

Stock Code : 3081



LandMark Optoelectronics Corporation  
2023 Annual Shareholders' Meeting  
Handbook  
(Translation)

Meeting Time: May 31, 2023 (Wednesday) 09:00 a.m.

Meeting Type: Physical Shareholders' Meeting

Venue: No.22, Nanke 3rd Rd., Xinshi Dist., Tainan City

(Southern Taiwan Science Park Bureau Building First Floor  
Auditorium Hall)

## Table of Contents

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A. Meeting Procedure	1
B. Meeting Agenda	2
1. Report Items	3
2. Proposed Resolutions	4
3. Matters for Discussion and Election	5
4. Special Motion	6
C. Attachment	
1. Business Report	7
2. Audit Committee's Review Report	10
3. Independent Auditors' Report and 2022 Financial Statements	11
4. Earnings Distribution Table	18
5. Comparison Table of the "Procedures of Asset Acquisition and Disposal"	19
6. Comparison Table of the "Rules of Procedure for Shareholders' Meeting"	25
7. List of Director (incl. Independent Director) Candidate for the 11th Board of Directors	38
8. List of Positions Concurrently Served in Other Companies by Directors (incl. Independent Directors)	40
D. Appendix	
1. Procedures of Asset Acquisition and Disposal (before amendment)	42
2. Rules of Procedure for Shareholders' Meeting (before amendment)	58
3. Articles of Incorporation	67
4. Rules for Election of Directors	73
5. Shareholdings of All Directors	76

**LandMark Optoelectronics Corporation**  
**Procedure for the 2023 Annual Shareholders' Meeting**

1. Call the Meeting to Order
2. Chairman's Remarks
3. Report Items
4. Proposed Resolutions
5. Matters for Discussion and Election
6. Special Motion
7. Meeting Adjourned

**LandMark Optoelectronics Corporation**  
**Meeting Agenda of the 2023 Annual Shareholders' Meeting**

Time: 9:00 a.m., May 31, 2023 (Wednesday)

Venue: No.22, Nanke 3rd Rd., Xinshi Dist., Tainan City

(Southern Taiwan Science Park Bureau Building First Floor Auditorium Hall)

Attendants: All shareholders or their proxy holders

Chairman: Ching-Yi Chang, Chairman of the Board of Directors

1. Call the Meeting to Order (Report on non-voting shares and total shares represented by shareholders present in person or by proxy)
2. Chairman's Remarks
3. Report Items:
  - (1) The Company's 2022 Business Report.
  - (2) Audit Committee's Review Report on the 2022 Financial Statements.
  - (3) The Company's 2022 employees' profit sharing bonus and Directors' compensation.
  - (4) The Company's 2022 earnings distribution.
  - (5) The Company's cash distribution from capital surplus.
4. Proposed Resolutions:
  - (1) The Company's 2022 Business Report, Financial Statements and Earnings distribution.
5. Matters for Discussion and Election:
  - (1) Discussion of amendments to the Company's "Procedures of Asset Acquisition and Disposal".
  - (2) Discussion of amendments to the Company's "Rules of Procedure for Shareholders' Meeting".
  - (3) To elect Directors (including Independent Directors) of the Company.
  - (4) Release of the Directors' Non-Competition Obligation.
6. Special Motion
7. Meeting Adjourned

## Report Items

**Item 1:** The Company's 2022 Business Report.

**Details:** The Company's 2022 Business Report (please refer to Attachment 1 on page 7~9)

**Item 2:** Audit Committee's Review Report on the 2022 Financial Statements.

**Details:** Audit Committee's Review Report (please refer to Attachment 2 on page 10)

**Item 3:** The Company's 2022 employees' profit sharing bonus and Directors' compensation.

**Details:** According to Article 20 of the Company's Articles of Incorporation, "If there is any profit for a specific fiscal year, the Company shall allocate no more than 2% of the profit as remuneration to Directors and shall allocate no less than 8% of the profit as the employees' compensation." Directors' remuneration and employees' profit sharing bonus of 2022 are NT\$ 4,253,251 (1% of net profit before tax) and NT\$ 42,532,503 (10% of net profit before tax), respectively. These amounts were approved at the Board of Directors meeting on February 1st, 2023 and are to be distributed in cash.

**Item 4:** The Company's 2022 earnings distribution.

**Details:**

- I. According to Article 240 of the Company Act and Article 20 of the Company's Articles of Incorporation, if profits are distributed in cash, the board of directors should approve it and the decision shall be reported to the shareholders' meeting.
- II. On February 1st, 2023, the board of the Company passed a resolution to distribute a cash dividend of NT\$275,603,031 to shareholders, which is equivalent to NT\$ 3 per share. The calculation of cash dividends is rounded down to the nearest whole number and any fractional amount less than NT\$1 will be recorded as other income of the Company.
- III. If there are any changes in the number of outstanding shares due to changes in the Company's capital before the dividend record date, causing the dividend distribution rate to change, the Chairman is designated to handle the condition in accordance with the Company Act or other relevant laws and regulations.

**Item 5:** The Company's cash distribution from capital surplus.

**Details:**

- I. According to Article 241 of the Company Act and Article 20 of the Company's Articles of Incorporation, if the capital surplus is to be distributed in cash, the board of directors should approve it and the decision shall be reported to the shareholders' meeting.
- II. The Company's board of directors has resolved at the meeting on February 1<sup>st</sup>, 2023 that it shall allocate NT\$45,933,838 dollars from the capital surplus derived from the issuance of shares above the par value, for distribution of NT\$ 0.5 per share. The calculation of cash dividends is rounded down to the nearest whole number and any fractional amount less than NT\$1 will be recorded as other income of the Company .
- III. If there are any changes in the number of outstanding shares due to changes in the Company's capital before the dividend record date, causing the dividend distribution rate to change, the Chairman is designated to handle the condition in accordance with the Company Act or other relevant laws and regulations.

## **Proposed Resolutions**

**Item 1:** (proposed by the Board of Directors)

**Proposal:** The Company's 2022 Business Report, Financial Statements and Earnings Distribution.

**Explanation:**

- I. The Company's 2022 Business Report and Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors. The financial statements have been audited by KPMG Taiwan and an unqualified opinion has been issued.
- II. The Company's 2022 Business Report, Independent Auditors' Report and Financial Statements are attached hereto as Attachment 1 on page 7~9 and Attachment 3 on page 11~17.
- III. The Company's 2022 Earnings Distribution has been approved at the board meeting on February 1<sup>st</sup>, 2023, and the Earnings Distribution Table is attached hereto as Attachment 4 on page 18.

**Resolution:**

## **Matters for Discussion and Election**

**Item 1:** (proposed by the Board of Directors)

**Proposal:** Discussion of amendments to the Company's "Procedures of Asset Acquisition and Disposal".

**Explanation:** In line with the partial revision of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" by financial supervisory commission, it is proposed to revise certain provisions of "Procedures of Asset Acquisition and Disposal" of the Company. Please refer to Attachment 5 on page 19-24 for the comparison table of amended provisions.

**Resolution:**

**Item 2:** (proposed by the Board of Directors)

**Proposal:** Discussion of amendments to the Company's "Rules of Procedure for Shareholders' Meeting".

**Explanation:** In line with the revision of "Sample Rules of Procedures for Shareholders' Meetings" and the operational needs of the Company, it is proposed to revise certain provisions of the "Rules of Procedure for Shareholders' Meeting" of the Company. Please refer to Attachment 6 on page 25~37 for the comparison table of amended provisions.

**Resolution:**

**Item 3:** (proposed by the Board of Directors)

**Proposal:** To elect Directors (including independent Directors) of the Company.

**Explanation:**

- I. The Company's 10th term of the Board of Directors expired on May 19, 2023, and has not been reelected. According to regulations, the term of office has been extended and is proposed to hold an election at the shareholders' meeting this year.
- II. According to Article 13 of Company's Articles of Incorporation, the Company has set up a Board of Directors with five to nine members. Seven directors (including three independent directors) are proposed to be elected this time. The newly elected directors shall take the position on the day of their appointment and shall serve for a term of three years from May 31, 2023 to May 30, 2026.
- III. A nomination system is adopted in the election of Company directors, and shareholders shall elect directors from the nominees listed in the roster of director

candidates. The education, experience and other relevant information of the candidates are stated in Attachment 7 on page38-39.

**Election outcomes:**

**Item 4:** (proposed by the Board of Directors)

**Proposal:** Release of the Directors' Non-Competition Obligation.

**Explanation:**

- I. As per Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. To leverage the experience and expertise of directors for the benefit of the Company, it is proposed to lift the restriction on competition for newly appointed directors at the shareholders' meeting. For details of the lifting items, please refer to Attachment 8 on pages 40-41 of this handbook.

**Resolution:**

**Special Motion**

**Meeting Adjourned**



## 2022 Business Report

### Operational performance in 2022

In 2022, despite the impact of Covid-19 pandemic, the world still has been under the macroeconomic uncertainties of Ukraine-Russia war, inflation, and rising interest rates. Fortunately, with the efforts of all staff members, we still achieved a record high annual revenue. The driving momentum was mainly from the application of our InP(indium phosphide) products in electronic consumer products such as the US well-known mobile phones and wireless earphones brand, contributing to over 35% of the annual revenue. This has also led us to have a well fundamental growth and development of our various consumer application products afterward.

The operating revenue of the Company in 2022 was NT\$ 2.38 billion, 27% growth from the previous year. Net profit was NT\$ 329 million, 2.4% decrease compared with the previous year. EPS was NT\$3.61, 2.7% decrease compared with the previous year.

Unit: NT\$ in thousands

Item		2022	2021	Changes (%)
Operating results	Operating revenue	2,380,885	1,872,703	27%
	Gross profit	759,025	768,457	-1.2%
	Net profit	333,983	412,071	-19%
	Net profit after tax	329,536	337,544	-2.4%
Profitability	ROA(%)	6.60%	6.70%	-1.5%
	ROE(%)	7.64%	7.83%	-2.4%
	Net profit margin (%)	13.84%	18.02%	-23%
	EPS (NT\$)	3.61	3.71	-2.7%

#### R&D progress:

In 2022, the R&D expenditure was NT\$ 269 million, which was a 31% increase from the previous year. We focused on the research and development of high-speed components above 25G/50G, as well as for 400G and 800G data center related products. We also work closely with customers to develop next-generation 3D sensing and LiDAR products.

### 2023 Operational Plan Summary and Future Development Strategies

In 2023, although the global economy outlook may remain gloomy, we will continue to implement the following business strategies to pursue comprehensive operational performance growth.

- Leading technology in the industry

We will continue with our investment in research and development of laser epitaxy products applied in optical communication and data centers. Our customers have well recognized our technical capabilities. At the same time, we are also working with customers to develop laser and detective components for automotive LiDAR, long wavelength 3D sensing elements, and metaverse applications. Through a significant investment in research and development, we could maintain a leading position in the field of optical communication and the long-term growth momentum.

- Mass production advantage

Over the years, we have established a flexible and efficient production and operational business model to fulfill customers' diverse and different product scales and specifications. The newly completed factory in recent years also reserve medium and long-term capacity expansion space to meet the rapidly growing demand for various laser products in the global market.

- Manufacturing process integration

The Company continues to optimize the manufacturing process and improve capacity utilization. We pursue excellence in quality control, production yield, and scheduling management. Meanwhile, we've introduced a new SPC system to monitor the manufacturing process, control changes, and analyze abnormalities so as to continuously offer high-quality products. In response to the customers' needs for high-speed and high-quality components for optical communication, the Company has added multiple pre-processes and epitaxial growth technologies for various components. We also cooperate with outstanding manufacturer to provide full-chip process services to meet customers' product requirements at different stages of the manufacturing process.

- Alliance with the clients

Our core value is to continuously improve our service to customers. We will continue to collaborate with our clients on the development of application products such as 50G, 100G EML, 400G/800G high-speed modules, providing high-quality and competitive products, as well as flexible and efficient lead times, to assist customers in expanding their market share and to grow together.

## **Effects of external competition, laws & regulations, and overall business environment**

With the impacts of geopolitical uncertainties, financial market fluctuations, global supply chain restructuring and climate change risks, we have faced the increasing operational challenges and uncertainties. Therefore, we aim to strengthen risk

management, operational flexibility and decision-making efficiency so as to respond to the rapidly changing business environment carefully and diligently and to pursue the better business performance as well. In addition, we will keep devoting the resources on ESG-related topics by complying with laws and regulations, improving corporate governance, promoting environmentally friendly manufacturing procedure, caring for employees, and contributing to the community. These are all comprehensive and ongoing goals that we must pursue while striving for sustainable development and growth.

Lastly, we would like to once again express our gratitude to all shareholders on behalf of the Company's management and staff for your valuable support and encouragement. We will continue to endeavor to do our job in the hope of bringing growth and profit to all our shareholders.

Chairman: *Ching-Yi Chang*    General Manager: *Roger Lo*    CFO: *Jerry Yang*

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

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and proposal for allocation of earnings. The CPA firm of KPMG was retained to audit LandMark Optoelectronics Corporation's Financial Statements and has issued an audit report with unqualified opinion relating to the Financial Statements.

The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of LandMark Optoelectronics Corporation. According to the Securities and Exchange Act and the Company Act, we hereby submit this report.

Chairman of the Audit Committee: *James Wang*

February 1, 2023



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## Independent Auditors' Report

To the Board of Directors of LandMark Optoelectronics Corporation:

### Opinion

We have audited the financial statements of LandMark Optoelectronics Corporation("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"). Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

#### Valuation of inventories

Please refer to Note 4(g) "Inventories", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty," and Note 6(D) "Inventories" of the financial statements.

#### Description of key audit matter:

The inventories of the Company are measured at the lower of cost and net realizable value. Since the technology in the optoelectronic industry changes rapidly, the old models may quickly be replaced by new ones, resulting in a risk wherein the carrying value of inventories may exceed its net realizable value. Therefore, we determined that the assessment of the valuation of inventories was a key audit matter.

