

Listed Code : 6690

2022



Acer Cyber Security Inc.

Agenda of General Shareholders' Meeting



Date : May. 27, 2022

Venue : Globaltown Business Center Xinyi District City Hall Center
(8F, No.560, Section 4 Zhongxiao East Road, 110-71 Taipei)

Disclaimer

This is a translation of the 2022 General Shareholders' Meeting Agenda of Acer Cyber Security Incorporated (the "Company"). The translation is intended for reference only and nothing else, the Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the Agenda shall govern any and all matters related to the interpretation of the subject matter stated herein.

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A. Programme

1. Call Meeting to Order
2. Report Items
3. Directors Election
4. Proposed Items for Ratification and Discussion
5. Extemporary Motion
6. Meeting Adjourned

B. Meeting Agenda

Time: 9:00 a.m., Friday, May 27, 2022

Venue: Globaltown Business Center-Xinyi District City Hall Center
(No.560, Section 4 Zhongxiao East Road, 110-71 Taipei)

Type: Physical Meeting

1. Report Items

- (1) Business Report for the Year 2021
- (2) Audit Committee's Review Report
- (3) Report on the Distribution of Cash Dividend and Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2021

2. Election Item

To Elect Seven Directors (Including Four Independent Directors) of the Company

3. Proposed Items for Ratification and Discussion

- (1) Ratification Proposal of the Business Report and Financial Statements for the Year 2021
- (2) Ratification Proposal of Profit Appropriation for the Year 2021
- (3) Discussion of the Amendments to the Articles of Incorporation of the Company
- (4) Discussion of the Amendments to the Company's Procedures for Acquiring or Disposing of Assets
- (5) Discussion of the Amendments to the Company's Regulations of the Conduct of Shareholders' Meeting
- (6) To Release Non-Compete Restrictions on the Newly-Elected Directors and their legal Representatives

4. Extemporary Motion

5. Meeting Adjourned

1. Report Items

(1) Business Report for the Year 2021

Explanatory Notes: Please refer to Attachment 1, pages 12 to 14.

(2) Audit Committee's Review Report

Explanatory Notes: Please refer to Attachment 2, page 15.

(3) To Report on the Distribution of Cash Dividend and the Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2021

Explanatory Notes:

a. Distribution of Cash Dividend :

- i. Pursuant to Article 24 of the Article of Incorporation, the distributable dividends and bonuses in whole or in part will be paid in cash by this Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.
- ii. Cash dividend distribution for 2021 has been approved by the Board of Directors on February 25, 2022, according to which the Company will distribute the cash dividend of NT\$63,786,964 to the Shareholders whose names and respective shares are in these Shareholders' register on the ex-dividend record date, at a preliminary ratio of NT\$3.7 per share. Rounded down to NT\$1 and the residue will be calculated and booked as the Company's other income.
- iii. Prior to the ex-dividend date for the distribution, should the cash distribution ratio require any adjustment due to amendment of laws or regulations, request by competent authorities, or any change of the numbers of the issued and outstanding shares, it is to authorize the Chairman with full power to adjust the distribution ratio.
- iv. The record date for ex-dividend is temporarily set on June 4, 2022, and the distribution date is set on July 1, 2022. Should the dates above be adjusted due to the amendment of laws or regulations, or request by competent authorities, the Chairman is authorized with full power to adjust accordingly.

b. Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation :

- i. The Board of Directors approved the proposal of employees' 2021 profit sharing bonus and Board Directors' compensation on February 25, 2022. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.
- ii. The total amount of employees' 2021 profit sharing bonus is NT\$10,500,000.
- iii. The total amount of Board Directors' 2021 compensation is NT\$0.

2. Election Item

Proposal: To Elect Seven Directors (Including Four Independent Directors) of the Company.
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Since the tenure of all current directors of the Company (including independent directors) had expired in December 2021, it is to re-elect all directors (including three ordinary directors and four independent directors) at the General Shareholders' Meeting this year in accordance with the Company's Articles of Incorporation. The tenure of directors to be elected shall commence on May 27, 2022 for three-year term (estimated to expire on the date of 2025 Shareholders' general meeting for re-election) and are eligible for re-election. The Audit Committee will be constituted by all the independent directors, and the Remuneration Committee will be constituted by three or more independent directors.
- (2) The candidate nomination system is adopted in accordance with the Articles of Incorporation of the Company. For the list of candidates for directors (including independent directors) nominated by the Board of Directors, please refer to Attachment 3, pages 16 to 18.

Voting Result:

3. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements and Business Report for the Year 2021. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's Financial Statements for the year 2021, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flow, have been audited by CPA Ching-Wen Kao and CPA Wei-Ming Shih of KPMG.
- (2) The Business Report for the year 2021 and the aforementioned Financial Statements are attached hereto as Attachment 1, pages 12 to 14 and Attachment 4, pages 19 to 26, which have been approved by the Audit Committee and by the Board of Directors via resolution.
- (3) Please discuss.

Resolution:

Item 2

Proposal: Ratification Proposal of Profit Appropriation for the Year 2021. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The statements of profit appropriation have been reviewed and approved by the Audit Committee and resolved by the Board of Directors.
- (2) Please refer to the Profit Appropriation Statement for 2021 (Attachment 5, page27).
- (3) Please ratify.

Resolution:

Item 3

Proposal: Discussion of the Amendments to the Articles of Incorporation of the Company (Proposed by the Board of Directors)

Explanatory Notes:

- (1) In accordance with the Company Act and make holding Shareholder's Meeting more flexible, it is proposed to amend some provisions of the Articles of Incorporation of the Company. Please refer to the comparison table of the amended Articles of Incorporation of the Company. (Attachment 6, page28 to 30).
- (2) Please discuss.

Resolution:

Item 4

Proposal: Discussion of the Amendments to the Company's Procedures for Acquiring or Disposing of Assets (Proposed by the Board of Directors)

Explanatory Notes:

- (1) In accordance with the Financial Supervisory Commission order, Chin-Kuan-Cheng-Fa-Tzu-No. 1110380465, dated January 28, 2022, which amended the "Regulations Governing Procedure for Acquiring or Disposing of Assets of Public Companies", it is proposed to amend the Company's Procedures for Acquiring or Disposing of Assets. Please refer to the comparison table of the amended provisions. (Attachment 7, page31 to 38).
- (2) Please discuss.

Resolution:

Item 5

Proposal: Discussion of the Amendments to the Company's Regulations of the Conduct of Shareholders' Meeting (Proposed by the Board of Directors)

Explanatory Notes:

- (1) To allow the Company's Shareholders' Meeting to be held by means of visual communication network , with reference to the "Reference Example of the Rules of Procedure of the Shareholders' Meeting" revised and announced by the Taiwan Stock Exchange, it is proposed to amend the Company's Regulations of the Conduct of Shareholders' Meeting. Please refer to the comparison table of amended provisions. (Attachment 8, page39 to 50).
- (2) Please discuss.

