

Appendix 4

YA HORNG ELECTRONIC CO., LTD.

Operational Procedures for Endorsements and Guarantees (Before the Version)

Article 1: The company for the clear endorsement to ensure operating procedures and strengthen internal Control, specifically set the final version Procedures, if there is any unfinished matter in this procedure, and in accordance with the provisions of the relevant laws and regulations.

Article 2: Scope of application of these measures

1. Financing endorsements/guarantees, including
 - (1) Bill discount financing.
 - (2) Endorsement or guarantee made to meet the financing needs of another company.
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsement guarantees: refers to endorsement or warranty matters that cannot be classified for inclusion in the first two items.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by a public company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

Article 3: Object of endorsement guarantee

Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction.

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. The company directly and indirectly hold more than 90% of the voting shares between the company, may be the endorsement guarantee, but the endorsement guarantee before the company's board of Directors to report the resolution, and the amount must not exceed 10% of the company's net worth. However, the company directly and indirectly holds 100% of the voting shares of the Inter-company endorsement guarantee, not this limit.

The capital contribution referred to in this provision means the company's direct contribution or contribution through a company holding 100% of the voting shares.

Article 4: Amount of endorsement guarantee

1. The total amount of the company's external endorsement guarantee shall not exceed 40% of the net value of the current period, in which the endorsement guarantee limit for a single enterprise shall not exceed 50% of the net value of the company directly or indirectly holding voting rights, and the remaining shall not exceed 20% of the net value of the current period. The net value of the

current period shall be subject to the most recent verification of the visa or the financial statements approved by the accountant.

2. In addition to the above limits, the amount of individual endorsement guarantees shall be limited to the amount of business transactions between the two parties in connection with the company's endorsement guarantee as a result of business dealings. The amount of business transaction referred to is the higher the amount of goods purchased or sold between the two parties.
3. The total amount of foreign endorsement guaranteed by the Company and its subsidiaries shall not exceed 50% of the net value of the company; the guarantee limit for a single enterprise endorsement shall not exceed 20% of the company's net worth.

Article 5: Decision-making and authorization levels

1. The company shall agree to the matters of endorsement, and shall take full account of the opinions of the independent directors and include in the records of the board any express opinions and objections to their consent or objections. The Board of Directors may authorize the Chairman to make a decision on the relevant provisions of this method of operation within the limits stipulated in the operating procedures, and then report the confirmation by the Board of directors, and shall apply the relevant matters to the shareholders' meeting for reference.
2. The company shall, with the consent of the Board of directors and in accordance with the conditions set out in these measures, agree to the approval of such measures as are necessary for business needs and More than half of the directors limit the company The possible loss of the named UNPROFOR, And amend the endorsement guarantee Operation method, To be confirmed by the shareholders' meeting; Shareholders' meeting If you do not agree, you should set a plan for a Set the limit to remove the excess part.
3. a subsidiary in which the public company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the public company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Article 6: Endorsement Guarantee Processing procedure

1. The company to handle the endorsement of the matter, the endorsement of the company should be issued an application to the company's finance department to apply, the Finance Department should be endorsed to guarantee the company to conduct a letter investigation, assess its risk and have an assessment record, after review through the general manager and the Chairman of the approval, after the Board discussed the consent of the If it is still within the prescribed amount of authorization, the Chairman shall approve the credit level and financial position of the subject according to the endorsement of the object, and then report the most recent confirmation by the Board of Directors.
2. The Finance Department shall conduct a credit survey and conduct a risk assessment of the endorsed guarantee company, and the assessment should include:
 - (1) The necessity of and reasonableness of endorsements/guarantees.
 - (2) To be endorsed to guarantee the financial position of the company whether the endorsement amount must be measured.
 - (3) Whether the cumulative endorsement guarantee amount is still within the limit.
 - (4) If the business transaction is engaged in endorsement guarantee, the amount of endorsement guarantee and the transaction amount should be evaluated within the limit.
 - (5) The impact on the company's business operations, financial condition, and shareholders' equity.
 - (6) Whether collateral must be obtained and appraisal of the value thereof.
 - (7) Credit status and risk assessment of the entity for which the endorsement/guarantee is made.
3. A public company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under paragraph 1 of the preceding article.
4. A public company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.
5. If, in the event of a change in the circumstances of the company, the object of endorsement guarantees the original conformity with the provisions of these measures and the subsequent non-conformity, or the amount of the endorsement guarantee exceeds the amount specified by the basis of the calculation of the limit, the amount or excess of the endorsement guarantee for that object shall be eliminated at the expiry of the period stipulated in the The relevant improvement plans should be sent to the monitors, which should be sent to the independent directors together and the improvement should be completed according to the planned time schedule.