#### How the matter was addressed in our audit:

- Understood whether the valuation of inventory was performed in accordance with the Company's policy.
- Inspected the inventory aging report and analyzed the trends of inventory aging.
- Assessed the provision for inventory valuation and obsolescence by categorizing the inventories, including sampling and inspecting the accuracy of the inventory aging report and net realizable value of inventories.
- Performed a retrospective review to comparatively analyze the historical accuracy of judgments with reference to actual disposal to assess the rationality of the judgments and assumptions of the current period.
- Assessed whether the disclosure of provision for inventory valuation and obsolescence was appropriate.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yen-Ta Su and Chen-Lung Hsu.

KPMG

Tainan, Taiwan (the Republic of China)  
February 1, 2023

#### **Notes to Readers**

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

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
**LANDMARK OPTOELECTRONICS CORPORATION**

**Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

		<b>December 31, 2022</b>		<b>December 31, 2021</b>				<b>December 31, 2022</b>		<b>December 31, 2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 1,643,506	32	1,771,121	36	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	\$ 18	-	-	-
1150	Notes receivable, net (note 6(c))	-	-	21,899	-	2130	Contract liabilities-current (note 6(o))	2,472	-	11,968	-
1170	Trade receivables, net (notes 6(c)(o))	458,320	9	274,737	6	2170	Trade payables	176,252	4	89,243	2
1310	Inventories (note 6(d))	376,152	8	289,465	6	2200	Other payables (note 6(j))	207,632	4	203,148	4
1410	Prepayments	17,357	-	14,706	-	2230	Current tax liabilities	54,791	1	78,174	2
1470	Other current assets	13,336	-	6,426	-	2280	Current lease liabilities (note 6(i))	7,141	-	7,363	-
1476	Other financial assets—current (note 8)	2,593	-	2,569	-	2300	Other current liabilities	1,222	-	1,186	-
		2,511,264	49	2,380,923	48			449,528	9	391,082	8
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1600	Property, plant and equipment (notes 6(e) and 9)	2,163,544	43	2,122,813	43	2580	Non-current lease liabilities (note 6(i))	305,978	6	310,425	6
1755	Right-of-use assets (note 6(f))	305,964	6	312,381	6	2640	Net defined benefit liability—non-current (notes 6(j))	5,377	-	7,324	-
1780	Intangible assets (note 6(g))	6,090	-	5,992	-			311,355	6	317,749	6
1840	Deferred tax assets (note 6(k))	17,951	-	17,163	-		<b>Total liabilities</b>	760,883	15	708,831	14
1980	Other financial assets—non-current (note 8)	12,846	-	13,078	-		<b>Equity attributable to owners of the company (notes 6(k)(l)(m)):</b>				
1900	Other non-current assets (notes 6(h) and 9)	99,763	2	128,770	3	3110	Capital stock	918,677	18	913,692	18
		2,606,158	51	2,600,197	52	3200	Capital surplus	1,872,362	37	1,844,873	38
							Retained earnings:				
						3310	Legal reserve	615,067	12	581,480	12
						3350	Unappropriated earnings	984,867	19	961,684	19
								1,599,934	31	1,543,164	31
						3491	Deferred compensation cost arising from issuance of restricted stock	(34,434)	(1)	(29,440)	(1)
							<b>Total equity</b>	4,356,539	85	4,272,289	86
<b>Total assets</b>		<b>\$ 5,117,422</b>	<b>100</b>	<b>4,981,120</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 5,117,422</b>	<b>100</b>	<b>4,981,120</b>	<b>100</b>



(English Translation of Financial Statements and Report Originally Issued in Chinese)  
**LANDMARK OPTOELECTRONICS CORPORATION**

**Statements of Comprehensive Income**

**For the years ended December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<b>2022</b>		<b>2021</b>	
		<u><b>Amount</b></u>	<u><b>%</b></u>	<u><b>Amount</b></u>	<u><b>%</b></u>
4100	<b>Operating revenue (note 6(o))</b>	2,380,885	100	1,872,703	100
5000	<b>Operating costs (notes 6(d)(i)(j)(m)(p), 7 and 12)</b>	<u>1,621,860</u>	<u>68</u>	<u>1,104,246</u>	<u>59</u>
5900	<b>Gross profit</b>	<u>759,025</u>	<u>32</u>	<u>768,457</u>	<u>41</u>
6000	<b>Operating expenses (notes 6(c)(i)(j)(m)(p), 7 and 12):</b>				
6100	Selling and marketing expenses	40,967	2	40,922	2
6200	General and administrative expenses	113,836	5	111,508	6
6300	Research and development expenses	268,819	11	204,597	11
6450	Impairment losses (Impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	<u>1,420</u>	<u>-</u>	<u>(641)</u>	<u>-</u>
		<u>425,042</u>	<u>18</u>	<u>356,386</u>	<u>19</u>
6900	<b>Operating income</b>	<u>333,983</u>	<u>14</u>	<u>412,071</u>	<u>22</u>
7000	<b>Non-operating income and expenses (notes 6(i)(q)):</b>				
7100	Interest income	10,342	-	7,234	-
7020	Other gains and losses	38,853	2	2,879	-
7050	Finance costs	<u>(4,789)</u>	<u>-</u>	<u>(4,199)</u>	<u>-</u>
		<u>44,406</u>	<u>2</u>	<u>5,914</u>	<u>-</u>
7900	<b>Profit before income tax</b>	378,389	16	417,985	22
7950	<b>Less: income tax expenses(notes 6(k))</b>	<u>48,853</u>	<u>2</u>	<u>80,441</u>	<u>4</u>
8200	<b>Net profit</b>	<u>329,536</u>	<u>14</u>	<u>337,544</u>	<u>18</u>
8300	<b>Other comprehensive income (notes 6(j)(k)):</b>				
8310	<b>Item that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurements of the defined benefit plans	1,676	-	(2,090)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(335)</u>	<u>-</u>	<u>418</u>	<u>-</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>1,341</u>	<u>-</u>	<u>(1,672)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u><u>\$ 330,877</u></u>	<u><u>14</u></u>	<u><u>335,872</u></u>	<u><u>18</u></u>
	<b>Earnings per share (in dollars), after tax (note 6(n))</b>				
9750	<b>Basic earnings per share</b>	<u><u>\$ 3.61</u></u>		<u><u>3.71</u></u>	
9850	<b>Diluted earnings per share</b>	<u><u>\$ 3.59</u></u>		<u><u>3.69</u></u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

**LANDMARK OPTOELECTRONICS CORPORATION****Statements of Changes in Equity****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	Capital stock	Capital surplus	Retained earnings		Deferred compensation cost	Total equity
			Legal reserve	Unappropriated earnings		
<b>Balance at January 1, 2021</b>	\$ 913,732	1,844,833	522,596	1,141,542	(73,601)	4,349,102
Net Profit	-	-	-	337,544	-	337,544
Other comprehensive income	-	-	-	(1,672)	-	(1,672)
Total comprehensive income	-	-	-	335,872	-	335,872
Appropriation of 2020 earnings in 2021:						
Legal reserve	-	-	58,884	(58,884)	-	-
Cash dividends	-	-	-	(456,846)	-	(456,846)
Compensation cost arising from restricted stock	-	-	-	-	44,161	44,161
Restricted stock retired	(40)	40	-	-	-	-
<b>Balance at December 31, 2021</b>	\$ 913,692	1,844,873	581,480	961,684	(29,440)	4,272,289
Net Profit	-	-	-	329,536	-	329,536
Other comprehensive income	-	-	-	1,341	-	1,341
Total comprehensive income	-	-	-	330,877	-	330,877
Appropriation of 2021 earnings in 2022:						
Legal reserve	-	-	33,587	(33,587)	-	-
Cash dividends	-	-	-	(274,107)	-	(274,107)
Cash distributed from capital surplus	-	(45,685)	-	-	-	(45,685)
The related liabilities of expired restricted stock transferred to capital surplus	-	2,170	-	-	-	2,170
Share-based payments transaction-restricted stock	4,990	59,748	-	-	(43,043)	21,695
Compensation cost arising from restricted stock	-	11,251	-	-	38,049	49,300
Restricted stock retired	(5)	5	-	-	-	-
<b>Balance at December 31, 2022</b>	\$ 918,677	1,872,362	615,067	984,867	(34,434)	4,356,539

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

**LANDMARK OPTOELECTRONICS CORPORATION****Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 378,389	417,985
Adjustments:		
Adjustments to reconcile profit / loss:		
Depreciation expenses	473,121	486,340
Amortization expenses	4,305	6,010
Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	1,420	(641)
Interest expense	4,789	4,199
Net loss on financial liabilities at fair value through profit or loss	18	-
Interest income	(10,342)	(7,234)
Compensation cost arising from restricted stocks	49,300	44,161
Loss on disposal of property, plan and equipment	52	-
Unrealized foreign exchange losses	7,910	609
<b>Total adjustments to reconcile profit / loss</b>	<u>530,573</u>	<u>533,444</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes receivable	21,899	(21,899)
Decrease (increase) in trade receivables	(194,931)	355,536
Increase in inventories	(109,829)	(105,364)
Increase in prepayments	(2,651)	(1,516)
Increase in other current assets	(6,910)	(717)
<b>Total changes in operating assets</b>	<u>(292,422)</u>	<u>226,040</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in contract liabilities	(9,496)	1,590
Decrease in notes payable	-	(248)
Increase (decrease) in trade payables	89,933	(20,746)
Increase (decrease) in other payables	10,376	(20,842)
Increase in other current liabilities	36	170
Decrease in defined benefit liability—non-current	(271)	(283)
<b>Total changes in operating liabilities</b>	<u>90,578</u>	<u>(40,359)</u>
<b>Net changes in operating assets and liabilities</b>	<u>(201,844)</u>	<u>185,681</u>
<b>Total adjustments</b>	<u>328,729</u>	<u>719,125</u>
Cash generated from operations	707,118	1,137,110
Interest received	10,342	7,234
Interest paid	(4,789)	(4,199)
Income tax paid	(73,359)	(118,195)
<b>Net cash generated from operating activities</b>	<u>639,312</u>	<u>1,021,950</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(363,286)	(205,980)
Acquisition of intangible assets	(350)	(847)
Decrease in other financial assets—current and non-current	208	1,256
Increase in other non-current assets	(96,990)	(127,012)
<b>Net cash used in investing activities</b>	<u>(460,418)</u>	<u>(332,583)</u>
<b>Cash flows from (used in) financing activities:</b>		
Cash dividends	(319,792)	(456,846)
Issuance of restricted stock	21,695	-
Repurchase of restricted stock	(22)	-
Payment of lease liabilities	(7,464)	(7,800)
<b>Net cash used in financing activities</b>	<u>(305,583)</u>	<u>(464,646)</u>
<b>Effects of exchange rate changes on balance of cash held in foreign currencies</b>	<u>(926)</u>	<u>(280)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(127,615)</u>	<u>224,441</u>
<b>Cash and cash equivalents at the beginning of year</b>	<u>1,771,121</u>	<u>1,546,680</u>
<b>Cash and cash equivalents at the end of year</b>	<u>\$ 1,643,506</u>	<u>1,771,121</u>

See accompanying notes to financial statements.

LandMark Optoelectronics Corporation  
2022 Earnings Distribution Table

Units: NTD	
Item	Amount
Unappropriated retained earnings, Dec. 31, 2021	\$ 653,990,337
Add:	
Remeasurement of Defined Benefit Plan	1,340,814
Net profit of 2022	<u>329,535,633</u>
Distributable net earnings	984,866,784
Less: 10% Legal Reserve	(33,087,645)
Distributable items(Note):	
Cash dividends to common shareholders (NT\$ 3 per share)	<u>(275,603,031)</u>
Unappropriated retained earnings, Dec. 31, 2022	<u>\$ 676,176,108</u>

Note: Total outstanding shares as of 12/31/2022: 91,867,677 common shares.