Resolution:

Item 6

Proposal: To Release Non-Compete Restrictions on the Newly-Elected Directors and their Legal Representatives (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Pursuant to Article 209 of the Company Act, a director engaging, either for himself or on behalf of another person, in activities that are within the scope of the Company's business, shall explain to the Shareholders' Meeting the essential contents of such activities and obtain its approval for conducting such activities.
- (2) It is proposed to request the General Shareholders' Meeting to release the non-compete restrictions on newly-elected directors or their legal representatives, who if participate in the operations of another company that engages in the same or similar business scope as the Company.
- (3) Please refer to Attachment 9, pages 51 to 53, for the Concurrent Positions of Director and Independent Director Candidates.
- (4) Please discuss.

Resolution:

4. Extemporary Motion

5. Meeting Adjourned

Attachment 1

Business Report

Dear Shareholders,

Acer Cyber Security Inc. (hereinafter referred to as “ACSI”) is the first cyber security service company in Taiwan listed on the over-the-counter (OTC) market on October 30, 2019, with the stock code of 6690. While the impact of the COVID-19 pandemic remained intense in 2021 and the Level 3 COVID-19 Alert was announced in May, 2021, cyber security incidents occurred frequently. Several companies were reported to have been hacked for ransom. The impact from both aspects made ACSI’s deployment of service personnel doubly difficult. Although part of our service models were adjusted to be performed remotely or via video conference, we still managed to complete the acceptance of project services successfully under the premise of both completing tasks and protecting our colleagues. Our overall revenue and profit remained positive in 2021, and the consolidated revenue reached NT\$852 million for the year, which increased by 6% compared to the revenue of the previous year, 2020.

In 2021, ACSI won the bids of the 2021-2024 Information Security Professional Service Project of the Taipei City Government and the Integrated Security Operation Center Establishment Project of the Fiscal Information Agency, Ministry of Finance, with the total contract amount of nearly NT\$200 million. ACSI defeated the original operators for central and local tax services and acquired the equipment monitoring and information security services of a larger scale to achieve the consistency of monitoring and the effectiveness of incident response. The establishment of ACSI Cyber Security Academy, a subsidiary of ACSI was officially approved in August, 2021. ACSI has expanded its business to include the training of information security professionals, providing not only relevant professional information security technical courses, but also information security governance courses for senior executives. The most significant event was that ACSI’s Board of Directors approved the proposed acquisition of 100% equity interest in Acer e-Enabling Data Center Inc. in November, 2021. Looking at the trend of building cloud infrastructure instead of conventional infrastructure, ACSI must consider the integrated services ranging from information security to cloud architecture planning. The acquisition of 100% equity interest will facilitate the growth of ACSI’s overall revenue and the complement of both sides’ technical staff, providing a more solid foundation for the sustainable development of its information security services. The equity acquisition had completed by January 2022 as expected for the following acquisition of management rights.

In terms of expanding the provision of services for different industries, the projects related to the financial industry had the largest revenue growth of 63%, which was in line with the specific goals of the action plan of the Financial Supervisory Commission (hereinafter

referred to as the “FSC”) to strengthen information security in the financial industry as previously estimated. In addition, from the existing Operation Technology (OT) projects owned by ACSI and related to the ISAC (Information Sharing and Analysis) of energy, transportation, and water conservancy industries, ACSI has made progress and further obtained a three-year service project that comprises compliance, testing and OT monitoring in the fields of cogeneration and harbors of a privatized energy company. As predicted, critical infrastructures related to energy is the most concerned part when considering the information security layout of OT by the government. In addition to the aforesaid significant achievements in the market and industrial deployments made all in accordance with the business plans which were set in 2021, a service adopting the new technology of Breach & Attack Simulation (BAS) in blue team exercises has been introduced into the 2021-2024 Information Security Professional Service Project of the Taipei City Government regarding the technical advantages presented by ACSI in information security services. Meanwhile, ACSI continues to integrate the Intelligent SOC 2.0 with the MITRE ATT&CK for attack step analysis to establish a complete information security incident notification mechanism. Further, An AI multi-dimensional analysis platform, the SOAR (security orchestration, automation, and response) platform, and the fast-screening tool for information security incident investigation were also developed by ACSI to accelerate the convergence with international standards. In terms of PT advanced red team exercises, ACSI has also acquired several projects for the technological deepening of service implementation to achieve actual value enhancement, which can inspire our technical team to further advance in the development of technology and to continuously exceed other competitors in the domestic information security service industry.

Looking ahead to 2022, the FSC has required financial institutions which meet certain criteria to have a Chief Information Security Officer (CISO) by the first quarter of 2022 in September, 2021. The FSC also announced in November, 2021 that exchange-listed and OTC-listed companies with capital of over NT\$10 billion must have a CISO, information security manager or information security personnel by the end of 2022. These regulations not only require enterprises to strengthen the monitoring of information security but also reveal the fact that there is a serious shortage of information security professionals. Therefore, financial enterprises, exchange-listed and OTC-listed companies must make good use of outside information security service providers to strengthen their information security defense, and their senior executives must strengthen their information security awareness and have correct concept of information security governance. The Colonial Pipeline ransomware attack occurred in the U.S. in May, 2021 also made governments face up to the urgency of critical infrastructures for people’s daily lives, and the Department of Homeland Security has been establishing regulations for the critical infrastructures after the 911 attacks. The Taiwan government has been promoting the implementation and establishment of the ISAC information sharing platform since 2016 by listing 8 critical infrastructures, and it is also

requesting private enterprises to effectively maintain the OT information security for their critical infrastructures currently. The expansion of market demand means that information security has become a necessary part of daily life for the government and enterprises to stabilize the country and people's livelihood. In 2022, ACSI also plans to extend the promotion of its information security services to a wider range of enterprises, so that business owners may have initial and advanced information security testing based on their characteristics by industry and strengthen their internal information security defense abilities. Besides, we must establish a sales channel system to expand our business which is still based on 100% direct sales currently, so as to break the current relation in a geometric progression between linear investment and profit. With this new business scheme, ACSI may not only leverage its rich information security defense capability and management experience, but also increase the number of sales partners, expand the information security service ecosystem, and enhance the value of innovation in information security services. ACSI will become the most reliable partner for enterprises and move forward with the vision of being the best guardian of information security.