Article 7: Endorsement Guarantee Cancellation

1. Endorsement guarantee that if the relevant documents or instruments need to be discharged as a result of the liquidation or renewal of the debt, the endorsement guarantee Company shall prepare a formal communication to return the original endorsement guarantee the relevant documents to the company's finance department stamped with the "cancellation" seal, and the application letter will remain for reference.
2. The Finance Department shall at any time record the cancellation endorsement guarantee in the endorsement guarantee book, in order to reduce the amount of endorsement guarantee.

Article 8: Internal control

1. The internal auditor of the Company shall, at least quarterly, audit endorsement to ensure the operating procedures and their implementation, and make a written record, if a major breach is found, the monitors shall be notified in writing and shall notify the Independent Director in writing.
2. Penalty for violation of these Regulations or the company's Operational Procedures for Endorsements/Guarantees by managers and personnel in charge.

Article 9: Procedures for use and custody of corporate chops

1. A public company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person approved by the board of directors and may be used to seal or issue negotiable instruments only in prescribed procedures.
2. When making a guarantee for an overseas company, a public company shall have the Guarantee Agreement signed by a person authorized by the board of directors.

Article 10: Announcement and Declaration procedure

The Company shall, in addition to the announcement by 10th of each month, declare the balance of the endorsement guaranteed by the company and the company's son company last month. A person who has reached one of the following criteria for an endorsement guarantee shall, within 2nd from the date of the fact, declare that:

1. The aggregate balance of endorsements/guarantees by the public company and its subsidiaries reaches 50 percent or more of the public company's net worth as stated in its latest financial statement.
2. The balance of endorsements/guarantees by the public company and its subsidiaries for a single enterprise reaches 20 percent or more of the public company's net worth as stated in its latest financial statement.
3. The company and the company's son company to the single enterprise endorsement guarantee balance up to NT \$10 million and its endorsement guarantee, the use of equity law of the Investment Book and fund loan and balance of the total value of the company's most recent financial statements more than 30%.
4. The amount of new endorsements/guarantees made by the public company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the public company's net worth as stated in its latest financial statement.

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

The previous subsidiary's endorsement guarantee balance as a proportion of the net value of the calculation, with the subsidiary endorsement guarantee Balance as the proportion of the company's net worth.

Article 11: Where a subsidiary of a public company intends to make endorsements/guarantees for others, the public company shall instruct it to formulate its own Operational Procedures for Endorsements/Guarantees in compliance with these Regulations, and it shall comply with the Procedures when making endorsements/guarantees.

The audit unit of the Company shall include the endorsement guarantee operation of the subsidiary as one of the monthly audit projects, and its audit shall be classified as necessary for reporting the audit business to the board and the supervisor.

Article 12: The unfinished part of this method of operation shall be handled in accordance with the relevant laws and regulations and the relevant rules of the company.

Article 13: After the adoption of this operation method by the Board of Directors, send the monitors and report to the shareholders ' meeting for their consent. In the event of an objection by a director and a record or written statement, the Company shall challenge it and send it to the monitors and the reporting shareholders ' meeting for discussion and amendment.

The Company shall give full consideration to the opinions of the independent directors when the methods of operation are referred to the Board for discussion in accordance with the preceding provisions, and the independent directors shall, if they have objections or reservations, be set out in the proceedings of the Board of Directors.

Article 14: This method of operation was established on September 1, 89, the First Amendment in the Republic

of China on June 10, 91, the Second Amendment to the Republic of China June 20, 92 and the third amendment to the Republic of June 14, 95. Fourth amended on June 14, 96 of the Republic of China, fifth amended on June 13, 97 of the Republic of China, sixth Amendment to the Republic of China June 12, 98, seventh Amendment to the Republic of China June 11, 99, eighth Amendment to the Republic of China June 10, 102, ninth amended on the Republic of China June 6, 108.

Appendix 5

YA HORNG ELECTRONIC CO., LTD.

Operational Procedures for Loaning of Company Funds(Before the Version)

Article 1: For the funds of the scale Board company to lend to others (hereinafter referred to as borrowers) operations, to ensure the rights and interests of the company, special provisions of the operation procedures, if there are outstanding matters, in accordance with the relevant laws and regulations.