Chairman: *Ching-Yi Chang*    General Manager: *Roger Lo*    CFO: *Jerry Yang*

Comparison Table of the “Procedures of Asset Acquisition and Disposal”

Amended version	Original version	Description
<p>Article 4: Evaluation Procedure (1.omitted)</p> <p>2. When the Company acquires or disposes of securities with value, the most recent financial statements of the subject company verified or reviewed by a certified public accountant should be obtained <u>before the occurrence the fact</u>, as a reference for evaluating the transaction price. If the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or more, the Company should, before the day of the transaction, consult with the account for their opinions on the reasonableness of the transaction price. However, this does not apply if the securities have an active market with public quotes or if the Financial Supervisory Commission has other regulation.</p> <p>3. When the Company acquires or disposes of intangible assets, the right to use assets, or memberships certificates, and the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 millions or more, except for transactions with domestic government agencies, the Company should consult with the accountant before the occurrence of the transaction for their opinion on the reasonableness of the transaction price.</p>	<p>Article 4: Evaluation Procedure (1.omitted)</p> <p>2. When the Company acquires or disposes securities with value, the most recent financial statements of the subject company verified or reviewed by a certified public accountant should be obtained, as a reference for evaluating the transaction price. <del>If an accountant needs to provide a professional report, such reports should be compiled according to provisions of Article 20 of Regulations Governing Auditing Procedure compiled by Accounting research and development Foundations.</del> If the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or more, the Company should, before the day of the transaction, consult with the account for their opinions on the reasonableness of the transaction price. However, this does not apply if the securities have an active market with public quotes or if the Financial Supervisory Commission has other regulation.</p> <p>3. When the Company acquires or disposes of intangible assets, the right to use assets, or memberships certificates, and the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 millions or more, except for transactions with domestic government agencies, the Company should consult with the accountant before the occurrence of the transaction for their opinion on the reasonableness of the transaction price.<del>The</del></p>	<p>Amendments have been made to the fifth article of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" to require external experts who issue opinions to comply with their industry associations' self-disciplinary regulations. Therefore, the relevant sentence stating that the accountant should follow the Guidance for Auditing Standards can be deleted.</p>

Amended version	Original version	Description
<p>4. When the Company acquires or disposes of real estate assets, equipment, or the right to uses such assets, except for transaction with domestic government agencies, entrusting building projects on its own land or leased land, or to dispose equipment or right of use assets and the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million dollars, an appraisal report made by professional appraisers should be obtained before the day of transaction, and the deal should follow the rules below:</p> <p>i. When the transaction price is based on a limited price, a specific price, or a special price for certain reasons, the transaction shall be approved by the Board of Directors before the transaction. If there are any changes in the transaction condition thereafter, the same applies.</p> <p>ii. If the transaction amount reaches NT\$ 1 billion, two or more professional appraisers shall be invited to appraise.</p> <p>iii. If any of the following situation occur in the appraisal results of the professional appraisers, except when the appraisal results of the acquired assets are all lower than the transaction amount, or appraisal of the disposed assets an accountant shall be consulted, a certified accountant should be requested to offer specific opinions on the reasons for the differences and the reasonableness of the transaction price:</p>	<p><del>accountant should also follow the guidelines set out in the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.</del></p> <p>4. When the Company acquires or disposes of real estate assets, equipment, or the right to uses such assets, except for transaction with domestic government agencies, entrusting building projects on its own land or leased land, or to dispose equipment or right of use assets and the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million dollars, an appraisal report made by professional appraisers should be obtained before the day of transaction, and the deal should follow the rules below:</p> <p>i. When the transaction price is based on a limited price, a specific price, or a special price for certain reasons, the transaction shall be approved by the Board of Directors before the transaction. If there are any changes in the transaction condition thereafter, the same applies.</p> <p>ii. If the transaction amount reaches NT\$ 1 billion, two or more professional appraisers shall be invited to appraise.</p> <p>iii. If any of the following situation occur in the appraisal results of the professional appraisers, except when the appraisal results of the acquired assets are all lower than the transaction amount, or appraisal of the disposed assets an accountant shall be consulted, a certified accountant should be requested to follow Article 20 of Regulations Governing Auditing procedure established by Accounting Research and Development Foundation to offer specific</p>	

Amended version	Original version	Description
<p>1. The difference between the appraisal result and the actual transaction price is 20% or more.</p> <p>2. The difference between the appraisal results from two professional appraisers is more than 10%.</p> <p>iv. For the case where appraise is before the transaction contract is established, the date of report shall not be over 3 months from the date of the contract.</p> <p>However, if the same period net present value is applicable and has not exceeded 6 months, an opinion letter may be issued by the professional appraisers.</p> <p>(The following is omitted.)</p>	<p>opinions on the reasons for the differences and the reasonableness of the transaction price:</p> <p>1. The difference between the appraisal result and the actual transaction price is 20% or more.</p> <p>2. The difference between the appraisal results from two professional appraisers is more than 10%.</p> <p>iv. For the case where appraise is before the transaction contract is established, the date of report shall not be over 3 months from the date of the contract.</p> <p>However, if the same period net present value is applicable and has not exceeded 6 months, an opinion letter may be issued by the professional appraisers.</p> <p>(The following is omitted.)</p>	
<p>Article 6: Public Announcement and Reporting Procedures</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the competent authority in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>i. The deals is to acquire or to dispose of real estate or its right of use from related parties, or to acquire or dispose of assets other than real estate or its usage rights from related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of total asset, or NT\$300 million or more. However, this requirement does not apply to the purchase and sale of domestic government</p>	<p>Article 6: Public Announcement and Reporting Procedures</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the competent authority in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>i. The deals is to acquire or to dispose of real estate or its right of use from related parties, or to acquire or dispose of assets other than real estate or its usage rights from related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of total asset, or NT\$300 million or more. However, this requirement does not apply to the purchase and sale of domestic government</p>	<p>In response to the fact that the authorities concerned have already exempted the announcement and declaration of the purchase and sale of foreign government bonds with credit ratings not lower than the sovereign credit rating of our country, the content of this provision has been revised accordingly.</p>

Amended version	Original version	Description
<p>bonds, <a href="#">foreign government bonds with credit ratings no lower than the sovereign credit rating of our country</a>, or bonds with repurchases of currency market funds issued by domestic securities investment trust enterprises.</p> <p>ii to v are omitted.</p> <p>vi. The principle applies to assets transactions or investments in Mainland China other than those listed in the preceding five paragraphs, if the transaction amount or the accumulated transaction amount within one year for the same counterparty in acquiring or disposing of assets of the same nature, or the accumulated amount of acquiring or disposing of (accumulated separately) real estate of the same development project or its right of use, or the accumulated transaction amount within one year of acquiring or disposing of securities of the same kind, reaches 20% of the Company's paid-in capital, or NT\$300 million or more. The term "within one year" is based on the date of the transaction and calculated retrospectively for one year, and the portion already disclosed in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies need not be counted again. However, the following circumstances are not subject to this restriction:</p> <p>1. Purchase and sale of domestic government bonds <a href="#">or foreign government bonds with credit ratings no lower than the sovereign credit rating of our country</a>.</p> <p>2. Purchase and sale of bonds with repurchase and redeem conditions, or subscription or purchase of currency market</p>	<p>bonds, or bonds with repurchases of currency market funds issued by domestic securities investment trust enterprises.</p> <p>ii to v are omitted.</p> <p>vi. The principle applies to assets transactions or investments in Mainland China other than those listed in the preceding five paragraphs, if the transaction amount or the accumulated transaction amount within one year for the same counterparty in acquiring or disposing of assets of the same nature, or the accumulated amount of acquiring or disposing of (accumulated separately) real estate of the same development project or its right of use, or the accumulated transaction amount within one year of acquiring or disposing of securities of the same kind, reaches 20% of the Company's paid-in capital, or NT\$300 million or more. The term "within one year" is based on the date of the transaction and calculated retrospectively for one year, and the portion already disclosed in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies need not be counted again. However, the following circumstances are not subject to this restriction:</p> <p>1. Purchase and sale of domestic government bonds.</p> <p>2. Purchase and sale of bonds with repurchase and redeem conditions, or subscription or purchase of currency market</p>	



Amended version	Original version	Description
finds issued by domestic securities investment trust enterprises. (The following is omitted.)	finds issued by domestic securities investment trust enterprises. (The following is omitted.)	
<p>Article 11: Resolution Procedure When the Company acquires or disposes of real estate or its right of use, or acquire or dispose of assets other than real estate or its right of use with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more, except for the purchase and sale of domestic government bonds, bonds with repurchase and sale conditions, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprise, the executing unit shall submit the following information for approval by the Board of Directors and recognition by the Audit Committee before proceeding with the transaction: 1 to 7 are omitted <u>If the Company or its non-domestic publicly listed subsidiary has a transaction mentioned in the first paragraph, and the transaction amounts reaches 10% or more of the company's' total assets, the Company shall submit the information listed in the first item to the shareholders' meeting for approval before signing the transaction contract and making payment. However, transactions between the Company and its parent company, subsidiary, or subsidiary of its subsidiary, are not subject to this requirement.</u> The transaction amount <u>in the first item and</u> in the preceding paragraph shall be calculated according to provisions of Article</p>	<p>Article 11: Resolution Procedure When the Company acquires or disposes of real estate or its right of use, or acquire or dispose of assets other than real estate or its right of use with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more, except for the purchase and sale of domestic government bonds, bonds with repurchase and sale conditions, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprise, the executing unit shall submit the following information for approval by the Board of Directors and recognition by the Audit Committee before proceeding with the transaction: 1 to 7 are omitted</p> <p>The transaction amount in the preceding paragraph shall be calculated according to provisions of Article 6 paragraph</p>	<p>The content of this article has been amended in order to have better management of transaction with related parties. It is added that for transactions in which the Company acquires or disposes of assets from related parties and the transaction amount exceeds 10% of the Company's total assets, the transaction must be approved by the shareholders' meeting before it can be conducted. However, this requirement does not apply to transactions between the Company and its subsidiaries, or between subsidiaries of the Company.</p>

Amended version	Original version	Description
<p>6 paragraph 1. The calculation of one year shall be based on the date of occurrence of the transaction, and shall be retroactively calculated for one year. In addition, the part that has been submitted to and approved by <a href="#">the shareholder's meeting</a> and the Board of Directors in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies may be partially exempted from the calculation.</p> <p>(The following is omitted.)</p>	<p>1. The calculation of one year shall be based on the date of occurrence of the transaction, and shall be retroactively calculated for one year. In addition, the part that has been submitted to and approved by the Board of Directors in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies may be partially exempted from the calculation.</p> <p>(The following is omitted.)</p>	

## Comparison Table of the “Rules of Procedure for Shareholders’ Meeting”

Amended version	Original version	Description
<p>Article 3 (Notice to convene shareholders’ meeting) Item 1 (omitted)</p> <p><a href="#">Any changes to the method of convening a shareholders’ meeting should be resolved by the board of directors and notified to the shareholders before the notice of the meeting is sent.</a></p> <p>The Company shall prepare the meeting notice 30 days before the regular shareholders’ meeting or 15 days before the special shareholders’ meeting, and prepare relevant documents and explanatory materials for each proposal, including items for recognition, discussion, election, or dismissal of directors, etc., as electronic files. The materials should be transmitted to the designated website of the authorities.</p> <p><a href="#">According to Article 6 of Regulations Governing Content and Compliance Requirements for Shareholders’ Meeting Agenda Handbooks of Public Companies</a>, the Company shall prepare handbooks of the meeting and supplementary materials and transmit them as electronic files to the designated website of the authorities. Fifteen days before the shareholders’ meeting, we shall prepare and make available the meeting handbook and supplementary materials for shareholders to access at any time. They will also be displayed at the Company and the professional shareholder agency appointed by the Company.</p>	<p>Article 3 (Notice to convene shareholders’ meeting) Item 1 (omitted)</p> <p>The Company shall prepare the meeting notice 30 days before the regular shareholders’ meeting or 15 days before the special shareholders’ meeting, and prepare relevant documents and explanatory materials for each proposal, including items for recognition, discussion, election, or dismissal of directors, etc., as electronic files. The materials should be transmitted to the designated website of the authorities.</p> <p><del>Additionally, 21 days before the regular shareholders’ meeting or 15 days before the special shareholders’ meeting, the Company shall prepare handbooks of the meeting and supplementary materials and transmit them as electronic files to the designated website of the authorities. Fifteen days before the shareholders’ meeting, we shall prepare and make available the meeting handbook and supplementary materials for shareholders to access at any time. They will also be displayed at the Company and the professional shareholder agency appointed by the Company, and distributed at the shareholders’ meeting.</del></p>	<p>1. The second paragraph is added to inform shareholders of changes in the method of convening shareholder meetings, the second paragraph has been added.</p> <p>2. The electronic files of shareholder meeting handbook and supplementary materials should be transmitted to shareholder following the requirements of Article 6 of the Regulations Governing Content and Compliance Requirements for Shareholders’ Meeting Agenda Handbooks of Public Companies.</p> <p>3. According to the Company’s Articles of Corporation, regular shareholders’ meetings can be convened through videoconferencing. To ensure that all shareholders, whether attending the physical meeting or participating via video conferencing, can access the</p>

Amended version	Original version	Description
<p><a href="#">The aforementioned handbook and supplementary materials of the meeting shall be made available for shareholders to review on the date of Shareholders' Meeting according to Article 6 of Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies.</a></p> <p>The reasons for the convening the meeting should be stated in the notice; if agreed by the relevant parties, such notices can be transmitted in electronic means.</p> <p>Matters including the election or dismissal or directors, amendment of articles of incorporation, reduction of capital, application for suspension of public offering, directors' non-competition agreement, capital increase by retained earnings or capital surplus, company dissolution, merger, division, or any other matters mentioned in Article 185(1) of the Company Act, <a href="#">Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</a>, shall be listed in the proceedings and the main content shall be explained, and such matters may not be raised as an ad hoc motion.</p> <p>The notice of convening the meeting shall state that the entire board of directors shall be re-elected and the date of inauguration, and after the election is completed at the</p>	<p>The reasons for the convening the meeting should be stated in the notice; if agreed by the relevant parties, such notices can be transmitted in electronic means.</p> <p>Matters including the election or dismissal or directors, amendment of articles of incorporation, reduction of capital, application for suspension of public offering, directors' non-competition agreement, capital increase by retained earnings or capital surplus, company dissolution, merger, division, or any other matters mentioned in Article 185(1) of the Company Act, shall be listed in the proceedings and the main content shall be explained, and such matters may not be raised as an ad hoc motion. <del>The main content shall be placed on the website designated by the securities regulatory authority or the company, and the website address shall be specified in the notice.</del></p> <p>The notice of convening the meeting shall state that the entire board of directors shall be re-elected and the date of inauguration, and after the election is completed at the</p>	<p>shareholders' meeting handbook and supplementary materials on the day of the meeting; the fourth paragraph is thus added.</p> <p>4. To avoid the misunderstanding that only matters listed in Article 185, paragraph 1 of the Company Act are not allowed to be proposed as ad hoc motion, the provision is amended to forbid other legal provisions outside the Company Act from being proposed by the way of temporary motion.</p> <p>5. In accordance with Article 172, paragraph 5 of Company Act, and with reference if official letter number 10700105410 from the Ministry of Economic Affairs, this clause is revised.</p>