President



Manager



**Head of
Accounting
Department**



Audit Committee's Review Report



審計委員會查核報告書

Audit Committee's Review Report

董事會造具本公司 110 年度營業報告書、財務報表及盈餘分派之議案等，其中財務報表業經委託安侯建業聯合會計師事務所高靚玟及施威銘會計師查核完竣，並出具查核報告。上述營業報告書、財務報表及盈餘分派議案經本審計委員會查核，認為尚無不合，爰依證券交易法第 14 條之 4 及公司法第 219 條規定之規定報告如上，敬請 鑒核。

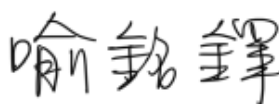
The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and the Proposal for profit appropriation. The CPA Ching-Wen Kao and Wei-Ming Shih from KPMG were retained to audit ACSI's Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for profit appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of ACSI in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report

安基資訊股份有限公司

Acer Cyber Security Incorporated

審計委員會召集人：喻銘鐸

Convener of the Audit Committee：Ming-To Yu



Attachment 3

List of Director and Independent Director Candidates

List of Director Candidates

Name	Experience	All Current Position	Shareholding (Note)
Acer Incorporated Legal representative Maverick Shih	1. Ph.D. in Electrical Engineering, University of Southern California 2. Special Assistant to the President of Cloud Technology Business	1. Acer Incorporated Director 2. MAVS LAB. INC. Chairman 3. Rong Hsin Management Incorporated Director 4. Dragon Investment Fund I Co., Ltd. Director 5. Kiwi Technology Inc. Director 6. Allxon Inc. Director	10,971,018
Acer Incorporated Legal representative Meggy Chen	1. MBA from the UCLA Anderson School of Management in the United States 2. The corporate treasury head at global levels of Acer Incorporated	Acer Incorporated CFO	10,971,018
Acer Incorporated Legal representative Tiffany Huang	1. Bachelor of Science degree in Law from Chung-Hsing University 2. AVP of Acer PCGO Supply Chain Operations 3. Acting Operation Analysis Officer of Corp. President Office	Acer Incorporated COO Acer Foundation Director	10,971,018

Note: Shareholdings as of March 29, 2022.

List of Independent Director Candidates

Name	Experience	All Current Position	Shareholding (Note)
Chie-Shiang Tong	<ol style="list-style-type: none"> 1. Department of Foreign Languages and Literature, National Taiwan University 2. CEO of Testrite Group 3. General Manager of IBM Taiwan 	<ol style="list-style-type: none"> 1. Hongtai Enterprise Organization General Manager 2. Chan Teng Limited Company Chairman 3. Dotmore Media Corp. Director 4. Taiwan Woman on Boards Association Director 	0
Grace Lung	<ol style="list-style-type: none"> 1. NCCU Department of Business Administration 2. AVP of Acer Financial Information Division, Acer Global Financial Headquarters 	<ol style="list-style-type: none"> 1. Xiang Long Limited Company Chairman 2. Aserve Technology Corp. Chairman 3. AOPEN Inc. Independent Director 4. Prolight Opto Technology Corporation Independent Director 5. Darwin Precisions Corp. Independent Director 	0
Dong-Chun Tsai	<ol style="list-style-type: none"> 1. Ph.D., University of Illinois, Urban-Champaign 2. Professor of Department of Transportation and Communication Management Science 3. Executive Director of EMBA/AMBA, National Cheng Kung University 4. Head of the Department of Transportation Management Science, National Cheng Kung University 5. Director, Institute of International Enterprise, National Cheng Kung University 	Acer Foundation Director	0
Jih-Chu Lee	<ol style="list-style-type: none"> 1. National Taiwan University's first recommended direct entry to a Ph.D. in economics 2. Chairman of Taiwan Financial Holding Corporation and Bank of Taiwan 3. Chairman of the Bankers Association of the Republic of China 4. Mega Holdings Co., Ltd. Director 5. Resident Supervisor of Taiwan Cooperative Bank 6. Vice Chairman and General Manager of Shin Kong Financial Holdings Co., Ltd. 7. Shin Kong Life Co., Ltd. Vice Chairman 	<ol style="list-style-type: none"> 1. Shin Kong Bank Co., Ltd Vice Chairman 2. The Bankers Association of the Republic of China Consultant 3. Taiwan Yushan Science and Technology Association Chairman 4. Ten Outstanding Young Persons Foundation Chairman 5. International Financial Forum (IFF) Director 6. Cross-Strait Entrepreneurs Summit Supervisor 	0

Name	Experience	All Current Position	Shareholding (Note)
	8. Life Insurance Commercial Association of the Republic of China Vice Chairman 9. Vice Chairman of MasterLink Securities, a subsidiary of Shin Kong Financial Holdings 10. Financial Supervisory Commission R.O.C. Deputy Chairman 11. Chunghwa Post Co., Ltd Chairman 12. Taiwan Stock Exchange Corporation Director 13. Taiwan Futures Exchange Director 14. Legislative Council of the Republic of China 15. National Youth Commission, Executive Yuan Chairman 16. Full-time Professor, Department of Economics and Research Institute, National Chengchi University 17. Visiting Scholar, Department of Economics, Harvard University 18. Visiting Scholar, Department of Economics, Stanford University 19. Taiwan Yushan Science and Technology Association Chairman		

Note: Shareholdings as of March 29, 2022.

Attachment 4

Independent Auditors' Report

To the Board of Directors
Acer Cyber Security Inc.:

Opinion

We have audited the consolidated financial statements of Acer Cyber Security Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's financial statements for the year ended December 31, 2021 are stated as follows:

1. Revenue recognition

Please refer to Note 4(n) for the accounting policies on recognizing revenue.

Description of key audit matter:

The Group engaged primarily in providing integrated cybersecurity service to enterprises. The identification of performance obligation(s) and the timing of revenue recognition (performance obligations satisfied over time or at a point in time) is subject to management's judgment, which increases the complexity of revenue recognition. Therefore, revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, testing the design and operating effectiveness of the Company's internal control over the service revenue recognition; assessing whether the accounting policies with respect to the identification of performance obligation(s) and timing of revenue recognition are appropriate; reviewing the contract term and other supporting documents of the selected samples to verify whether the timing and amount of revenue recognition is in accordance with related accounting policies. We also consider the adequacy of the disclosure on revenue from contracts with customers in the Note 6(o) of the accompanying consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the investee companies accounted for using equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 Ching-Wen Kao and Wei-Ming Shih.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2022