Article 2: The limits of the loan and object of funds, the total amount of funds and the individual objects:

1. the provisions of the company law, the funds of the corporation shall not be lent to shareholders or any other person except in the following cases:

a. A company or line number that has business dealings with the company; the aforementioned "business dealings" means those who have an purchase or sales act with the company.

b. A company or line number necessary for short-term financing of the company, and a company or line number with a proportion of more than 20% of the shares in which the company directly or indirectly holds voting rights is necessary for short-term financing due to business needs.

The proportion of shares alleged to be directly and indirectly holding voting rights in this operating procedure is stipulated in letter No. 0970004761 of the six word of the gold certificate, which is calculated by the direct shareholding ratio of the public offering company, together with the shares of the same invested company held by the company with a proportion of its investment shareholding of more than 50%, which is said to be his company, Including his company itself and the way forward to calculate the direct and indirect shareholding ratio of more than 50% of another his company, by analogy.

The amount of financing refers to the accumulated balance of the company's short-term financing funds and shall not exceed 40% of the net value of the company's most recent financial statements. The aforementioned "short term", according to the pre-release letter of the Ministry of Economy, refers to the period of one year or one business cycle (whichever is older).

2. The aggregate amount of loans and the maximum amount permitted to a single borrower shall each be prescribed separately for business transactions and for short-term financing respectively.

(1) If the funds are credited to a company or line number, the total amount shall be limited to no more than 40% of the net value of the company, and the amount of individual loans and amounts shall not exceed the amount of business transactions between the two parties in the most recent year.

The amount of business transaction referred to is the higher the amount of goods purchased or sold between the two parties.

(2) The loan is limited to a company or line number necessary for short-term financing and the total amount shall not exceed 40% of the net value of the company's most recent financial statements, and the amount of individual loans and amounts shall not exceed 40% of the company's net financial statements for the most recent period.

(3) The restriction in paragraph 1, subparagraph 2 shall not apply to inter-company loans of Funds between overseas companies in which the public company holds, directly or indirectly, 100% of the voting shares. However, the limits of the loan and total amount and the individual target should still be set, and the loan and duration of the funds should be specified. Company leader violates first but book rules shall be jointly and severally liable for the return of the borrower, and shall also be liable for damages if the company is injured.

Article 3: Duration of loans and calculation of interest:

1. the loan and duration of each fund from the date of the loan, in no more than one year or one business cycle (whichever is the older person) as the principle.

2. Interest on the loan of funds is calculated on a daily basis, with the sum of the daily loan balance (that is, the total accumulation) multiplied by its annual interest rate and divided by 365 days as the interest amount. The annual interest rate must not be lower than the company's average bank short-term borrowing rate as the principle, in case of special circumstances, with the consent of the Board of directors, according to the actual situation needs to be adjusted.

3. In addition to the special provisions, the interest rate on loans is based on the principle of monthly

payment of interest, and the borrower is notified to pay the interest on time one week before the agreed payment date.

Article 4: review procedures:

1. Application process

- (1) The borrower shall provide basic data and financial data and fill out an application for the purpose of the funds, the period and amount of the loan, and send them to the financial department of the company.
- (2) If the fund is engaged in the loan of funds, the company's finance department personnel shall assess whether the loan and amount are equivalent to the amount of business transaction; If necessary for short-term financing, the reasons and circumstances of the loan and funds shall be enumerated, and the relevant data and the proposed loan conditions will be reported to the Head of Finance unit and the general manager after , And then report to the Board of Directors resolution.
- (3) when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

2. Letter of Credit investigation

- (1) For the first borrower, the borrower shall provide basic data and financial data for the processing of the credit.
- (2) In the case of continuing borrowers, in principle, the re-processing of the credit investigation at the time of renewal, if it is a major or urgent event, will be handled at any time as necessary.
- (3) If the borrower is in good financial condition and the annual financial statements request the accountant to complete a financing visa, the investigation report which has not been in place for more than one year shall be followed and the visa report will be checked with the accountant of that period for the purposes of the loan.
- (4) The company shall also assess the impact of the loan and on the operating risks, financial position and shareholders' equity of the company when it investigates the borrower's credit.