Amended version	Original version	Description
<p>meeting, the inauguration date may not be changed during the ad hoc motion or other procedure in the same meeting.</p> <p>Shareholders who hold more than one percent of the total issued shares of the Company may propose one agenda item for the regular shareholders' meeting; any proposal that exceeds that limit shall not be listed in the agenda. Shareholders may propose advisory proposals to urge the company to enhance public interest or fulfill social responsibility, <u>which shall be limited to one proposal following the relevant regulations in Article 172-1 of the Company Act. If the proposal exceeds one item, it shall not be included in the agenda.</u></p> <p>(The following is omitted.)</p>	<p>ad hoc motion or other procedure in the same meeting.</p> <p>Shareholders who hold more than one percent of the total issued shares of the Company may propose one agenda item for the regular shareholders' meeting; any proposal that exceeds that limit shall not be listed in the agenda. Yet, shareholders may propose advisory proposals to urge the company to enhance public interest or fulfill social responsibility, <del>directors may still include such proposals in the agenda.</del></p> <p>(The following is omitted.)</p>	
<p>Article 5 (Principles for deciding the location and time of shareholders' meetings)</p> <p>1.(omitted)</p> <p><u>In the case of a videoconferencing shareholders' meeting, the limitation on locations in the preceding paragraph do not apply.</u></p>	<p>Article 5 (Principles for deciding the location and time of shareholders' meetings)</p> <p>1.(omitted)</p>	<p>The second clause is added to clearly stipulate that when the Company holds a videoconferencing shareholders' meeting, it is not subject to the limitation of meeting location.</p>
<p>Article 6</p> <p>In the meeting notice, the Company shall specify the check-in time and location for shareholders, <u>solicitors, and proxies (hereinafter referred to as 'shareholders')</u> as well as other matters that they should pay attention to. The check-in time shall be at least thirty minutes before the beginning of the meeting; the check-in location shall be clearly marked and staffed with adequate personnel. <u>For video conference</u></p>	<p>Article 6</p> <p>In the meeting notice, the Company shall specify the check-in time and location for shareholders, as well as other matters that they should pay attention to.</p> <p><del>The check-in time mentioned in the preceding paragraph shall be</del> at least thirty minutes before the beginning of the meeting; the check-in location shall be clearly marked and staffed with adequate personnel.</p>	<p>1. Paragraph 1 is amended in order to specify the check-in time and procedure for video conference shareholders' meetings.</p> <p>2. The original second paragraph is merged into the first paragraph.</p>

Amended version	Original version	Description
<u>shareholders' meetings, shareholders shall check in on online platform at least thirty minutes before the meeting begins. Shareholders who have completed the check-in process shall be deemed to have attended the shareholders' meeting in person.</u>		
Article 7 (Preparation of sign-in sheets and other documents) Paragraph 1~4 (omitted) <u>In the case of a shareholders' meeting held via videoconferencing, shareholders who wish to attend via videoconference should register with the Company at least two days before the meeting.</u> <u>In the case of a shareholders' meeting held via videoconferencing, the Company shall upload the agenda, annual report, and other related documents to the videoconferencing platform at least thirty minutes before the beginning of the meeting and continue to disclose such materials until the end of the meeting.</u>	Article 7 (Preparation of sign-in sheets and other documents) Paragraph 1~4 (omitted)	1. The fifth paragraph is added to specify that shareholders who plan to attend the shareholders' meeting via videoconferencing should register with the Company two days before the meeting. 2. The sixth paragraph is added to enable shareholders who attend the meeting via videoconferencing to access relevant documents such as the agenda and annual reports, the company should upload them to the video-conferencing platform.
<u>Article 7-1 (Matters to be included in the notice of convening a videoconferencing shareholders' meeting)</u> <u>When the Company holds a virtual shareholders' meeting, the matters to be included in the notice of meeting should be handled according to the provisions of Article 44-21 of the Regulations Governing the Administration of Shareholder Service of Public Companies.</u>		1.This is a newly added article. 2. In order to have shareholders be informed of their rights and limitations before the shareholders' meeting, it is stipulated that the content of the notice of the shareholders' meeting should be

Amended version	Original version	Description
		compiled following the regulations that must be complied with.
<p>Article 9 (Preservation of the Proceedings of the Shareholders' meeting through Audio or Video Recording.) Paragraph 1 (omitted) <u>In the case where shareholders' meeting is held through videoconferencing, the Company shall record and preserve the registration, enrollment, check-in, raising questions, voting, and vote counting of the shareholders, and continuously and uninterruptedly record the entire videoconference. The aforementioned material and audio and video recordings should be preserved by the Company during the retention period, and the data shall be provided to the entrusted party responsible for handling the videoconference affairs for preservation.</u></p>	<p>Article 9 (Preservation of the Proceedings of the Shareholders' meeting through Audio or Video Recording.) Paragraph 1 (omitted)</p>	<p>Following the provisions of Article 183 of the Company Act and Article 18 of Regulations Governing Procedures for Board of Directors Meetings of Public Companies, it is stipulated that the Company shall record and preserve information related shareholders' listing, registration, check-in, raising questions, voting, and the Company's vote counting results. The Company is also required to conduct continuous and uninterrupted recording and filming of the entire process of the video conference. The recorded data shall be properly preserved during the Company's existence and provided to the designated personnel responsible for handling the video conference affairs for preservation. The second and third paragraphs are thus added to</p>



Amended version	Original version	Description
		specify these requirements.
<p>Article 10</p> <p>The attendance rate of the shareholders' meeting should be based on the number of shares held by the shareholders present at the meeting. The number of shares present shall be calculated based on the number of shares signed in the register desk or recorded on the check-in card, <a href="#">and the number of checked-in shares on the videoconferencing platform</a>, and the number of shares exercised by written or electronic means.</p> <p>At the time of the meeting, the chairman shall announce the beginning of the meeting, <a href="#">and also disclose the number of shares without voting rights and the number of shares in attendance</a>. However, if the number of attending shareholders whose issued shares represent less than half of the total issued shares, the chairman may announce a postponement of the meeting. The number of times the meeting may be postponed shall be limited to two, and the total postponed time shall not exceed one hour. If after two postponements, the number of attending shareholders whose issued shares represent less than one-third of the total issued shares, the chairman shall declare the meeting adjourned. <a href="#">If the shareholders' meeting is held via videoconferencing, the Company shall announce the adjournment on the shareholders' meeting video conference platform</a>.</p> <p>If after two postponements, the number of attending shareholders whose issued shares represent more than one-</p>	<p>Article 10</p> <p>The attendance rate of the shareholders' meeting should be based on the number of shares held by the shareholders present at the meeting. The number of shares present shall be calculated based on the number of shares signed in the register desk or recorded on the check-in card, and the number of shares exercised by written or electronic means.</p> <p>At the time of the meeting, the chairman shall announce the beginning of the meeting. However, if the number of attending shareholders whose issued shares represent less than half of the total issued shares, the chairman may announce a postponement of the meeting. The number of times the meeting may be postponed shall be limited to two, and the total postponed time shall not exceed one hour. If after two postponements, the number of attending shareholders whose issued shares represent less than one-third of the total issued shares, the chairman shall declare the meeting adjourned.</p> <p>If after two postponements, the number of attending shareholders whose issued shares represent more than one-</p>	<p>1. Paragraph 2 is amended in order to specify that when the Company's shareholders' meeting is held via video conference, the total number of shareholder who have checked in online should be included in the total number of shares present at the meeting.</p> <p>2. Paragraph 2 is amended to enhance corporate governance and protect the shareholders' rights.</p> <p>3. The second paragraph is amended to specify that when the Company's shareholders' meeting is held via videoconference and the chairman announces an adjournment, the Company should announce the adjournment on the shareholders' videoconferencing platform to inform the shareholders in a timely manner.</p> <p>4. Paragraph 3 is amended to specify that when the Company convenes another shareholders' meeting due to a</p>



Amended version	Original version	Description
third of the total issued shares, a temporary resolution may be passed according to Article 175, Paragraph 1 of the Company Act, and the temporary resolution shall be notified to all shareholders for the convening of another shareholders' meeting within one month. <a href="#">If the shareholders wish to attend via video conference, those who wish to attend the meeting online shall register with the Company according to Article 7.</a> If the number of shares represented by attending shareholders reaches more than half of the total issued shares before the end of the meeting, the chairman may resubmit the temporary resolution for voting, according to Article 174 of the Company Act.	third of the total issued shares, a temporary resolution may be passed according to Article 175, Paragraph 1 of the Company Act, and the temporary resolution shall be notified to all shareholders for the convening of another shareholders' meeting within one month. If the number of shares represented by attending shareholders reaches more than half of the total issued shares before the end of the meeting, the chairman may resubmit the temporary resolution for voting, according to Article 174 of the Company Act.	temporary resolution, shareholders who wish to attend via video conference should register with the Company.
Article 12 (Shareholders' speech) Paragraph 1 ~ 5 (omitted) <a href="#">When a shareholders' meeting is held via video conferencing, shareholders who participate via video conferencing may ask questions in writing on the video conferencing platform from the time the chairman announces the beginning of the meeting until the adjournment of the meeting. There should be no more than two questions for each agenda item, and each question shall be limited to 200 words in length. The provisions of paragraph 1~5 do not apply.</a>	Article 12 (Shareholders' speech) Paragraph 1 ~ 5 (omitted)	Paragraph 6 is added to specify the method, procedure, and restrictions for shareholders participating in the shareholders' meeting through videoconferencing to raise questions.
Article 14 Paragraph 1~2(omitted) Shareholders who have exercised their voting rights in writing or electronically, but wishes to attend the shareholders' meeting in person <a href="#">or via videoconferencing</a> , shall withdraw their previous expression of voting rights in the same manner as exercised, no	Article 14 Paragraph 1~2(omitted) Shareholders who have exercised their voting rights in writing or electronically, but wishes to attend the shareholders' meeting in person, shall withdraw their previous expression of voting rights in the same manner as exercised, no later than two days before the	1. Paragraph 3 is amended in order to specify that shareholders who have exercised their voting rights in writing or electronically, but wishes to attend the shareholders' meeting in person,

Amended version	Original version	Description
<p>later than two days before the meeting. If the withdrawal is made after the deadline, the voting rights exercised in writing or electronically shall prevail. If a shareholder has exercised voting rights in writing or electronically and entrusted an agent to attend the shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail.</p> <p>Paragraph 4~7 (omitted)</p> <p><a href="#"><u>When a video conferencing shareholders' meeting is convened, shareholders who participate via videoconferencing platform should vote on each proposal and election proposal through the platform according to Article 44-17 of the Regulations Governing the Administration of Shareholder Service of Public Companies.</u></a></p> <p><a href="#"><u>Shareholders who have exercised their voting rights in writing or electronically and have not withdrawn their expression of voting rights, and those who attend the meeting via video conferencing, except for an ad hoc motion, shall not exercise their voting rights on the original proposal or submit amendments to the original proposal, or exercise their voting rights on the amended proposal.</u></a></p>	<p>meeting. If the withdrawal is made after the deadline, the voting rights exercised in writing or electronically shall prevail. If a shareholder has exercised voting rights in writing or electronically and entrusted an agent to attend the shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail.</p> <p>Paragraph 4~7 (omitted)</p>	<p>shall withdraw their previous expression of voting rights in the same manner as exercised.</p> <p>2.Paragraph 8 is added to specify that when a shareholders' meeting is held via video conferencing, shareholders participating and voting on various proposals via videoconferencing platform should follow the regulations stated in Article 44-17 of Regulations Governing the Administration of Shareholder Service of Public Companies.</p> <p>3. Paragraph 9 is added to specify the methods of exercising voting rights for shareholders who participate in shareholders' meetings via videoconferencing according to Article 44-16 of Regulations Governing the Administration of Shareholder Service of Public Companies.</p>
<p>Article 15 (Matters of Elections)</p> <p>When an election of directors is held during the shareholders' meetings, it should be held according to relevant election</p>	<p>Article 15 (Matters of Elections)</p> <p>When an election of directors is held during the shareholders' meetings, it should be held according to relevant election</p>	<p>The first paragraph is amended to enhance corporate governance and protect the rights</p>

Amended version	Original version	Description
regulations established by the Company. The election results shall be announced on the spot, <a href="#">including the list of elected directors, their number of votes, and the list of unelected candidates and their number of votes.</a> Paragraph 2 (omitted)	regulations established by the Company. The election results shall be announced on the spot. Paragraph 2 (omitted)	of shareholders.
Article 16 Paragraph 1~2 (omitted) <a href="#">When a shareholders' meeting is held via videoconferencing, in addition to the matters that should be recorded as required in the preceding paragraphs, the minutes of the meeting should also include the matters that should be recorded as required by Article 44-22 of Regulations Governing the Administration of Shareholder Service of Public Companies.</a>	Article 16 Paragraph 1~2 (omitted)	Paragraph 3 is added to specify that when preparing the minutes of the shareholders' meeting, the company should follow the provision of Article 44-22 of the Regulations Governing the Administration of Shareholder Service of Public Companies in addition to the information requested by the existing regulations.
Article 17 (Public disclosure) On the day of the shareholders' meeting, the Company shall disclose the number of shares solicited by solicitors, the number of shares represented by proxies, <a href="#">and the number of shares held by shareholders attending in writing or electronically</a> , using a statistical table in the required format, and display it clearly in the meeting venue. <a href="#">If the shareholders' meeting is convened via videoconferencing, the Company shall upload the above mentioned information to the video conferencing platform at least 30 minutes before the meeting begins and continue to disclose it until the end of the meeting.</a>	Article 17 (Public disclosure) On the day of the shareholders' meeting, the Company shall disclose the number of shares solicited by solicitors, the number of shares represented by proxies, using a statistical table in the required format, and display it clearly in the meeting venue. (The following paragraphs are omitted.)	1. Paragraph 1 is amended to have shareholders informed about the number of shares acquired by solicitors, shares represented by proxies, and shares represented by shareholders who attend the meeting by written or electronic means, the Company should clearly disclose this information at the meeting venue. If the Company