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Consolidated balance sheets

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020						December 31, 2021		December 31, 2020	
		Amount	%	Amount	%					Amount	%	Amount	%
Assets													
Current assets:													
1100	Cash and cash equivalents (note 6(a))	\$ 265,980	26	\$ 415,122	45	2130		Contract liabilities — current (note 6(n) and 7)		33,848	3	52,144	6
1140	Contract assets — current (notes 6(n) and 7)	186,488	19	136,534	15	2170		Accounts payable		158,646	16	91,095	10
1170	Notes and accounts receivable, net (notes 6(c) and (o))	165,058	16	135,406	15	2180		Accounts payable to related parties (note 7)		5,463	1	7,444	1
1180	Accounts receivable from related parties (notes 6(c), (n) and 7)	23,001	2	13,928	1	2219		Other payables		126,208	12	110,521	12
1200	Other receivables (note 6(d))	1,469	-	2,686	-	2220		Other payables to related parties (note 7)		5,336	1	8,361	1
1210	Other receivables from related parties (note 6(d) and 7)	61	-	209	-	2230		Current tax liabilities		11,542	1	11,808	1
1470	Prepay expenses and other current assets	3,728	1	2,191	-	2280		Lease liabilities-current (notes 6(i) and 7)		11,811	1	9,399	1
	Total current assets	<u>645,785</u>	<u>64</u>	<u>706,076</u>	<u>76</u>	2300		Other current liabilities		<u>9,899</u>	<u>1</u>	<u>10,353</u>	<u>1</u>
Non-current assets:													
1517	Financial assets measured at fair value through other comprehensive income — non-current(note 6(b))	28,538	3	28,205	3	2580		Total current liabilities		<u>362,753</u>	<u>36</u>	<u>301,125</u>	<u>33</u>
1600	Property, plant and equipment (note 6(f) and 7)	31,551	3	19,922	2	2670		Non-current liabilities:					
1755	Right-of use assets (notes 6(g) and 7)	16,621	1	16,373	2			Lease liabilities-non-current (notes 6(13) and (25) and 8)		5,384	-	7,533	1
1780	Intangible assets (note 6(h) and 7)	129,133	13	65,262	7			Other non-current liabilities		465	-	1,042	-
1840	Deferred income tax assets (note 6(k))	7,913	1	6,915	1			Total non-current liabilities		<u>5,849</u>	<u>-</u>	<u>8,575</u>	<u>1</u>
1967	Non-current assets recognized from costs to fulfil contracts with customers	55,629	5	14,541	2	3110		Total liabilities		<u>368,602</u>	<u>36</u>	<u>309,700</u>	<u>34</u>
1975	Other non-current assets(note 6(j))	547	-	1,733	-	3200		Equity (note 6(l)):					
1980	Other financial assets — non-current (note 6(h))	97,031	10	64,076	7			Common stock		169,997	17	166,664	18
	Total non-current assets	<u>366,963</u>	<u>36</u>	<u>217,027</u>	<u>24</u>	3310		Capital surplus		323,900	32	323,900	35
						3320		Retained earnings:					
						3350		Legal reserve		39,963	4	31,748	3
						3400		Unappropriated earnings (accumulated deficit)		14,002	1	11,634	1
								Unappropriated retained earnings (accumulated deficit)		111,397	11	93,459	10
								Other equity		<u>(15,113)</u>	<u>(1)</u>	<u>(14,002)</u>	<u>(1)</u>
								Total equity		<u>644,146</u>	<u>64</u>	<u>613,403</u>	<u>66</u>
Total assets		<u>\$ 1,012,748</u>	<u>100</u>	<u>843,703</u>	<u>100</u>	Total liabilities and equity				<u>\$ 1,012,748</u>	<u>100</u>	<u>843,703</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	Net revenue (notes 6(n) & 7 and 14)	\$ 852,427	100	\$ 803,373	100
5000	Cost of revenue (note 6(e), (f), (g) , (h) , (j) & (o) and 7 and 12)	(490,578)	(58)	(482,164)	(60)
	Gross profit	361,849	42	321,209	40
	Operating expenses (notes 6(f), (g) , (h) , (j) & (o) and 7 and 12):				
6100	Selling expenses	(43,364)	(5)	(45,921)	(6)
6200	General and administrative expenses	(92,244)	(11)	(72,919)	(9)
6300	Research and development expenses	(122,009)	(14)	(101,920)	(12)
	Total operating expenses	(257,617)	(30)	(220,760)	(27)
	Operating income (loss)	104,232	12	100,449	13
	Non-operating income and loss (notes 6(b) , (i)&(p) and 7):				
7100	Interest income	855	-	1,356	-
7010	Other income	3,600	1	-	-
7020	Other gains and losses = net	115	-	(142)	-
7050	Finance costs	(183)	-	(237)	-
	Total non-operating income and loss	4,387	1	977	-
7900	Profit (loss) from continuing operations before tax	108,619	13	101,426	13
7950	Less: Income tax expenses	(21,766)	(3)	(19,272)	3
	Profit (loss)	86,853	10	82,154	10
	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	(1,805)	-	(753)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	333	-	(1,765)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	361	-	(151)	-
	Other comprehensive income	(1,111)	-	(2,367)	-
	Total comprehensive income (loss) for the year	\$ 85,742	10	\$ 79,787	11
	Earnings per share (in New Taiwan dollars) ((note 6(m)):				
9750	Basic earnings (loss) per share	\$ 5.11		4.83	
9850	Diluted earnings (loss) per share	\$ 5.08		4.81	

(English Translation of Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total equity
Balance at January 1, 2020	\$ 163,396	323,900	24,978	510	81,486	106,974	-	(11,635)	(11,635)	582,6355
Net loss for the year	-	-	-	-	82,154	82,154	-	-	-	82,154
Other comprehensive loss for the year	-	-	-	-	-	-	(1,765)	(602)	(2,367)	(2,367)
Total comprehensive loss for the year	-	-	-	-	82,154	82,154	(1,765)	(602)	(2,367)	79,787
Appropriation approved by the stockholders:										
Legal reserve	-	-	6,770	-	(6,770)	-	-	-	-	-
Special reserve appropriated	-	-	-	11,124	(11,124)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(49,019)	(49,019)	-	-	-	(49,019)
Stock dividends of Common Stock	3,268	-	-	-	(3,268)	(3,268)	-	-	-	-
Balance at December 31, 2020	166,664	323,900	31,748	11,634	93,459	136,841	(1,765)	(12,237)	(14,002)	613,403
Net loss for the year	-	-	-	-	86,853	86,853	-	-	-	86,853
Other comprehensive loss for the year	-	-	-	-	-	-	333	(1,444)	(1,111)	(1,111)
Total comprehensive loss for the year	-	-	-	-	86,853	86,853	333	(1,444)	(1,111)	85,742
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	8,215	-	(8,215)	-	-	-	-	-
Special reserve appropriated	-	-	-	2,368	(2,368)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(54,999)	(54,999)	-	-	-	(54,999)
Stock dividends of Common Stock	3,333	-	-	-	(3,333)	(3,333)	-	-	-	-
Balance at December 31, 2021	\$ 169,997	323,900	39,963	14,002	111,397	165,362	(1,432)	(13,681)	(15,113)	644,146