3. Loan Approval and notification

- (1) After the investigation and evaluation of the letter, the Board resolution does not intend to lend the case, the agent should be declined to justify the prompt reply to the borrower.
- (2) After the investigation and evaluation of the letter, the Board of Directors agreed to the loan case, the agent should inform the borrower as soon as possible, detailing the company's lending conditions, including the amount, duration, interest rate, collateral and guarantor, etc., ask the borrower to complete the signing process within the time limit.

4. Signing to Bao

- (1) The loan case shall be prepared by the operator to prepare the terms and conditions, after examination by the competent personnel and sent to the Legal Counsel will be approved before the signing procedures.
- (2) The contents of the information shall be consistent with the approved borrowing conditions, and the borrower and the associated guarantor shall, after the signing of the contract, be completed by the operator to ensure the formalities.

5. Value assessment and rights setting of collateral

If a loan case is secured, the borrower shall provide the collateral and complete the formalities for the establishment of the pledge or mortgage, and the company will also need to evaluate the value of the collateral to ensure the company's claims.

6. Insurance

- (1) In addition to land and securities, the collateral shall be insured against fire insurance and related insurance, the amount of which shall be based on the principle of not less than the quality of the guarantee, and the insurance policy should indicate that the company is the beneficiary. The name, quantity, place of storage, insurance conditions, insurance grant and so on of the subject matter contained in the policy shall be in conformity with the original nuclear loan conditions of the company.
- (2) The operator shall take care to notify the borrower of the continuation of the insurance before the expiry of the insured period.

7. Funding

After the loan conditions have been approved and the borrower has signed the contract to complete the guarantee quality (offset) to set the registration, etc., after the full formalities have been checked correctly, the funds can be allocated.

Article 5: Repayment:

After the loan is placed, you should always pay attention to the financial, business and credit status of the borrower and the guarantor, such as the provision of collateral, and should pay attention to the

change of its security value, and before the loan expires one months ago, the borrower should be notified duration to settle the principal and interest.

1. When the borrower pays the loan due, it shall first calculate the interest payable and, together with the principal, begin to write off the promissory note, debit and other debt service vouchers and return them to the borrower.
2. If the borrower applies for the right to apply the mortgage, he should first find out if there is a loan balance to decide whether or not to agree to the mortgage coating.

Article 6: Roll:

The borrower shall, if necessary, apply for renewal of the extension one months before the expiry date of the loan, and to the extent that it is limited to one (one year), the company will re-process the relevant formalities after the adoption of the resolution of the Board of Directors.

Article 7: Registration and custody of cases:

1. A public company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under of the preceding article.
2. In the case of a loan case, the agent shall, after the loan, apply the certificates of Claim, promissory notes and other claims, as well as the collateral documents, insurance policies, correspondence documents, after finishing in sequence, load them into the custody bag, and after the contents of the deposit and the name of the customer on the bag, petition the supervisor of the Finance department Both parties shall be kept after signing or stamping the register of Custody goods.

Article 8: Handling funds and other people should pay attention to matters:

1. Before making a loan of funds to others, a public company shall carefully evaluate whether the loan is in compliance with these Regulations and the company's Operational Procedures for Loaning Funds to Others. The company may loan funds to others only after the evaluation results under this paragraph have been submitted to and resolved upon by the board of directors. The company shall not empower any other person to make such decision.
2. The public company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records cordingly. They shall promptly notify all the supervisors in writing of any material violation found, Independent directors shall be notified in riting together.
3. The company shall set up an improvement plan to send the relevant improvement plans to the monitors, who shall send them to the independent directors together and to complete the improvement according to the planned schedule, if the loan and the object do not conform to the requirements of this operating procedure or the time limit for the balance due to the change of circumstances.
4. Personnel shall, by 10th of each month, prepare a schedule of funds and other companies for the previous month and make a petition for review.
5. Loans of funds between the public company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

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

Article 9: Procedures for controlling and managing loans of funds to others by subsidiaries:

1. Where a subsidiary of a public company intends to make loans to others, the public company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with these Regulations, and it shall comply with the Procedures when loaning funds; However, net worth is based on the net value of the subsidiary.
2. The subsidiary shall, on 10th of each month (excluding), prepare a schedule of funds and other companies for the previous month and make a written summary of the declaration to the company.

Article 10: Information Disclosure:

1. A public company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.
2. A public company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
 - (1) The aggregate balance of loans to others by the public company and its subsidiaries reaches

20 percent or more of the public company's net worth as stated in its latest financial statement.