Amended version	Original version	Description
<p><u>When the Company announces the opening of the video conference for the shareholders' meeting, it shall disclose the total number of shares represented by attending shareholders on the video conferencing platform. If there are other statistical data about the total number of shares represented by the attending shareholders and the total number of voting rights during the meeting, they shall also be disclosed accordingly.</u></p> <p>(The following paragraphs are omitted)</p>		<p>holds a video conference, it should be uploaded to the video conference platform.</p> <p>2. The second paragraph is added in order for shareholders participating in a video conference of a shareholders' meeting to simultaneously know whether the attendance of shareholders meets the threshold for holding the shareholders' meeting, it is stipulated that the Company should disclose the total number of shares attending the meeting on the video conferencing platform at the commencement of the meeting. If there are additional statistical data on the total number of shares attending the meeting and voting rights during the meeting, such data should also be disclosed on the video-conferencing platform.</p>
<p><u>Article 20 (Information disclosure for video conference )</u></p> <p><u>When the shareholders' meeting is held via video conferencing, the Company shall disclose the</u></p>		<p>1. This article is newly added.</p> <p>2. This article is added in order to provide</p>

Amended version	Original version	Description
<a href="#"><u>voting results and election results of each proposal on the agenda on the video conferencing platform immediately after the voting ends following the regulations. The disclosure shall continue for at least 15 minutes after the chairman announces the end of the meeting.</u></a>		shareholders participating via videoconferencing with real-time information on the voting status of each proposal and election results, and to ensure sufficient disclosure of time.
<a href="#"><u>Article 21 (Whereabouts of the chairman and minutes keeper of the shareholders' meeting) When the Company holds a video conference shareholders' meeting, the chairperson and the minutes keeper should be in the same place within the country. The chairman should announce the address of the place.</u></a>		1. The article is newly added. 2. The article is added to facilitate the shareholders' knowledge of the whereabouts of the chairman and minute keeper during the video conference shareholders' meeting. The chairman and the minute keeper should be located in the same place within the country. In addition, to inform the shareholders of the location of the chairman, the chairman shall announce the address of their location at the beginning of the meeting.
<a href="#"><u>Article 22 (Handling of disconnections) For a shareholders' meeting is convened through video conferencing, if problems occur with the video conferencing platform due to natural disasters, unpredictable incidents, or other unavoidable majeure events, before the chairman dismisses meeting, the meeting shall be</u></a>		1. The article is newly added. 2. Paragraph 1 is added to specify that when the Company holds a shareholders' meeting via video conferencing, if natural disasters, unpredictable

Amended version	Original version	Description
<p><u>postponed or continued according to Article 44-20 in Regulations Governing the Administration of Shareholder Service of Public Companies. The provisions in Article 182 of the Company Act do not apply. In the case where the Company has video-conferencing as an alternative way for shareholders to participate in the meeting, and the video conference could not continue due to conditions mentioned in paragraph 1, if the total shareholding attendance still meets the legally required threshold for the meeting to continue after deducting the attendance of shareholders attending through video conferencing, the meeting shall proceed and shall not be postponed or continued afterwards according to the provisions in the first paragraph.</u></p>		<p>incidents, or other unavoidable matters cause problems with the video conferencing platform or causing problems in participating the meeting online, the meeting shall be postponed or continued afterwards according to Article 44-20 of Regulations Governing the Administration of Shareholder Service of Public Companies.</p> <p>3. The second paragraph is added so specify the condition for a shareholders' meeting that is held both by physical meeting and through video conferencing. In case of natural disasters, unpredictable incidents, or other unavoidable matters that cause problems to the video conferencing platform or participation through video conferencing, and yet the physical meeting is still ongoing, if the total number of shares present still meets the legal threshold for the shareholders'</p>

Amended version	Original version	Description
		meeting after the number of shares attending via video conferencing is deducted, the shareholders' meeting shall continue without the need to postpone or continue afterwards as stipulated in the first paragraph.
Article 23 The regulations are implemented after being approved by the shareholders' meeting; the same applies to the amendments of the regulations.	Article 20 The regulations are implemented after being approved by the shareholders' meeting; the same applies to the amendments of the regulations.	The number of articles have been changed after new articles were added.

## List of Director (incl. Independent Director) Candidate for the 11th Board of Directors

Title	Name	Gender	Number of shares in possession (Note)	Major educational background and professional qualifications	Current position and major work experience	Whether the individual has served as an independent director for three consecutive terms / reasons
Director	Representative of Huasheng International Investment Ltd.: Ching-Yi Chang	male	7,674,640	<ul style="list-style-type: none"> <li>● Ph.D. in Business Administration, Shanghai Jiao Tong University</li> <li>● Master Degree in Business Administration, National Cheng Chi University</li> </ul>	<b>Current position :</b> <ul style="list-style-type: none"> <li>● Chairperson of CID Group Ltd.</li> <li>● Chairperson and Chief strategy officer of Landmark Optoelectronics Corporation</li> <li>● Director of Taiflex Scientific Co., Ltd.</li> <li>● Director of Eurocharm Holdings Co., Ltd.</li> <li>● Director of Entire Technology Co., Ltd.</li> </ul>	Not applicable
Director	Wei Lin	male	174,622	<ul style="list-style-type: none"> <li>● Ph.D. in electrical engineering, National Cheng Kung University</li> </ul>	<b>Current position :</b> <ul style="list-style-type: none"> <li>● Vice Chairperson and Chief Technology officer of Landmark Optoelectronics Corporation</li> </ul> <b>Work experience:</b> <ul style="list-style-type: none"> <li>● General Manager of Landmark Optoelectronics Corporation</li> <li>● Chairperson of sup-program, Chunghwa Telecom Research Institute</li> </ul>	Not applicable
Director	Po-Yen Lu	male	0	<ul style="list-style-type: none"> <li>● Ph.D. in Chemical Engineering, University of Illinois</li> </ul>	<b>Current position :</b> <ul style="list-style-type: none"> <li>● General Manager of CID Group Ltd. Business Integration Center</li> <li>● Director of Jie-Tang Investment Co., Ltd.</li> </ul> <b>Work experience:</b> <ul style="list-style-type: none"> <li>● Chairperson and CEO of Landmark Optoelectronics Corporation</li> <li>● Vice executive general manager of AUO Corporation</li> </ul>	Not applicable
Director	Jerry Yang	male	95,824	<ul style="list-style-type: none"> <li>● Master Degree in Financial management, National Cheng Chi University</li> <li>● CPA in Taiwan</li> <li>● CFA</li> </ul>	<b>Current position :</b> <ul style="list-style-type: none"> <li>● Director and CFO of Landmark Optoelectronics Corporation</li> <li>● Director of Advanced Power Electronics Corp.</li> <li>● Independent director of Elite Advanced Laser Corporation</li> </ul> <b>Work experience:</b> <ul style="list-style-type: none"> <li>● CFO of Cmax Technology Co., Ltd.</li> </ul>	Not applicable



Title	Name	Gender	Number of shares in possession (Note)	Major educational background and professional qualifications	Current position and major work experience	Whether the individual has served as an independent director for three consecutive terms / reasons
Independent Director	James Wang	male	0	<ul style="list-style-type: none"> <li>● Ph.D. in Business Administration, National Cheng Chi University</li> <li>● Master Degree in Accounting, National Cheng Chi University</li> <li>● Bachelor Degree in accounting, National Cheng Kong University</li> <li>● CPA in Taiwan and China</li> <li>● CPA/CMA in the US</li> </ul>	<b>Current position :</b> <ul style="list-style-type: none"> <li>● General manager of Tatung Company</li> <li>● Vice chairman (Legal representative) and General manager of Elitegroup Computer systems Co., Ltd.</li> <li>● Director (Legal representative) of Tatung System Technologies Inc.</li> <li>● Independent director of PCL technologies Inc.</li> <li>● Independent director of Metaage Corporation</li> </ul> <b>Work experience:</b> <ul style="list-style-type: none"> <li>● Certified Public Accountant of EY Taiwan</li> <li>● Director of EY Taiwan</li> <li>● President and CEO of affiliation companies of EY Taiwan, including Ernst &amp; Young Management Consulting Co., Ltd., Ernst &amp; Young Financial Management Advisory Services Co., Ltd., and Ernst &amp; Young Cultural and Educational Foundation</li> </ul>	No
Independent Director	Yong-Chang Chen	male	0	<ul style="list-style-type: none"> <li>● Bachelor Degree in Law, National Taiwan University</li> <li>● Certification of National certification for lawyers R.O.C., Trainee in the 19th session of training courses for sheriffs</li> </ul>	<b>Current position :</b> <ul style="list-style-type: none"> <li>● Leader of All-Pro Law Firm</li> <li>● Director (legal representative) of Flexium Interconnect, Inc.</li> <li>● Independent Director of Landmark Optoelectronics Corporation</li> <li>● Independent director of Collins Co., Ltd.</li> <li>● Independent director of Run Long Construction Co., Ltd.</li> </ul> <b>Work experience:</b> <ul style="list-style-type: none"> <li>● District court judge in Taoyuan, Shilin, Taipei, and Keelung.</li> <li>● Judge of the high court in Taiwan</li> </ul>	No
Independent Director	Yen-Hsi Lin	female	3,000	<ul style="list-style-type: none"> <li>● Bachelor Degree in Philosophy, Fu Jen Catholic University</li> </ul>	<b>Current position :</b> <ul style="list-style-type: none"> <li>● Independent director of Eurocharm Holdings Co., Ltd.</li> <li>● Independent director of Entire Technology Co., Ltd.</li> <li>● Director (Legal representative) of iMotion Inc.</li> <li>● Director of Teach For Taiwan Education Foundation</li> </ul> <b>Work experience:</b> <ul style="list-style-type: none"> <li>● General manager of Taiwan Branch of DDI-Asia / Pacific International Ltd., and consultant for directors of branches around the globe</li> </ul>	No

Note: The number of shares held at the time of nomination by the company's board of directors on February 1, 2023.

List of Positions Concurrently Served in Other Companies by Directors  
(incl. Independent Directors)

Title	Name	Name of other companies and positions held
Director	Huasheng International Investment Ltd.	Legal person director of Tainet Communication System Corp. Legal person director of Sterileright Packaging Mfg Inc.
	Representative: Ching-Yi Chang	Director of Taiflex Scientific Co., Ltd. Director of Eurocharm Holdings Co., Ltd. Director of Entire Technology Co., Ltd. Chairperson of Hua-he Culture Innovative Management Co., Ltd. Chairperson of CID Group Ltd. Director (Legal representative) of Yu-wei Asset Management Co., Ltd. Chairperson of csrCommunity Co., Ltd. Director (Legal representative) Jie-neng Sustainable Energy Co., Ltd. Director (Legal representative) of iWaylink Inc. Director (Legal representative) of Miho International Cosmetic Co., Ltd. Director of B Current Impact Investment Co., Ltd. Director of Venture Plus Fund I Taiwan Inc. Director (Legal representative) of South Star Investment co., Ltd. Director (Legal representative) of NTUSTStar Investment Co. Ltd. Director (Legal representative) of NTUTStar Investment Co., Ltd. Director (Legal representative) of SJUStar Investment Co., Ltd.

Title	Name	Name of other companies and positions held
Director	Po-Yen Lu	General Manager of CID Group Ltd. Business Integration Center Director of Jie-Tang Investment Co., Ltd.
Director	Jerry Yang	Director of Advanced Power Electronics Corp. Independent director of Elite Advanced Laser Corporation Cofounder of CID Group Ltd. Director of Equity Dynamic Asia Limited Director of Prime Reliance Investment Limited Director of Riching Investment Management Co., Ltd.
Independent Director	James Wang	General manager of Tatung Company Vice chairman (Legal representative) and General manager of Elitegroup Computer systems Co., Ltd. Director (Legal representative) of Tatung System Technologies Inc. Independent director of PCL technologies Inc. Independent director of Metaage Corporation
Independent Director	Yong-Chang Chen	Director (legal representative) of Flexium Interconnect, Inc. Independent director of Collins Co., Ltd. Independent director of Run Long Construction Co., Ltd.
Independent Director	Yen-Hsi Lin	Independent director of Eurocharm Holdings Co., Ltd. Independent director of Entire Technology Co., Ltd. Director (Legal representative) of iMotion Inc. Director (Legal representative) of iWaylink Inc.

## **LandMark Optoelectronics Corporation**

### **Procedures of Asset Acquisition and Disposal (before amendment)**

#### Chapter 1 – General Principals

##### Article 1: Purpose and Law Reference

In order to protect the asset and implement the transparent information, we make this procedure regulation hereby. Acquisition and disposal of assets by the Company shall be conducted according to this procedure unless specified.

These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations governing the acquisition and disposal of assets by public companies relevant regulations announced by Financial supervisory commission (“FSC”).

Article 2: The term “assets” 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 real property) and equipment.
3. Memberships
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets
6. Claim of financial institution (including accounts receivable, total loans & bills purchased & discounted and overdue receivables).
7. Derivatives
8. Assets acquired or disposed of in accordance with legal mergers, divisions, acquisitions or transfer of shares.
9. Other important assets

Article 3: Terms used in these Regulations are defined as follows:

1. 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.
2. Assets acquired or disposed through mergers, spin-offs, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, spin-offs, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the

consideration therefore (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Terms used in these Regulations are not defined is advised to be in accordance with regulations governing the acquisition and disposal of assets by public companies.

#### Article 4: Evaluation Procedure

1. Before acquisition or disposing long-term, short-term securities investment and engaging in derivative commodity transactions, the financial department of the Company shall analyze benefits and assess the possible risks. Before acquisition or disposing real estate and equipment, each department shall prepare a capital expenditure plan to assess feasibility and the expected benefits. If the real estate is obtained from related party, the reasonableness of trading conditions shall be assessed in accordance with chapter two of this set of regulation.
2. When the Company acquires or disposes securities with value, the most recent financial statements of the subject company verified or reviewed by a certified public accountant should be obtained, as a reference for evaluating the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company should, before the date of occurrence, consult with the account for their opinions on the reasonableness of the transaction price. If an accountant needs to provide a professional report, such reports should be compiled according to the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation. However, this does not apply if the securities have an active market with public quotes or if the Financial Supervisory Commission has other regulation.
3. When the Company acquires or disposes of intangible assets, the right to use assets, or memberships certificates, and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company should consult with the accountant before the date of occurrence for their opinion on the

reasonableness of the transaction price. The accountant should also follow the guidelines set out in the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.