(English Translation of Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income (loss) before income tax	\$ 108,619	101,426
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	22,898	18,706
Amortization	271,626	279,245
Interest expense	183	237
Interest income	(855)	(1,356)
Cash Dividend	(400)	-
Gain on disposal of property, plant and equipment	-	(20)
Total profit and loss	293,452	296,812
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Increase in contract assets	(49,954)	(37,034)
Decrease (increase) in notes and accounts receivable	(29,652)	(55,450)
Decrease (increase) in accounts receivables from related parties	(9,073)	255
Increase in other receivables	1,116	2,042
Increase in other receivables from related parties	148	1,296
Increase in prepaid expenses and other current assets	(1,537)	(470)
Decrease (increase) in prepayments	(619)	(1,657)
Net changes in operating assets	(89,571)	(91,018)
Net changes in operating liabilities:		
Increase in contract liabilities	(18,296)	32,466
Increase in accounts payable	67,551	11,900
Increase in accounts payable to related parties	(1,981)	4,210
Increase (decrease) in other payables	15,687	13,828
Increase in other payables to related parties	(3,025)	(6,045)
Increase (decrease) in other current liabilities	(454)	3,147
Net changes in operating liabilities	59,482	59,506
Total changes in operating assets and liabilities	(30,089)	(31,512)
Total adjustments	263,363	265,300
Cash provided by operations	371,982	366,726
Interest received	956	1,352
Interest paid	(183)	(237)
Income taxes paid	(22,669)	(20,957)
Net cash from operating activities	350,086	346,884

(Continued)

(English Translation of Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	-	(29,970)
Additions to property, plant and equipment	(22,282)	(12,810)
Proceeds from disposal of property, plant and equipment	-	72
Additions to intangible assets	(232,741)	(141,304)
Proceeds from disposal of intangible assets	(143,844)	(90,306)
Net cash receipts from acquisitions of subsidiaries and other business units	(32,955)	5,772
Cash Dividend	400	-
Net cash flows used in investing activities	(431,422)	(268,546)
Cash flows from financing activities:		
Increase (decrease) Guarantee Deposit	(577)	-
Payment of lease liabilities	(12,230)	(11,708)
Cash dividends	(54,999)	(49,019)
Net cash flows from (used in) financing activities	(67,806)	(60,727)
Net decrease in cash and cash equivalents	(149,142)	17,611
Cash and cash equivalents at beginning of period	415,122	397,511
Cash and cash equivalents at end of period	<u>\$ 265,980</u>	<u>415,122</u>

Attachment 5

Acer Cyber Security Incorporated 2021 Statement of Profit Appropriation

Unit : NT\$

Beginning Balance of Un-appropriated Retained Earnings	24,544,030
Plus : 2021 Net Income after Tax	86,853,071
Deduct : Legal Reserve	(8,685,307)
Deduct : Special Reserve (Remeasurements of the Defined benefit plans)	(1,444,000)
Plus : Special Reserve (Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income)	333,000
Appropriation Items	101,600,794
Cash Dividends to Shareholders(*)	(63,786,964)
Stock Dividends to Shareholders(**)	(0)
Ending Balance of Un-appropriated Retained Earnings	37,813,830

*

1. Cash dividend : NT\$3.7 per share.
2. Stock dividend : NT\$0 per share.

Chairman of Board



General Manager



Chief Accountant



Attachment 6

Acer Cyber Security Incorporated

「Articles of Incorporation」

Comparison Table of Amended Articles

After Revision	Before Revision	Reason for Revision
<p>Article 10 :</p> <p>Shareholders' Meetings of this Company are classified into (1) regular meetings and (2) special meetings. The Board of Directors shall convene regular meetings within six (6) months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law.</p> <p><u>The Shareholders' Meeting can be held by means of visual communication network or other methods promulgated by the central competent authority, and the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</u></p> <p>The notice of Shareholders' Meeting may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice of the Shareholders meeting to Shareholders who own less than 1,000 shares of nominal stocks may</p>	<p>Article 10 :</p> <p>Shareholders' Meetings of this Company are classified into (1) regular meetings and (2) special meetings. The Board of Directors shall convene regular meetings within six (6) months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law. The notice of Shareholders' Meeting may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice of the Shareholders meeting to Shareholders who own less than 1,000 shares of nominal stocks may be given by the Company in the form of a public announcement. The notice and public announcement of Shareholders' Meeting shall be ascertained by referring to Article 172 of the Company Act.</p>	<p>To amend it in accordance with the amendments to the provisions of Article 172-2 of the Company Act</p>

After Revision	Before Revision	Reason for Revision
<p>be given by the Company in the form of a public announcement.</p> <p>The notice and public announcement of Shareholders' Meeting shall be ascertained by referring to Article 172 of the Company Act.</p>		
<p>Article 25 :</p> <p>Considering that the industry life cycle is in growth stage, the Company's dividend policy is set based on capital budgeting needs for long-term financial planning, as well as Shareholders' interests and other factors. The Shareholders' dividends allocated shall not be lower than 2<u>10</u>% of the annual distributable surplus. The method for allocation of Shareholders' dividends could be done in cash or stock dividends, where the proportion of cash dividends should not be less than 10% unless the Board of Directors decided not to distribute and such decision was approved by the Shareholders meeting. When the Company has no surplus, no dividends and bonuses will be distributed; however, the legal reserve and capital reserve may be distributed in whole or in part according to laws and regulations or the competent authority based on the consideration of the Company's financial, business and operating aspects.</p>	<p>Article 25 :</p> <p>Considering that the industry life cycle is in growth stage, the Company's dividend policy is set based on capital budgeting needs for long-term financial planning, as well as Shareholders' interests and other factors. The Shareholders' dividends allocated shall not be lower than 2% of the annual distributable surplus. The method for allocation of Shareholders' dividends could be done in cash or stock dividends, where the proportion of cash dividends should not be less than 10% unless the Board of Directors decided not to distribute and such decision was approved by the Shareholders meeting. When the Company has no surplus, no dividends and bonuses will be distributed; however, the legal reserve and capital reserve may be distributed in whole or in part according to laws and regulations or the competent authority based on the consideration of the Company's financial, business and operating aspects.</p>	<p>Adjust the dividend policy of the Company</p>

After Revision	Before Revision	Reason for Revision
<p>Article 27 :</p> <p>These Articles of Incorporation were approved on May 24, 2000 (omitted)</p> <p><u>The fourteenth amendment was approved on May 27, 2022 (provisional)</u></p>	<p>Article 27 :</p> <p>These Articles of Incorporation were approved on May 24, 2000</p> <p>The first amendment was approved on August 1 , 2000</p> <p>The second amendment was approved on December 7, 2000</p> <p>The third amendment was approved on February 1, 2001</p> <p>The fourth amendment was approved on February 26, 2001</p> <p>The fifth Amendment was approved on November 2, 2002</p> <p>The sixth amendment was approved on December 10, 2002</p> <p>The seventh amendment was approved on March 31 , 2003</p> <p>The eighth amendment was approved on April 17, 2006</p> <p>The ninth amendment was approved on June 28, 2010</p> <p>The tenth amendment was approved on December 1, 2015</p> <p>The eleventh amendment was approved on February 9 , 2018</p> <p>The twelfth amendment was approved on December 13, 2018</p> <p>The thirteenth amendment was approved on June 21, 2019</p>	<p>Updated revision date</p>