(2) The balance of loans by the public company and its subsidiaries to a single enterprise reaches 10 percent or more of the public company's net worth as stated in its latest financial statement.

(3) The amount of new loans of funds by the public company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the public company's net worth as stated in its latest financial statement.

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

4. A public company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 11: Penalties:

The manager and the organizer of the company, in violation of this operating procedure, in accordance with the company's "rules of work" provisions to report the assessment, according to its circumstances and severity of punishment.

Article 12: A public company intending to loan funds to others shall formulate its Operational Procedures for Loaning Funds to Others in compliance with these Regulations, and, after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

This operating procedure shall give full consideration to the views of the independent directors when they report to the Board for discussion, and the Independent director shall include in the proceedings of the board if he has objections or reservations.

Article 13: Previous revision Records:

This method of operation was established in the Republic of China on September 1, 89, the First Amendment on June 10, 91, the Second Amendment on June 10, 92, the third amendment on June 10, 94, the fourth Amendment to June 14, 96 and the fifth Amendment to June 9, 97, The sixth Amendment was amended on June 12, 98, the seventh on June 11, 99, the eighth on June 10, 102, the ninth on June 14, 105 and the tenth Amendment on June 6, 108.

Appendix 6

YA HORNG ELECTRONIC CO., LTD.

Operational Procedures for Trading Derivatives (Before the Version)

Article 1: Legal basis

The processing procedure is governed by the provisions of letter No. 0960001463 of the Monetary Supervisory Commission (hereinafter referred to as the HKMA) 96.01.19.

Article 2: Definition and scope of application

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.

Article 3: 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

Article 4: Margin transaction processing

Matters relating to bond margin trading shall be handled in relation to the relevant provisions of this procedure.

Article 5: Type of transaction

When the company is engaged in the trading of derivative commodities, the types of transactions are limited to the forward foreign exchange, option, interest rate or exchange rate Exchange (SWAP) of foreign currencies, and if other goods are to be used, they should be approved by the Board of

directors before they can be traded.

Article 6: Risk aversion Strategy

Foreign exchange operations carried out through the commodities referred to in the preceding articles shall not engage in any speculative transactions but may be held in accordance with the requirements of the company in addition to the actual import and export transactions, in order to avoid the exchange risk on the operation and the dispatch of funds.

Article 7: Division of responsibilities

The Finance Department planning team is responsible for the formulation, implementation and periodic evaluation and reporting of the holding site of derivative commodity transactions, and the senior executives designated by the board of Directors who are not members of the financial planning team are responsible for the measurement, supervision and control of the risks.

Article 8: Key points of performance evaluation

1. The Finance Department planning team shall assess and review operational performance at market prices every week and report regularly to the Chairman and general manager on a monthly basis to review and improve the risk aversion strategy adopted.
2. In order to fully grasp and express the evaluation risk of transactions, the company's monthly closing evaluation method to assess profit and loss.

Article 9: Contract Amount Limit

The total amount of the forward foreign exchange transaction contract of foreign currency shall not exceed the total foreign currency demand of the company's actual import and export, and when the transaction of foreign currency option is assessed at market value, the total amount of the transaction contract which may be required to perform the option of performance shall not exceed US \$ million.

Article 10: Total and individual contract loss caps

The maximum amount of the total contract loss engaged in the trading of derivative commodities is USD million, and the maximum amount of individual contract losses is 5% of the amount of individual contracts, and must not exceed the \$ million.

Article 11: Authorization amount and level, execution unit

The planning team of the Finance Department shall select a financial institution with better conditions, after the approval of the general manager and the chairman of the petition, enter into a credit line contract with it and engage in derivative commodity transactions within that amount.

Article 12: Operating Procedures

1. When engaging in derivative commodity trading, the operation should be carried out according to the letter of credit to a single batch by pen.
2. After the derivative commodity transaction is completed and confirmed by the transaction confirmation officer, the delivery person shall be notified of the "Exchange Avoidance transaction Form".
3. The company engaged in the trading of derivative commodities shall establish a memorandum detailing the types, amounts, dates of adoption of the Board of directors and matters which should be carefully assessed in accordance with the requirements of the derivative commodity transactions, and shall be published in the memo book for reference.