4. When the Company acquires or disposes of real estate assets, equipment, or the right to uses such assets, except for transaction with domestic government agencies, entrusting building projects on its own land or leased land, or to dispose equipment or right of use assets, if the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report made by professional appraisers should be obtained before the date of occurrence, and the deal should follow the rules below:
  - i. When the transaction price is based on a limited price, a specific price, or a special price for certain reasons, the transaction shall be approved by the Board of Directors before the transaction. If there are any changes in the transaction condition thereafter, the same applies.
  - ii. If the transaction amount reaches NT\$ 1 billion, the Company shall consult with at least two professional appraisers to perform the appraisal.
  - iii. If any of the following situation occurs in the appraisal results of the professional appraisers, unless all the appraisal results of the acquired assets are higher than the transaction amount or all the appraisal results of the disposal are lower than the transaction amount, the Company shall request a certified accountant to issue a statement on the reasons for the differences and the fairness of the transaction price following the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation:
    1. The difference between the appraisal result and the transaction price exceeds 20% of the transaction price.
    2. The difference between the appraisal results of two professional appraisers exceeds 10% of the transaction price.
  - iv. The appraisal shall be issued within 3 months before the contract date. However, if the declared present value of the asset remains the same and the appraisal report was issued no longer than 6 months, the original professional appraiser may issue an opinion report.
5. To determine the price of the assets acquired or disposed of, the company shall make references from professional valuations, opinions of accountants and other relevant experts, and managed in accordance with the following circumstances:
  - i. Depending on the equity or bond price at the time if acquisition or disposal of securities has publicly quoted price from the centralized trading market or an over-the-counter trading center.
  - ii. Considering the book value per share, technology and profitability, future development, market interest rate, bond coupon rate and credit of the debtor with the reference of the latest transaction price if acquiring or disposing of securities are not traded in the centralized trading market or an over-the-counter.
  - iii. The company shall obtain relevant price information in advance, consider the benefits that can be generated to acquire or dispose of

the membership card through either price parity or bargain methods. Acquiring or disposing of intangible assets through negotiating the transaction price, the Company shall obtain relevant price information, consider and evaluate relevant regulations and contract content, reference to international or market practices, useful life and benefits for technology and operations of the Company.

- iv. Acquiring or disposing of real estates and equipment, the company shall consider elements such as the declared present value, present value of the assessment, transaction price or book value of the adjacent real estate or supplier's quoted price for reference. If acquiring real estate from a related party, the Company shall apply methods in chapter two of this set of regulations to evaluate the fairness of the transaction price.
- v. Financial derivatives transactions shall be complied with the chapter three of this set of regulations with the reference of trading conditions in the market and the market trend of exchange rate and interest rate.
- vi. Acquisition or disposal of assets from mergers, spin-offs, acquisitions or transfer of shares shall comply with the chapter four of this set of regulations and the Company shall consider the nature of their business, book value per share, asset value, technology and profitability, productivity and future development potential.

The aforesaid transaction price shall be conducted in accordance with 1st paragraph of article 6. The term "within one year" as used herein refers to one year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or an opinion report from a certified public accountant has been obtained need not be counted toward the transaction amount.

However, if the company obtains or disposes of assets through the court auction process, it can replace the valuation report or the accountant's opinion with the documents issued by the court.

#### Article 5: Operating Procedures

The degree of authority delegated, the levels to which authority is delegated, the units responsible for implementation, and transaction process of acquisition or disposal of assets by the Company as follows,

1. Acquisition procedure of real property, equipment, or right-of-use assets: A demand unit submits an application in accordance with relevant regulations of the internal control system and audited by the authorization chart, provided that the transaction amount exceeds NT\$20 million, the item shall be reported to the board for approval or subsequent recognition.
2. Disposal procedure of real property, equipment, or right-of-use assets: An original demand unit proposes the project to explain the reason and to be audited by the authorization chart, provided that the balance of book value is not deducted or the appraisal amount exceeds NT\$20 million, the item shall be reported to the board for approval or subsequent recognition.
3. Procedures of acquisition and disposal of securities investment: The Chairman instructs responsible personnel to make overall assessments and audit

according to the authorization chart. If the amount is less than NT\$500 thousands, it shall be approved by the Chairman and when it exceeds NT\$500 thousands, it shall be reported to the board for approval or subsequent recognition.

4. Procedures of acquisition and disposal of other important assets: Procedure shall be in accordance with the relevant laws and regulations and the Company's internal control and approval authority chart. When the transaction amount exceeds the standard amount of Article 6, unless the acquisition or disposal of assets is for business use and submit such transaction for ratification by the board in its next meeting, it shall be approved by the board of directors first. If there is a stipulation in Article 185 of the Company Act, it shall be approved by the shareholders' meeting.
5. Assets acquired or disposed of from mergers, spin-offs, acquisitions, or transfer of shares in accordance with law: Relevant procedures and information shall be compiled in accordance with chapter four of this set of regulations. Any mergers, spin-offs and acquisitions shall be approved by the shareholders' meeting while the exemption of the shareholders' meeting under other laws is not valid in such case. The transfer of shares shall be ratified by the board of directors.
6. Important assets or derivatives transaction shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board's meeting.

#### Article 6: Public Announcement and Reporting procedures

1. The Company shall publicly announce and report the relevant information for the following acquisition or disposal of assets on the designated website by the competent authority in accordance with the relevant regulations within 2 days counting inclusively from the date of occurrence of the event:
  - i. The acquisition or disposal of real estate or the related right of use assets from or to the related parties, or acquisition or disposal of assets other than real estate or the related right of use assets from or to related parties, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more. However, this requirement does not apply to the purchase or sale of domestic government bonds, or bonds with repurchases and resale agreements, nor to the subscription or redemption of money market funds issued by domestic securities investment trusts.
  - ii. Mergers, spin-offs, acquisitions, or transfer of shares.
  - iii. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
  - iv. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is



not a related party, the transaction amount reaches NT\$500 million or more.

- v. Where land is acquired under an arrangement on engaging others to build on the land owned or leased by the Company, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- vi. The principle applies to assets transactions or investments in Mainland China other than those listed in the preceding five paragraphs, if the transaction amount or the accumulated transaction amount within one year with the same counterparty in acquiring or disposing of assets of the same nature, or the accumulated amount of acquiring or disposing of (accumulated separately) real estate of the same development project or its right of use, or the accumulated transaction amount within one year of acquiring or disposing of securities of the same kind, reaches 20% of the Company's paid-in capital, or NT\$300 million or more. The term "within one year" is based on the date of the transaction and calculated retrospectively for one year, and the portion already disclosed in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies need not be counted again. However, the following circumstances are not subject to this restriction:
  - 1. Purchase and sale of domestic government bonds.
  - 2. Purchase and sale of bonds with repurchases and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trusts.
- 2. The company shall compile monthly reports on the status of derivatives trading by the company and any subsidiaries that are not domestic public companies as of the end of the preceding month and enter the information in the prescribed format into the FSC information reporting designated website by the tenth day of each month.
- 3. 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 2 days from the date of knowledge.
- 4. When 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 counting inclusively from the date of occurrence of the event:
  - i. Change, terminate, or rescission of a contract signed in regards to the original transaction.
  - ii. The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - iii. Change to the originally publicly announced and reported information.
- 5. The subsidiary of the Company not belonging to a domestic public company and acquisition or disposal of assets thereof is under the regulation of 1st paragraph, the

Company shall report and disclose the information for such subsidiary. The subsidiary in the preceding paragraph shall apply to 1st paragraph of the standard relating to the paid-in capital or total assets regulations, which refers to the paid-in capital or total assets of the Company.

6. The Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions of the acquisition or disposal of assets at the company for at least 5 years unless specified by another act or law.

#### Article 7: Investment Range and Quota

The amount limitations of acquisitions of real property and related right-of-use assets for nonbusiness use or securities by the company are specified as follows,

1. Total amount of real property and related right-of-use assets for non-business use by the Company shall not be over 50% of book value of the Company's latest financial report. Total amount of real property and related right-of-use assets for non-business use by each subsidiary shall not be over 30% of book value of the Company's latest financial report.
2. The total amount of investing securities shall not be over 150% of book value of the Company's latest financial report. Total amount of securities invested by each subsidiary shall not be over 100% of book value of the Company's latest financial report.
3. The amount limitation of each investing security shall not be over 100% of book value of the Company's latest financial report. The amount limitation of each security by each subsidiary shall not be over 100% of book value of the Company's latest financial report.

#### Article 8: Management of Subsidiary

1. The subsidiary of the Company shall comply with the Regulations of Acquisition or Disposal of Assets.
2. Subsidiary shall establish its Regulations of Acquisition or Disposal of Assets in accordance with the Regulations Governing the Acquisition or Disposal of Assets by Public Companies and report to the shareholders' meeting after being resolved by the Board of Directors; same as amended.

#### Article 9: Penalty

If the relevant procedures of acquiring or disposing of assets are violated, the responsible manager shall punish based on the seriousness of the violation. The violator and his or her manager shall take responsibility, unless his or her action may be reasonably explained before the violation. If the Board of Directors or directors violates any relevant regulations and matters resolved by the shareholders' meeting, audit committee members shall notify the Board of Directors or directors to stop his/her/their actions in accordance with Article 218-2 of the Company Act.

#### Chapter 2 – Acquisition of Real Estate from a Related Party

##### Article 10: Recognition Basis

In acquisition or disposal of assets by the Company and related party, apart from in

accordance with the preceding chapter and this chapter to conduct the resolution procedure and assess the rationality of transaction conditions, if the transaction amount reaches 10% of total assets of the Company, those counterpart shall acquire the appraisal report from the professional appraiser or the opinion from the public independent accountant according to the preceding charter.

When deciding if the trading counterpart is the related party, apart from notice of the legal form, the substantive relationship shall be considered.

#### Article 11: Resolution Procedure

When the Company acquires or disposes of real estate or its right of use, or acquire or dispose of assets other than real estate or its right of use with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more, except for the purchase and sale of domestic government bonds, bonds with purchase and sale of bonds with repurchases and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trusts, the executing unit shall submit the following information for approval by the Board of Directors and recognition by the Audit Committee before proceeding with the transaction:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as transaction counterparty.
3. The information of the assessment of transaction terms reasonableness in accordance with Article 12 and Article 13.
4. The date and price of the original acquisition of assets by the related party, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of the contract, the evaluation of the necessity of the transaction and reasonableness of the capital.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 4 as transaction amount reaches 10% of total assets of the Company.
7. Restrictive covenants and other important stipulations associated with the transaction.

The transaction amount in the preceding paragraph shall be calculated according to provisions of Article 6 paragraph 1. The calculation of one year shall be based on the date of occurrence of the transaction, and shall be retroactively calculated for one year. In addition, the part that has been submitted to and approved by the Board of Directors in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies may be partially exempted from the calculation.

The company established the audit committee where more than half of all the audit committee members shall approve and then submit to the board of directors for a resolution

#### Article 12: Assessment of Transaction Terms Reasonableness

The acquisition of real estate or the right-of-use assets thereof from the related party by the Company, setting aside the real estate or the right-of-use assets thereof are acquired by the related party due to the donation or given, or the span difference between the date of contract and the acquisition of real estate or the right-of-use assets thereof from the related party has been over 5 years, or the joint-built contract with the related party, or self-construction and leased-construction, request the related party to build the real estate to acquire it. With respect to the four conditions of acquisition of the right-of-use assets thereof for business use, when to be conducted between 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, shall be conducted pursuant to Article 11 not applicable for the below listed regulations. The remaining shall obtain a fairness opinion from the independent public accountant and follow the methods for the assessment of transaction costs as below.

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

The merger purchase or lease of same target of land and house shall be assessed for the transaction cost separately according to the preceding listed ways.

#### Article 13: Set the transaction cost below transaction price

1. When the transaction cost of assessed result pursuant to Article 11 and 12 is all lower than transaction price, it shall be conducted according to the regulation of 3rd paragraph except for the following circumstances, the objective evidence could be provided and also the rational explicit opinion could be acquired from the professional appraiser of real estate and independent public accountant:
  - i. For those related party who acquires foundation or leased land to rebuild, is advised to provide the criteria as corresponding to one of the conditions below,
    1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
    2. The transaction case of non-related party for other floors of the same

house and land or adjacent region within one year, the area is close and the conditions of the transaction are equivalent to the reasonable floors or region as determined by the sale or lease of real estate.

- ii. The Company proves that the transaction conditions of purchasing real estate or acquiring the right-of-use assets thereof by lease from the related party is equivalent to the transaction case with other non-related party and the area is close.
2. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
  3. Concerning the acquisition of real estate or the right-of-use assets thereof from the related party, when the transaction cost of assessed result pursuant to Article 11 and 12 is all lower than transaction price, the following matters shall be conducted except there is any conditions of 1st paragraph:
    - i. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the transaction price of the real property or the right-of-use assets thereof and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
    - ii. Supervisors shall comply with Article 218 of the Company Act.
    - iii. 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.

The 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 arm's length transaction.