Attachment 7

Acer Cyber Security Incorporated 「 Procedures Governing Acquiring or Disposing of Assets 」 Comparison Table of Amended Articles

After Revision	Before Revision	Reason for Revision
<p>Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets</p> <p>1.~3 (Omitted)</p> <p>4. The appraisal reports to the Company or any Subsidiaries which shall comply with these Procedures, written opinions provided by a certified public accountant, attorney, or securities underwriter, the qualifications of said professional appraisers and their personnel, certified public accounts, attorneys, and securities underwriters, and the process when issuing an appraisal report or opinion, shall comply with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and related regulations <u>and self-discipline enacted by such person's industry association.</u></p>	<p>Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets</p> <p>1.~3 (Omitted)</p> <p>4. The appraisal reports to the Company or any Subsidiaries which shall comply with these Procedures, written opinions provided by a certified public accountant, attorney, or securities underwriter, the qualifications of said professional appraisers and their personnel, certified public accounts, attorneys, and securities underwriters, and the process when issuing an appraisal report or opinion, shall comply with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and related regulations.</p> <p>5. (Omitted)</p>	<p>To amend it in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” amended pursuant to ruling issued by the Financial Supervisory Commission, R.O.C. (Ref. no.: Jin Guan Zheng Fa Zi 1110380465) on January 28, 2022.</p>

After Revision	Before Revision	Reason for Revision
5. (Omitted)		
<p>Article 6 The Standards for Public Announcement</p> <p>1.For acquisition or disposal of the Company's assets as provided below, the Company shall announce the same at the website designated by the Competent Authority in a form stipulated by the Competent Authority based on its nature, within two days commencing immediately from the date of occurrence of said matter:</p> <p>(1)~(5) (Omitted)</p> <p>(6)asset transactions other than those provided in the preceding items (1) to (5), a disposal of receivables by a financial institution, or investment in Mainland China, the transaction amount reaches 20% of Company's paid-in capital or NT\$300 million or more; provided, however, that the following situations are not applied:</p> <p>(a) purchase and sale of domestic government bond, <u>or foreign bond with a</u></p>	<p>Article 6 The Standards for Public Announcement</p> <p>1.For acquisition or disposal of the Company's assets as provided below, the Company shall announce the same at the website designated by the Competent Authority in a form stipulated by the Competent Authority based on its nature, within two days commencing immediately from the date of occurrence of said matter:</p> <p>(1)~(5) (Omitted)</p> <p>(6)asset transactions other than those provided in the preceding items (1) to (5), a disposal of receivables by a financial institution, or investment in Mainland China, the transaction amount reaches 20% of Company's paid-in capital or NT\$300 million or more; provided, however, that the following situations are not applied:</p> <p>(a) purchase and sale of domestic government bond.</p> <p>(b) trading of bonds under</p>	Same as above.

After Revision	Before Revision	Reason for Revision
<p><u>credit rating not lower than the sovereign rating of the ROC.</u></p> <p>(b) trading of bonds under repurchase/resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. The transaction amount in the preceding paragraph is calculated in accordance with the methods provided below: (Omitted)</p>	<p>repurchase/resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. The transaction amount in the preceding paragraph is calculated in accordance with the methods provided below: (Omitted)</p>	
<p>Article 11 Certified Public Accountant's Opinions</p> <p>1. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing targeted company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, a certified public accountant shall be retained prior to the date of</p>	<p>Article 11 Certified Public Accountant's Opinions</p> <p>1. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the targeted company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, a certified public accountant shall be</p>	Same as above.

After Revision	Before Revision	Reason for Revision
<p>occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the certified public accountant needs to use the report of an expert as evidence, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p> <p>2. In acquiring or disposing intangible assets, right-of-use of intangible assets, or membership certificate and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacted with a domestic government institution, shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the</p>	<p>retained prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the certified public accountant needs to use the report of an expert as evidence, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p> <p>2. In acquiring or disposing intangible assets, right-of-use of intangible assets, or membership certificate and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacted with a domestic government institution, shall engage a certified public accountant prior to the date of occurrence of the</p>	

After Revision	Before Revision	Reason for Revision
<p>transaction price;the certified public accountant shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.</p> <p>3. Where the Company acquiring or disposing of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>event to render an opinion on the reasonableness of the transaction price; the certified public accountant shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation..</p> <p>3. Where the Company acquiring or disposing of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
<p>Article 12</p> <p>Regarding the acquisition or disposal of real estate or right-of-use assets of real estate with the Related Parties, or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate with the Related Parties where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300 million or more; provided, unless it's about trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or buyback/redemption of money market funds issued by</p>	<p>Article 12</p> <p>Regarding the acquisition or disposal of real estate or right-of-use assets of real estate with the Related Parties, or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate with the Related Parties where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300 million or more; provided, unless it's about trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or buyback/redemption of money market funds issued by</p>	<p>Same as above.</p>

After Revision	Before Revision	Reason for Revision
<p>domestic securities investment trust enterprises, the Company shall submit information provided below to the audit committee for approval of audit committee members and then submit the same to the Board of Directors for further approval before signing the contracts and payments:</p> <ol style="list-style-type: none"> 1. the purpose, necessity and the anticipated benefit of the acquisition or disposal of assets. 2. reasons for choosing the Related Party as a trading counterparty. 3. with respect to the acquisition of real property or right-of-use assets of real property from a Related Party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 13 and 14. 4. the date and price at which the Related Party originally acquired the real property, the original trading counterparty, and such trading counterparty's relationship to the Company and the Related Party. 5. monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, 	<p>domestic securities investment trust enterprises, the Company shall submit information provided below to the audit committee for approval of audit committee members and then submit the same to the Board of Directors for further approval before signing the contracts and payments:</p> <ol style="list-style-type: none"> 1. the purpose, necessity and the anticipated benefit of the acquisition or disposal of assets. 2. reasons for choosing the Related Party as a trading counterparty. 3. with respect to the acquisition of real property or right-of-use assets of real property from a Related Party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 13 and 14. 4. the date and price at which the Related Party originally acquired the real property, the original trading counterparty, and such trading counterparty's relationship to the Company and the Related Party. 5. monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, 	

After Revision	Before Revision	Reason for Revision
<p>and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a certified public accountant's opinion obtained in accordance with these Procedures.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>Provided that this Company or the Company's Subsidiary that isn't a public company has the transaction as stated in Paragraph 1 and the transaction amount in Paragraph 1 reaches 10% of the Company's total assets, the Company shall submit all information set forth in Paragraph 1 before signing the transaction agreement or making the payment but this requirement does not apply to the transaction between this Company and its Subsidiary or between the Company's subsidiaries.</u></p> <p>The transaction amount in <u>Paragraph 1 and</u> the preceding paragraph is calculated in accordance with Paragraph 2 of Article 6 where "within one year" iss used in these Procedures refers to the year preceding the date of</p>	<p>and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a certified public accountant's opinion obtained in accordance with these Procedures.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The transaction amount in the preceding paragraph is calculated in accordance with Paragraph 2 of Article 6 where "within one year" iss used in these Procedures refers to the year preceding the date of occurrence of the current transaction, and items previously approved by the audit committee members and submit to the Board of Directors for further approval in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>Regarding the acquisition or disposal of equipment for business use among the Company, its parent companies or subsidiaries, the Company's Board of Directors may delegate the board chairman to decide such matters when the transaction is</p>	