Article 13: Announcement and Declaration

Derivative commodity transactions are completed and confirmed by the transaction confirmation personnel shall be handled in accordance with the relevant provisions. And shall, on a monthly basis, enter the information Declaration website designated by the HKMA before 10th of each month in accordance with the prescribed format for the trading of derivative commodities by the company and subsidiaries of non-domestic public offering companies until the end of last month. Subsidiaries shall, by 10th of the month preceding the month, make a breakdown of the transactions in derivative commodities as at the end of last month and report to the finance Department of the company. The company and in accordance with the provisions of the designated website for notice and declaration.

Article 14: Accounting treatment

1. The Finance Department planning team shall immediately submit it to the accounting unit for cash receipts and payments arising from foreign exchange operations.
2. The company's accounting treatment of derivative commodity transactions, in addition to the provisions of this procedure, in accordance with the provisions of the Financial Accounting standards and relevant laws and regulations, in accordance with the purpose of their transactions to use appropriate accounting treatment, complete recording of the transaction process, permissible to express transaction matters.
3. In preparing regular financial reports (including annual, semi-annual and quarterly financial reports and consolidated financial reports), the Company shall, in accordance with the provisions of the Financial Accounting Standards Bulletin, disclose its general matters by commodity category according to the purpose of engaging in derivative commodity transactions in the appendix to the

financial statements.

Article 15: Internal control

1. Traders engaged in derivative commodities and operators of confirmation, delivery and other workers shall not concurrently hold each other.
2. The scope of risk management should include risk management such as credit, market price, liquidity, cash flow, operation and law. The measurement, supervision and control of the risk shall be divided into different departments from the persons of the preceding terms and shall be reported to the board of directors or to the senior executives who are responsible for decision-making in non-trading or parts.
3. The location held by the derivative commodity Exchange shall be assessed at least once a week, provided that the risk-averse transaction for business needs is assessed at least two times per month and that the assessment report shall be submitted to the higher authority authorized by the Board of Directors.
4. Senior executives authorized by the Board of Directors shall always pay attention to the supervision and control of the risks of derivative commodity transactions, and periodically assess whether the performance of engaging in derivative commodity transactions is in accordance with the established business strategy and whether the risks assumed are within the scope of the company's tolerance, the adequacy of the risk management procedures currently in use should also be assessed periodically and indeed in accordance with the relevant provisions of this procedure.

Article 16: Internal Audit

A public company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book.

A public company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

Article 16-1: The Company shall urge subsidiaries to engage in derivative commodity transactions in accordance with the relevant guidelines to "engage in derivative commodity affairs processing procedures" and in accordance with the procedures established. The company's internal auditors shall also include the subsidiary's "engaged in derivative commodity transaction processing procedures" in the internal audit scope, perform audit operations on a regular or irregular basis, and review their own inspection reports.

If a major violation is found, the independent director and the supervisor shall be notified in writing.

Article 17: The "Procedures for dealing with derivative commodities" shall be implemented after the approval of the Board of directors and shall be submitted to the shareholders' meeting for amendment. If a director objects and has a record or written statement, the company shall send the director's objection data to the monitors.

The views of independent directors shall be fully taken into account in the discussion of the Board of Directors of the "Procedures for dealing with derivative commodities" in accordance with the preceding paragraph, and independent directors who have objections or reservations shall be set out in the proceedings of the Board of Directors.

Article 18: Previous revision Records

This procedure was set out on September 1, 89 of the Republic of China; The First Amendment was made on June 20, 92, the Second Amendment on June 10, 94, the third amendment on June 14, 95, the fourth Amendment to June 14, 96 and the fifth Amendment to June 6, 108.

Appendix 7

YA HORNG ELECTRONIC CO., LTD.

Operational Procedures for Election of Directors and Supervisors (Before the Version)

Article 1: Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 2: The cumulative voting method shall be used for election of the directors and supervisors at this Corporation. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 3: The board of directors shall prepare separate ballots for directors and supervisors in numbers

corresponding to the directors or supervisors 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.

Article 4: 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.

Article 5: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 6: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 7: The votes of directors shall be counted separately according to the election of independent directors and non-independent directors.

Article 8: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.

2. A blank ballot is placed in the ballot box.

3. The writing is unclear and indecipherable or has been altered.

4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.

5. In addition to filling in the name (name) of the elected person and the shareholder's household number (identity card uniform number) and the number of assigned voting rights, the person with other words shall be among the words.

6. A person who has not filled in the household name (name) or the shareholder's household number (identity card uniform number).