### Chapter 3 – Management of Derivative Commodity Transactions

#### Article 14: Principals and guidelines for trading

1. Trading Types: The Company engages in different types of securities trading such

- as forward contracts, options, interest rate and exchange rate exchanges, futures, and composite contracts of the aforementioned commodities. The Company shall gain approval from the board of directors for any other commodity transactions.
2. Operating or hedging strategy: Financial derivatives are strictly used for hedging purposes to limit the Company's exposure for foreign income, expenses, assets or liabilities arising from the business operations. The Company shall deal with those who have banking relationship with the Company to prevent credit risks.
  3. Transaction limitation: the accumulated unwritten-off shall not be beyond US\$10,000,000; If it is over the authorized degree, it shall be reported to the senior managers, who is in charge of resolution, for ratification.
  4. The maximum loss limit on total contracts or individual contract: The maximum loss limit is 20% of the contract amount for any individual contract or for all contracts on an aggregated basis.
  5. Division of Power and Responsibilities
    - iv. Trader: The personnel responsible for the company's securities trading are appointed by the Chairman. The authorized dealer shall set out trading strategies, execute transactions, disclose risks and provide relevant information to related departments for reference timely.
    - v. Finance Department: Responsible for confirmation of transaction and delivery in accordance with relevant regulations of accounting and keeping transaction records. It shall regularly assess the fair market price, provide the assessment to trading specialists and disclose the derivative trading in the financial statements.
  6. Performance Evaluation Advice: As recorded on the company's books, the profit and loss generated from trading of derivative commodities shall be the basis of performance evaluation. The performance evaluation shall be executed twice a month and presented to management for reference.

#### Article 15: Risk Management Measures

The Company engaging in derivatives trading shall adopt the following risk management measures:

1. Credit risk considerations: The Company shall choose financial institutions and futures brokers as counterparties who is with good reputation and able to provide professional information.
2. Market risk considerations: Derivatives may have uncertain losses due to market fluctuations, therefore should strictly set the stop loss point.
3. Liquidity risk considerations: To ensure the liquidity of trading commodities, the trading institution shall have sufficient equipment, information, and trading capabilities and ability to trade in any market.
4. Operation risk considerations: The scope of authorization and operation flow must be followed to avoid any operation risks.
5. Legal risk considerations: Any contract documents signed with financial institutions shall use international standardized documents and reviewed by foreign exchange specialists or legal consultants to avoid any legal risks especially at the first time of derivative commodity trading.
6. Commodity risk considerations: Internal traders shall possess complete and correct

expertise in derivative commodity trading to avoid any losses from misunderstandings.

7. Cash delivery risk considerations: Authorized trader shall strictly abide by the provisions of the authorized range and ensure there is sufficient cash balance for delivery.
8. Traders and operators responsible for confirmation and delivery shall not take mutual responsibility.
9. Confirmation personnel should reconcile with the bank on a regular basis and check whether the total transaction amount exceeded the maximum limit specified in this procedure.
10. The risk management, supervision, control personnel, traders, and operators shall be in different departments and report to the board of directors and senior executives who does not trade nor has partial decision responsibility.
11. Holding positions shall be evaluated at least once per week; however, positions for hedging purposes required by business shall be evaluated at least twice per month. Evaluation reports thereof shall be submitted to senior management personnel authorized by the board of directors.( not belonging to the senior management personnel of implementation department).
12. The company authorized relevant personnel for trading which shall be reported to the most recent board meeting afterwards.

#### Article 16: Internal Audit System

1. The internal auditors of the Company shall regularly understand the admissibility of the internal control of derivative commodity transactions, audit the operating procedures of the trading department for derivative commodity transactions on a monthly basis and make an audit report. If any major violation occurs, the internal auditors shall report to the senior executives designated by the Chairman and the board of directors and provide the written report to notify the audit committee.
2. The audit personnel of the Company shall include the derivative commodity transactions in the audit plan, and report the implementation of the annual audit plan of the previous year to the designated website of the competent authority before the end of February of the following year. The improvement of the abnormal matters shall be reported to the designated website of the competent authority for public announcement by the end of May of the following year.

#### Article 17: Regular Assessment Method and Abnormality Management

1. Regular assess derivative commodity trading on monthly or weekly basis and summarize the profit or loss of the current month or week. Submit the report to senior executives and Chairman as the reference of evaluation of performance and risk management.
2. The senior executives appointed by the company's board of directors shall oversee the derivative commodity trading risks. The board of directors shall assess whether the performance of the derivative commodity transactions fits the business strategy and whether the risks exceed the company's tolerance.
3. The senior executives authorized by the board of directors shall manage derivative commodity transactions in accordance with the following principles:

- i. Periodically assess whether the current risk management measures are appropriate and in accordance with the relevant provisions of this process.
  - ii. Oversight of the transaction's profit and loss and if abnormality occurs, necessary measures shall be taken and reported to the board of directors immediately.
4. The company shall establish a checklist that records derivative commodity transactions details such as the types, amount, date of resolution passed by the board of directors, weekly/monthly assessment reports, and the periodic evaluation assessed by senior executives authorized by the board of directors.

#### Chapter 4 Merger, Spin-off, Purchase or Transfer of Shares

Article 18: The Company which conducts a merger, spin-off, acquisition, or transfer of shares, shall engage with a CPA, attorney, or securities underwriter to give an opinion on the fairness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders prior to the board meeting, and report to the board of directors for resolution. Provided that the merger between the Company and subsidiaries, or between subsidiaries whose share or capital are 100% owned, directly or indirectly, by the Company, the fairness opinion shall be exempted from the experts mentioning in the preceding paragraph.

Article 19: The Company conducting a merger, spin-off, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders' meeting along with the expert opinion and meeting notice to shareholders for their approval reference. This restriction shall not apply where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, spin-off, or acquisition. Where the shareholders meeting of any one of the companies participating in a merger, spin-off, 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, spin-off or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

#### Article 20:

1. Unless otherwise stipulated by other laws or previously agreed by the competent authority, the Company and the counterparty engaging in merger, spin-off, or purchase shall hold the board meetings and shareholder meetings on the same day.
2. When engaging in shares transfers, the Company and the counterparty shall hold the board meetings on the same day.
3. The Company shall prepare the following information into the complete written report and retain for five years for verification:
  - i. Employee basic information: This includes all the names of the personnel who have engaged in the merger, spin-off, acquisition or share transfer plan or plan before the disclosure of the information. Information such as the job role, name, identification number (passport number for foreigners), etc.



- ii. Dates of important events: This includes signing a letter of intent or memorandum, entrusting a financial or legal counsel, signing a contract and date of the board meeting.
  - iii. Important documents and meeting minutes: This includes merger, spin-off, acquisition, or transfer of shares plan, letter of intent or memorandum, important contracts and date of the board meeting.
4. The Company engaging in merger, spin-off, acquisition, or transfer of shares, shall report the information of the preceding 1st and 2nd subparagraphs, within 2 days from the date of resolution approval by the board, to the competent authority on internet information system.
  5. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not listed company or security-trading company on over-the-counter markets, the Company shall sign an agreement with the non-public company and abide by the provisions of the preceding two paragraphs.

#### Article 21: Exchange rate and acquisition price

The exchange rate or acquisition price of merger, spin-off, acquisition or transfer of shares shall not be changed except the occurrence of the following circumstances:

1. Cash capital increase, issuance of convertible corporate bonds, the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. A disposal of the company's major assets, that affects the company's financial business
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, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.
5. Any change in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

#### Article 22: Contract content shall be recorded

The contract for participation by a public company in a merger, spin-off, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, spin-off, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the

plan exceeds the deadline without completion, and relevant procedures.

Article 23: Precautions when participating in merger, spin-off, purchase, or transfer of shares

1. Every person participating in or privy to the plan for merger, spin-off, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, spin-off, acquisition, or transfer of shares
2. After public disclosure of the information, if any company participating in the merger, spin-off, acquisition, or share transfer intends further to carry out a merger, spin-off, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
3. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 20 and the preceding two paragraphs.

## Chapter 5: Other Important Matters

Article 24: Professional appraisers and their officers, independent public accountants, attorneys, and securities underwriters that provide the Company with appraisal reports, independent public accountant's opinions, attorney's opinions, or underwriter's opinions, the qualification of aforesaid personnel shall be in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by public companies" set up by the competent authority. When the personnel in the preceding paragraph issues the appraisal report or opinion letters, it shall be conducted according to the "Regulations Governing the Acquisition and Disposal of Assets by public companies" set up by the competent authority.

Article 25: "Regulations Governing the Acquisition and Disposal of Assets" stipulated by the Company shall be approved by at least half of the members of audit committee. After the approval by the board of directors, it shall be reported to the shareholder's meeting for agreement to implement, same as the amendment. If the stipulation or amendment has not been approved by at least half of the members of audit committee, it could be conducted after the agreement from two-thirds of all directors and the resolution of an audit committee shall be specified in the minutes of the board.

Article 26: For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the latest parent company only financial report or individual

financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities.

Article 27: Any other unspecified matters in this set of regulations, it shall be handled in accordance with relevant laws and regulations.

Article 28: This procedure was stipulated on 20<sup>th</sup> February, 2014 and approved by the shareholders meeting for implementation.

The amendment was approved by the shareholders meeting on 8<sup>th</sup> May, 2014.

The amendment was approved by the shareholders meeting on 14<sup>th</sup> June, 2016.

The amendment was approved by the shareholders meeting on 3<sup>rd</sup> May, 2017.

The amendment was approved by the shareholders meeting on 21<sup>st</sup> May, 2019

**LandMark Optoelectronics Corporation**  
**Rules of Procedure for Shareholders' Meeting (before amendment)**

Article 1: To establish a strong governance system and sound supervisory capabilities for shareholders' meeting of the Company, and to strengthen management capabilities, these Rules are adopted pursuant to relevant regulations of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2: The rules of procedures for shareholders' meeting of the Company, except as otherwise provided by law, regulation, or the articles of incorporation, shall be conducted in accordance with these Rules of Procedures.

Article 3: (Notice to convene shareholders' meeting)

The Board of Directors shall convene the shareholders meeting of the Company unless otherwise provided by law or regulation.

The Company shall prepare the meeting notice 30 days before the regular shareholders' meeting or 15 days before the special shareholders' meeting, and prepare relevant documents and explanatory materials for each proposal, including items for recognition, discussion, election, or dismissal of directors, etc., as electronic files. The materials shall be uploaded on the designated website of the authorities. Additionally, the Company shall upload the handbook of the meeting and supplementary materials on the designated website of the authorities 21 days before the regular shareholders' meeting or 15 days before the special shareholders' meeting. The Company shall prepare and make available the meeting handbook and supplementary materials for shareholders to access at any time 15 days before the shareholders' meeting. They shall be displayed at the Company and the professional shareholder agency appointed by the Company, and distributed at the shareholders' meeting. The reasons for the convening the meeting should be stated in the notice; if agreed by the relevant parties, such notices can be transmitted in electronic means.

Matters including the election or dismissal of directors, amendment of articles of incorporation, reduction of capital, application for suspension of public offering, directors' non-competition agreement, capital increase by retained earnings or capital surplus, company dissolution, merger, spin-off, or any other matters mentioned in Article 185(1) of the Company Act, shall be listed in the proceedings and the main content shall be explained, and such matters may not be raised as an ad hoc motion. The main content shall be placed on the website designated by the securities regulatory authority or the Company, and the website address shall be specified in the notice.

The notice of convening the meeting shall state that the entire board of directors shall be re-elected and the date of inauguration, and after the election is completed at the meeting, the inauguration date may not be changed during the ad hoc motion or other procedure in the same meeting.

Shareholders who hold more than one percent of the total issued shares of the Company may propose one agenda item for the regular shareholders' meeting; any proposal that exceeds that limit shall not be listed in the agenda. Yet, shareholders may propose advisory proposals to urge the company to enhance public interest or fulfill social responsibility, directors may still include such proposals in the agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

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

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

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the

cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: (Principles for the location and time of shareholders' meetings)

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

Article 6: In the meeting notice, the Company shall specify the check-in time and location for shareholders, as well as other matters that they should pay attention to.

The check-in time mentioned in the preceding paragraph shall be at least thirty minutes before the beginning of the meeting; the check-in location shall be clearly marked and staffed with adequate personnel.

Article 7: (Preparation of sign-in sheets and other documents)

The Company shall provide the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall provide attending shareholders with the handbook of the meeting, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be provided.

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

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 8: (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair, 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 one person to serve as chair among themselves.

When a managing director or a director serves as chair, as referred to in the

preceding paragraph, the managing director or director shall have held that position for six months or more and understand the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

The Chairperson of the board shall be the chairman presiding the shareholders' meetings convened by the Board of Directors in that case that a majority of the directors and at least one member of each functional committee shall attend the Meeting. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party entitled to convene the Meeting, such party shall be the chairman to preside the Meeting. When there are two or more such parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons to attend the shareholders meeting.

Article 9: (Preservation of the Proceedings of the Shareholders' meeting through Audio or Video Recording.)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures, which shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 10: The attendance rate of the shareholders' meeting should be based on the number of shares held by the shareholders present at the meeting. The number of shares present shall be calculated based on the number of shares signed in the register desk or recorded on the check-in card, and the number of shares exercised by written or electronic means.

At the time of the meeting, the Chairman shall announce the beginning of the meeting. However, if the number of attending shareholders is less than half of the total issued shares, the Chairman may announce a postponement of the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements, the number of attending shareholders whose issued shares represent less than one-third of the total issued shares, the chairman shall declare the meeting adjourned.

If after two postponements, the number of attending shareholders whose issued shares represent more than one-third of the total issued shares, a tentative resolution may be passed according to Article 175, Paragraph 1 of the Company Act, and the tentative resolution shall be notified to all

shareholders for the convening of another shareholders' meeting within one month. If the number of shares represented by attending shareholders reaches more than half of the total issued shares before the end of the meeting, the Chairman may resubmit the tentative resolution for approval, according to Article 174 of the Company Act.

Article 11: (Discussion of proposals)

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and the relevant proposals (including extraordinary motions and amendment to the original proposal) shall be passed by voting by poll. 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 entitled to convene, other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and an adequate period for voting shall be arranged.

Article 12: (Shareholders' speech)

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 before its speech. The order in which shareholders' speech will be set by the chair.

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.



If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; in such case the chair shall stop any violation.

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

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

Article 13: (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated and base on the number of shares.

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

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

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares; otherwise, the voting rights in excess of that percentage shall not be included in the calculation.