After Revision	Before Revision	Reason for Revision
<p>occurrence of the current transaction, and items previously approved by the audit committee members and submit to <u>Shareholder's Meeting and</u> the Board of Directors for further approval in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>Regarding the acquisition or disposal of equipment for business use among the Company, its parent companies or subsidiaries, the Company's Board of Directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</p>	<p>within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</p>	
<p>Article 29</p> <p>The Procedures were enacted on November 27, 2017. (omitted)</p> <p><u>The fifth amendment was approved on May 27, 2022 (provisional)</u></p>	<p>Article 29</p> <p>The Procedures were enacted on November 27, 2017.</p> <p>The first amendment was made on June 1, 2018.</p> <p>The second amendment was made on December 13, 2018</p> <p>The third amendment was made on June 21, 2019.</p> <p>The fourth amendment was made on December 23, 2021.</p>	<p>Updated revision date</p>

Attachment 8

Acer Cyber Security Incorporated

「Regulations of the Conduct of Shareholders' Meeting」

Comparison Table of Amended Articles

After Revision	Before Revision	Reason for Revision
<p>2. Each Shareholders or his/her/its proxy attending the Shareholders' Meeting shall sign the attendance card for their attendance. The number of shares in attendance of the Shareholders' Meeting shall be calculated based upon the number of shares signed in according to the attendance cards so submitted.</p> <p><u>The time during which Shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual Shareholders Meetings, Shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting</u></p>	<p>2. Each Shareholders or his/her/its proxy attending the Shareholders' Meeting shall sign the attendance card for their attendance. The number of shares in attendance of the Shareholders' Meeting shall be calculated based upon the number of shares signed in according to the attendance cards so submitted.</p>	<p>To amend it in accordance with the amendment of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" announced by the TWSE on February, 2022.</p>

After Revision	Before Revision	Reason for Revision
<p><u>starts. Shareholders completing registration will be deemed as attend the Shareholders Meeting in person.</u></p> <p><u>In the event of a virtual Shareholders Meeting, Shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual Shareholders Meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>		
<p>3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated <u>according to the shares indicated by the attendance book and attendance card handed in, and the shares checked in on the virtual meeting</u></p>	<p>3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated in accordance with the attendance book or the attendance cards submitted, plus the shares exercising voting right by the way of electronic</p>	<p>Same as above.</p>

After Revision	Before Revision	Reason for Revision
<p><u>platform, plus the shares exercising voting right by correspondence or by the way of electronic transmission.</u></p> <p><u>When Shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the Shareholders Meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p> <p><u>On the day of a Shareholders Meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by Shareholders attending the meeting by correspondence or electronic means, and</u></p>	<p>transmission.</p>	

After Revision	Before Revision	Reason for Revision
<p><u>shall make an express disclosure of the same at the place of the Shareholders Meeting. In the event a virtual Shareholders Meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During the Company's virtual Shareholders Meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p>		
<p>4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the Shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no</p>	<p>4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the Shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no</p>	<p>Same as above.</p>

After Revision	Before Revision	Reason for Revision
<p>later than 3 p.m. on the designated meeting date.</p> <p><u>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u></p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only Shareholders Meeting.</u></p> <p><u>When the Company convenes a virtual-only Shareholders Meeting, both the chair and secretary shall be in the same location domestically, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	<p>later than 3 p.m. on the designated meeting date.</p>	
<p>7. The Shareholders' Meeting shall be recorded in their entirety by video or audio recording equipment, and such records shall be kept on file for one year following each such meeting.</p> <p><u>The Company, beginning from the time it accepts Shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the</u></p>	<p>7. The Shareholders' Meeting shall be recorded in their entirety by video or audio recording equipment, and such records shall be kept on file for one year following each such meeting.</p>	<p>Same as above.</p>

After Revision	Before Revision	Reason for Revision
<p><u>proceedings of the Shareholders Meeting, and the voting and vote counting procedures.</u></p> <p><u>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a Shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u></p> <p><u>Where a Shareholders Meeting is held online, the Company shall keep records of Shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and</u></p>		

After Revision	Before Revision	Reason for Revision
<u>video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u>		
10.A Shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and Shareholder's account number. The person presiding over the meeting shall determine the order to make such oral statements. Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail. No Shareholders shall interfere with the Shareholder who is making oral statement in any way unless the chairman of the meeting and the speaking Shareholder gives his/her consent. The person presiding over the meeting	10.A Shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and Shareholder's account number. The person presiding over the meeting shall determine the order to make such oral statements. Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail. No Shareholders shall interfere with the Shareholder who is making oral statement in any way unless the chairman of the meeting and the speaking Shareholder gives his/her consent. The person presiding over the meeting	Same as above

After Revision	Before Revision	Reason for Revision
<p>shall stop any such interference.</p> <p><u>Where a virtual Shareholders Meeting is convened, Shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding paragraph do not apply.</u></p>	<p>shall stop any such interference.</p>	
<p>15. The person presiding over the meeting shall appoint persons among the Shareholders in attendance to supervise the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the voting shall be announced immediately, and a record of the same shall be made accordingly.</p> <p><u>In the event of a virtual Shareholders Meeting, the Company shall disclose</u></p>	<p>15. The person presiding over the meeting shall appoint persons among the Shareholders in attendance to supervise the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the voting shall be announced immediately, and a record of the same shall be made accordingly.</p>	<p>Same as above</p>

After Revision	Before Revision	Reason for Revision
<u>real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>		
<p>16. Unless otherwise provided for in the Company Act or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the Shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.</p> <p><u>In the event of a virtual Shareholders Meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p>	<p>16. Unless otherwise provided for in the Company Act or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the Shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.</p>	<p>Same as above</p>

After Revision	Before Revision	Reason for Revision
<p>19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the Shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to Shareholders.</p> <p><u>In the event of a virtual Shareholders Meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the</u></p>	<p>19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the Shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to Shareholders.</p>	<p>Same as above</p>

After Revision	Before Revision	Reason for Revision
<p><u>meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>During a postponed or resumed session of a Shareholders Meeting held under the preceding paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When the Company convenes a hybrid Shareholders Meeting, and the virtual meeting cannot continue as described in the second paragraph above, if the total number of shares represented at the meeting, after deducting those represented by Shareholders attending the virtual Shareholders Meeting online, still meets the minimum legal requirement for a</u></p>		