7. On the same ballot paper, two or more persons are filled in by the elected person.

Article 9: The number of directors and supervisors will be as specified in this Corporation'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. Those who are elected as directors and supervisors at the same time in accordance with the preceding paragraph shall decide in their own discretion whether to act as directors or supervisors, or whose personal data are verified by the examination or the inspector signed by the examination or who has lost their effectiveness in accordance with the relevant laws and regulations, and whose vacancy shall be declared by the elected person in the general meeting of the elected person by the majority of the original election.

Article 10: The Company does not elect another ombudsman when setting up an audit committee.

Article 11: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected.

Article 12: A person who does not comply with article 26 ter, paragraph 4, of the Securities Exchange Act shall be elected without its validity.

Article 13: The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

Article 14: These Measures do not provide for matters to be handled in accordance with the provisions of the Company Law, the Articles of Association of the Company and the relevant laws and regulations.

Article 15: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 16: This Measure was first amended on 1 September 89 in the Republic of China and amended for the first time on 14 June 96.

YA HORNG ELECTRONIC CO., LTD.
Shareholding of Directors and Supervisors

Book closure date: 04 10, 2020

Position	Name	Date elected	Shareholding while elected			Current shareholding			Remarks
			Type	Shares	Shareholding ratio (%)	Type	Shares	Shareholding ratio (%)	
Chairman	HUANG, CHIN-I	2017.06.08	Common stock	19,824,137	22.22%	Common stock	14,524,137	16.28%	
Vice Chairman	HSU, WEN-TING	2017.06.08	Common stock	19,506,160	21.87%	Common stock	9,906,160	11.11%	
Director	HUANG, WEI-PO	2017.06.08	Common stock	1,051,035	1.18%	Common stock	1,051,035	1.18%	
Independent Director	YANG, WU-HUI	2017.06.08	Common stock	-	-	Common stock	-	-	
Independent Director	HUANG, TIEN-HAO	2017.06.08	Common stock	-	-	Common stock	-	-	
Supervisor	HUANG, PAO-CHUANG	2017.06.08	Common stock	497,070	0.56%	Common stock	497,070	0.56%	
Supervisor	TSAI, MING-CHING	2017.06.08	Common stock	220,008	0.25%	Common stock	220,008	0.25%	
Supervisor	TING, TSEH-SIANG	2017.06.08	Common stock	-	-	Common stock	-	-	
合 計				41,098,410			26,198,410		

Total issued shares: 89,200,000 shares on 06/08/2017(date elected).

Total Issued shares: 89,200,000 shares on 04/09/2020 (book closure date).

註：1. The minimum required combined shareholding of all directors by law: 7,136,000 shares

The combined shareholding of all directors on the book closure date: 25,481,332shares

註：2. The minimum required combined shareholding of all supervisors by law: 713,600 shares

The combined shareholding of all supervisors on the book closure date: 717,078 shares

註：3. The shares held by independent directors shall not be counted in the calculation of director and supervisor shareholdings.

YA HORNG ELECTRONIC CO., LTD.

Rules and Procedures of Shareholders' Meeting

- Article 1 : The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, shall be as provided in these Rules.
- Article 2 : This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of attendance shares is calculated according to album or payment card.
- Article 3 : Attendance at shareholders meetings shall be calculated based on numbers of shares.
- Article 4 : The venue for a shareholders meeting shall be the premises of this Corporation, 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.
- Article 5 : If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- Article 6 : This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- Article 7 : This Corporation, 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.
- Article 8 : 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 1 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, 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, paragraph 1 of the Company Act; 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 9 : If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. 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). After the adjournment of the meeting, the shareholders shall not push the Chairman in the original or another place to renew the meeting; If the chair declares the meeting adjourned in violation of the rules of procedure, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- Article 10 : 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. 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.

- Article 11 : 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.
- Article 12 : When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
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.
- Article 13 : After an attending shareholder has spoken, the chair may respond in person or direct relevant person monitoreal to respond.
- Article 14 : The chair shall allow ample opportunity during the meeting; 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 and call for a vote.
- Article 15 : Voting and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.
The results of the voting shall be reported and recorded.
- Article 16 : When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 17 : Except as otherwise provided in the Company Act and in this Corporation'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. In the voting, the effect is the same as the voting by the Chairman, if the non-dissenting person is consulted.
- Article 18 : 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.
- Article 19 : The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Article 20 : These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.