Article 14: A shareholder shall be entitled to one vote for each share held, unless otherwise the shares are restricted shares or are deemed as non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by electronic means and may perform correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the

extraordinary motions and amendments to original proposals of that meeting. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, unless otherwise a declaration is made to cancel the earlier declaration of intent.

Shareholders who have exercised their voting rights in writing or electronically, but wishes to attend the shareholders' meeting in person, shall withdraw their previous expression of voting rights in the same manner as exercised, no later than two days before the meeting. If the withdrawal is made after the deadline, the voting rights exercised in writing or electronically shall prevail. If a shareholder has exercised voting rights in writing or electronically and entrusted an agent to attend the shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the resolution shall be adopted by a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for, against and abstentions, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

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

#### Article 15: (Matters of Elections)

When an election of directors is held during the shareholders' meetings, it should be held according to relevant election regulations established by the

Company. The election results shall be announced on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including weight of stats). Where there are elections for directors, numbers of ballots voted to each candidate shall be disclosed. The records shall be retained for the duration of the existence of the Company.

Article 17: (Public disclosure)

On the day of the shareholders' meeting, the Company shall disclose the number of shares solicited by solicitors, the number of shares represented by proxies, using a statistical table in the required format, and display it clearly in the meeting venue.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 18: (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

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

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

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

from the meeting.

Article 19: (Recess and resumption of a shareholders meeting)

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

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 20: The regulations are implemented after being approved by the shareholders' meeting; the same applies to the amendments of the regulations.

Article 21: These Rules were implemented after adoption by the shareholders meeting on February 20, 2014.

These Rules were amended and implemented after adoption by the shareholders meeting on May 8, 2014.

These Rules were amended and implemented after adoption by the shareholders meeting on June 25, 2015.

These Rules were amended and implemented after adoption by the shareholders meeting on May 20, 2020.

## **LandMark Optoelectronics Corporation Articles of Incorporation**

### **Chapter 1 General Provisions**

Article 1: The Corporation shall be incorporated by the Company Act of the Republic of China, and its Chinese name shall be 聯亞光電工業股份有限公司, and its English name shall be “LandMark Optoelectronics Corporation”.

Article 2: The Corporation operates the following business:

1. CC01060 Wired Communication Equipment and Apparatus Manufacturing
2. CC01080 Electronic Parts and Components Manufacturing
3. F401010 International Trade

Research & develop, design, manufacture and market the products as follows:

1. Epi-wafers for laser diode
2. Epi-wafers for photodiode
3. The international trade relating the aforementioned products

Article 3: The Corporation is headquartered in the Southern Taiwan Science Park. If necessary, the Board of Directors may pass a resolution to set up branches in appropriate domestic and overseas locations.

Article 4: Public announcements of the Corporation shall be managed in accordance with Article 28 of the Company Act.

### **Chapter 2 Shares**

Article 5: The Corporation's authorized capital shall be NT\$ 1.5 billion, divided into 150 million shares, at NT\$ 10 per share. The Board of Directors is authorized to issue shares in installments.

Article 6: The share certificates of the Corporation shall be registered share certificates. They shall be signed by or affixed with the seal of the Director(s) representing the Corporation and then issued after being legally authenticated. The Corporation may be exempted from printing share certificates for the shares issued if the shares are registered with a centralized securities depository enterprise.

Article 7: Registration for transfer of shares shall be suspended sixty days before the date of regular meeting of shareholders, thirty days before the date of any special meeting of shareholders, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation. All share operations of the Corporation shall comply with relevant laws, rules and regulations and the ‘Regulations Governing the Administration of Shareholder Services of Public Companies’.

### Chapter 3 Shareholders' Meeting

Article 8: Shareholders' meetings of the Corporation are of two types:

- I. Regular meetings which shall be convened within six months after the close of each fiscal year by the Board of Directors.
- II. Special meetings which shall be convened in accordance with relevant laws, rules, and regulations when necessary.

The convening and notice of the shareholders' regular and special meetings shall be processes in accordance with Article 172 of the Company Act. The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

When convening the Company's shareholders' meeting, it may be convened by video conference or other methods as announced by the central competent authority.

Article 9: If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a proxy to attend it, with a power of attorney issued by the Corporation indicating the scope of power authorized, in accordance with Article 177 of the Company Act and 'Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies'.

Article 10: Each share is entitled to one voting right unless otherwise specified in the Company Act. Except as otherwise provided by the Company Act, shareholders' meetings may be held if attended by shareholders representing more than one half of the total issued and outstanding capital stock of the Corporation. Resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Shareholders of the Corporation can also vote via the electronic voting system and those who do shall be deemed to have attended the meeting in person; electronic voting shall be conducted in accordance with relevant laws and regulations.

Article 11: The resolutions of the shareholders' meetings shall be recorded in the minutes and such minutes shall be signed by or affixed with the seal of the Chairman of the meeting. Minutes shall be sent to all shareholders within twenty days after the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of a public notice after the Corporation has offered its shares to the public.

Article 12: The shareholders' meetings shall be presided over by the Chairman of the Board of Directors of the Corporation. In case the Chairman is on leave or cannot exercise his/her power and authority for any cause, shall select the personnel to act on his/her behalf according to Article 208 of the Company Act. If a shareholders' meeting is convened by personnel other than the

Board of Directors, it shall be chaired by the convener. If there are two or more conveners for a shareholders' meeting, one of them shall be elected to chair the meeting.

#### Chapter 4 Directors and the Audit Committee

Article 13: The Corporation shall have five to nine Directors. Their term of office shall be three years and shall be elected from among the shareholders with disposing capacity. And all directors may be re-elected.

There shall be at least three Independent Directors. Candidates nomination system is adopted by the Corporation for election of the Directors and the shareholders' meeting shall elect the Directors from among the nominees listed in the roster of Director candidates. The nomination method, notice and relevant matters of the Director candidates shall be governed by relevant regulations of the Company Act and the Securities and Exchange Act. The independent Directors and non-independent Directors shall be elected at the same time and the number of elected Directors shall be calculated separately.

The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination, and other matters for compliance with respect to Independent Directors shall be governed by the relevant provisions of the competent authority in charge of securities affairs.

Article 13-1: The Corporation shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act and the audit committee shall be composed of the entire number of independent directors. Regulations governing the composition of and exercise by the audit committee of the Corporation, and matters related thereto, shall be prescribed by the Competent Securities Authority.

Article 14: The Board of Directors shall be formed by elected Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors, and a Vice Chairman of the Board of Directors based on business need, by a majority vote in a meeting attended by over two-thirds of the Directors.

Article 15: The Chairman of the Board of Directors shall preside the meeting of the Board of Directors. In case the Chairman of the Board of Directors is on leave or cannot exercise his/her power and authority for any cause, shall follow Article 208 of the Company Act. In calling a meeting of the Board of Directors, a notice shall set forth therein the subject(s) to be discussed at the meeting and a notice shall be given to each Director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the Board of Directors may be convened at any time. The notice set forth in the preceding Paragraph may be effected by means of written notice, fax or E-

mail.

Article 16: Each director shall attend the meeting of the Board of Directors in person. If they are unable to do so in person for any cause, he/she may appoint another Director to attend the meeting of the Board of Directors on his/her behalf. However, he/she shall, in each time, execute a power of attorney stating therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

Article 17: The Corporation shall take out liability insurance for directors with respect to liabilities resulting from exercising their duties for all Directors of the Corporation to protect the rights and interests of shareholders and reduce the operational risk of the Corporation. The Corporation may offer remuneration to all Directors for exercising their duties of the Corporation irrespective of whether the Corporation operate at a profit or loss. The Board of Directors is authorized to determine the remuneration for the Directors, taking into account the extent of their involvement in the operation of the Corporation, the value of their contribution, and the standards of the industry. The Board of Directors of the Corporation may establish a remuneration committee or other functional committee in response to the need of business operations. Corresponding charters shall be established by the Board of Directors in accordance with relevant laws & regulations.

## Chapter 5 Managerial Personnel

Article 18: The Corporation may appoint one or more managerial personnel. Their appointment, discharge, and the remuneration shall comply with Article 29 of the Company Act.

Corporation shall establish a remuneration committee in accordance with Article 14-6 of the Securities and Exchange Act to determine the remuneration of managerial personnel.

## Chapter 6 Accounting

Article 19: At the end of the fiscal year, the Board of Directors shall prepare the following reports and submit to the regular shareholder's meeting for acceptance:

1. The business report;
2. The financial statements; and
3. The surplus earning distribution or loss off-setting proposals.

Article 20: 1. If there is any profit for a specific fiscal year, the Corporation shall allocate no more than 2% of the profit as remuneration to Directors and shall allocate no less than 8% of the profit as the employees' compensation, provided that the Corporation's accumulated losses shall have been



covered in advance.

2. If there is any profit in an annual general financial statement, the Corporation shall set aside 10% of the profits as legal reserve after reserving the taxes and dues to be paid and the losses in previous years to be covered. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Allocate special reserve based on the operational need of the Corporation and the laws & regulations. The remaining profits and the retained earnings from previous years will be allocated as distributable profits. The Board of Directors will prepare a distribution proposal. In accordance with Article 240, Paragraph 5 and Article 241 of the Company Act, the Corporation shall distribute dividends and bonuses or constitute legal reserve and additional paid-in capital. A distribution made in cash shall be handled by a resolution of the Board of Directors and reported to the shareholders' meeting. When issuing new shares, such distribution shall be made after a resolution of the shareholders' meeting.

Considering the current environment and the growth phase faced by the Corporation, to fulfill the capital need in the future, the long-run financial plan and shareholders' need for cash flow, the dividend distribution policy of the Corporation shall be based on the annual profits and consider factors such as the Corporation's overall development, financial planning, capital need, economic performance, etc. to determine the ratio to be distributed. The earnings distribution to shareholders may be distributed in cash or in stock. The total dividends to shareholders shall not be lower than 20% of the earnings after tax. The cash dividends shall not be lower than 10% of total dividends to shareholders.

## Chapter 7 Supplementary Provisions

- Article 21: The investment of the Corporation shall be based on the resolution of the Board of Directors. The total amount of the Company's investment will not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Act.
- Article 22: The Corporation may provide endorsement and guarantee to other companies due to business or investment relationships.
- Article 23: For matters not provided in the Articles of Incorporation, they shall be handled in accordance with the Company Act and relevant laws & regulations.
- Article 24: These Articles of Incorporation were established on May 26, 1997.  
The first amendment was on September 25, 1997.  
The second amendment was on October 15, 1997.  
The third amendment was on December 1, 1998.

The fourth amendment was on June 23, 1999.  
The fifth amendment was on March 27, 2000.  
The sixth amendment was on June 29, 2001.  
The seventh amendment was on June 28, 2002.  
The eighth amendment was on June 30, 2003.  
The ninth amendment was on June 25, 2004.  
The tenth amendment was on October 28, 2005.  
The eleventh amendment was on June 15, 2007.  
The twelfth amendment was on June 2, 2009.  
The thirteenth amendment was on May 26, 2010.  
The fourteenth amendment was on May 11, 2011.  
The fifteenth amendment was on April 11, 2013.  
The sixteenth amendment was on February 20, 2014.  
The seventieth amendment was on May 8, 2014.  
The eighteenth amendment was on June 25, 2015.  
The nineteenth amendment was on June 14, 2016.  
The twentieth amendment was on May 21, 2019.  
The twenty-first amendment was on May 25, 2022.

LandMark Optoelectronics Corporation  
Chairman: *Ching-Yi Chang*

## **LandMark Optoelectronics Corporation Rules for Elections of Directors**

Article 1: To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: Except as otherwise provided by the Company Act and Securities and Exchange Act or by the Company's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 3: The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4: The qualifications for the independent directors of the Company shall comply

with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5: Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are all dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6: The elections of directors are held in shareholders' meeting.

Article 7: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8: 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 9: The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of vote, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10: The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11: The ballot shall be prepared by the Board of Directors and allotted by the attendance card number and number of directors to be elected, in addition, number of voting rights allotted for each shareholder shall be respectively noted on the ratio of each ballot.

Article 12: The ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. More than two candidates are entered in the same ballot.
4. Other words or marks are entered in addition to the number of voting rights allotted.
5. The writing is unclear and indecipherable or has been altered.
6. The candidate whose name is entered in the ballot does not conform to the director candidate list.

Article 13: 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 and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 14: The Board of Directors of the Company shall issue notifications to the persons elected as directors.

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

Article 16: These Regulations were implemented after adoption by the shareholders meeting on February 20, 2014.

These Regulations were amended and implemented after adoption by the shareholders meeting on May 8, 2014.

These Regulations were amended and implemented after adoption by the shareholders meeting on June 25, 2015.

These Regulations were amended and implemented after adoption by the shareholders meeting on July 28, 2021.

## LandMark Optoelectronics Corporation Shareholdings of All Directors

1. The Company's capital is NT\$ 918,676,770 dollars and total outstanding shares of 91,867,677 shares. According to Article 26 of the Securities and Exchange Act, the minimum number of shares held by all directors of the Company shall be 7,349,414.
2. If the Company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent according to Article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies. The Company has set up an audit committee in accordance with the Act, the provisions on the minimum percentage requirements for the shareholding of supervisors in the preceding two paragraphs shall not apply.
3. The shares of all Directors (independent directors are not included): 7,922,086 shares, representing 8.62% of the total shares outstanding, are calculated up to April 2, 2023. The shareholding of the Company's directors has met the statutory requirements.
4. Details of each directors holding shares:

Record Date: April 2, 2023

Title	Name	Current Shareholding (Shares)	Shareholding ratio (%)
Chairman	Representative of Huasheng International Investment Co., Ltd.: Ching-Yi Chang	7,674,640	8.35%
Vice Chairman	Wei Lin	166,622	0.18%
Director	Jerry Yang	80,824	0.09%
Director	Yong Hong Lu	-	-
Independent Director	James Wang	-	-
Independent Director	Bob Tseng	-	-
Independent Director	Yong Chang Chen	-	-
Total		7,922,086	8.62%