After Revision	Before Revision	Reason for Revision
<u>Shareholder Meeting, then the Shareholders Meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u>		
20. The applicable provisions of the Company Act, <u>the relevant regulations</u> and the Company's Articles of Incorporation shall govern any matter not provided herein.	20. The applicable provisions of the Company Act and the Company's Articles of Incorporation shall govern any matter not provided herein.	Same as above
22. Approved by the General Shareholders' Meeting held on Nov. 27, 2017. <u>The first amendment approved on May 27, 2022.</u>	22. Approved by the General Shareholders' Meeting held on Nov. 27, 2017.	Updated revision date

Attachment 9

Concurrent Positions of Director and Independent Director Candidates

Name	All Current Position
Maverick Shih	<ol style="list-style-type: none"> 1. Acer Cloud Technology (US), Inc. Director 2. Acer Cloud Technology Inc. Director 3. Acer Synergy Tech America Corporation Director 4. Shanghai AST Technology Service Ltd. Director 5. Acer Cloud Technology (Chongqing) Ltd. Chairman 6. Acer Incorporated Director 7. Acer Being Communication Inc. Director 8. Acer ITS Inc. Director 9. Acer Being Signage Inc. Chairman 10. Acer e-Enabling Data Center Incorporated Chairman 11. Acer Cloud Technology (Taiwan) Inc. Chairman 12. Acer e-Enabling Service Business Inc. Director 13. ISU Service Corp. Director 14. Kiwi Technology Inc. Director 15. AOPEN INC. Director 16. Consumer Insights Research (Chongqing) Inc. Director 17. Taurus Interstellar Inc. Chairman 18. MAVS LAB. INC. Chairman 19. Acer Synergy Tech Corp. Chairman 20. Allxon Inc. Director 21. Rong Hsin Management Incorporated Director
Lee, Jih-Chu	<ol style="list-style-type: none"> 1. Taiwan Shin Kong Commercial Bank Vice Chairman 2. The Bakers Association of The Republic of China Consultant 3. Monte Jode Science & Technology Association of Taiwan Chairman 4. Ten Outstanding Young Persons Foundation Chairman 5. Chinese Industry Academy Development Association Chairman 6. International Finance Forum(IFF) Director 7. Cross-Strait CEO Summit Supervisor

Name	All Current Position
Meggy Chen	<ol style="list-style-type: none"> 1. Acer American Holdings Corp. Director 2. Acer Cloud Technology Inc. Director 3. Acer Computer (Far East) Limited Director 4. Acer European Holdings SA Director 5. Acer Holdings International, Incorporated Director 6. Acer Japan Corp. Director 7. Acer Service Corporation Director 8. Acer SoftCapital Incorporated Director 9. AGP Insurance (Guernsey) Limited Director 10. Boardwalk Capital Holdings Limited Director 11. DropZone (Hong Kong) Limited Director 12. DropZone Holding Limited Director 13. Gateway, Inc. Director 14. PT. Acer Indonesia Director 15. PT. Acer Manufacturing Indonesia Director 16. StarVR Europe SA Director 17. Shanghai AST Technology Service Ltd. Director 18. Xplova (Shanghai) Ltd. Director 19. Beijing Altos Computing Ltd. Director 20. Wellife Inc. Director 21. Acer Cyber Security Incorporated Director 22. Altos Computing Inc. Director 23. StarVR CORPORATION Director 24. Acer Cloud Technology (Chongqing) Ltd. Director 25. Acer Aeroblade Inc. Director 26. Acer Market Services Limited Chairman 27. Acer ITS Inc. Director 28. Acer Being Signage Inc. Director 29. Acer AI Cloud Inc.(Pawbo Inc.) Director 30. Acer BeingWare Holding Inc. Director 31. Acer e-Enabling Data Center Incorporated Director 32. Acer Cloud Technology (Taiwan) Inc. Director 33. Acer e-Enabling Service Business Inc. Director 34. Acer Gaming Inc. Director

Name	All Current Position
	35. ISU Service Corp. Director 36. Acer China Venture Corp Supervisor 37. Acer Gadget Inc. Director 38. Weblink International Inc. Director 39. Highpoint Service Network Corporation Director 40. Acer Synergy Tech Corp. Director 41. Aspire Service & Development Inc. Director 42. XPLOVA INC. Director 43. Acer Digital Service Co., Director 44. Cross Century Investment Limited Director 45. Acer Property Development Inc. Director 46. MPS Energy Inc. Director 47. Acer Incorporated CFO
Tiffany Huang	Acer Incorporated COO
Grace Lung,	1. Xiang Long Investment Limited Company Chairman 2. Aserve Technology Corp. Chairman 3. AOPEN Inc. Independent Director and Audit Committee Convener/Chairman 4. Darwin Precisions Corp. Independent Director 5. Prolight Opto Technology Corporation Independent Director
Chie-Shiang Tong,	1. Hongtai Enterprise Organization General Manager 2. Chan Teng Limited Company Chairman 3. Dotmore Media Corp. Director 4. Taiwan Woman on Boards Association Director
Dung-Chun Tsai	Acer Foundation Director

Appendix 1

Acer Cyber Security Incorporated

The Conduct of Shareholders' Meeting (Before the revision)

1. These Regulations shall govern the conduct of Shareholders' Meetings of the Company.
2. Each Shareholders or his/her/its proxy attending the Shareholders' Meeting shall sign the attendance card for their attendance. The number of shares in attendance of the Shareholders' Meeting shall be calculated based upon the number of shares signed in according to the attendance cards so submitted.
3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated in accordance with the attendance book or the attendance cards submitted, plus the shares exercising voting right by the way of electronic transmission.
4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the Shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date.
5. The Shareholders' Meeting shall be called by the Board of Directors. The chairman of the Board of Directors shall preside over the meeting. If the chairman of the Board of Directors takes a leave or is not available for the meeting then the vice-chairman of the Board of Directors shall act on his/her behalf to preside over the meeting. If neither the chairman nor the vice-chairman of the Board of Directors is available for the meeting, or no vice-chairman is elected, the chairman shall designate a director of the Board of Directors to act on his/her behalf to preside over the meeting. The Board of Directors shall elect a director to act on the chairman's behalf if the chairman does not appoint a designee. In the event that a Shareholders' Meeting is called by a person other than the Board of Directors who is entitled by law to call a Shareholders' Meeting, that person shall preside over the meeting.
6. The Company may designate attorneys, certified-public-accountants, or relevant personnel to attend the Shareholders' Meeting.
7. The Shareholders' Meeting shall be recorded in their entirety by video or audio recording equipment, and such records shall be kept on file for one year following each such meeting.
8. The person who presides over the Shareholders' Meeting shall call the meeting in session at the designated time of the meeting. However, such person may announce a postponement of the meeting if at the designated time shares in attendance fail to exceed half of the total issued and outstanding shares of the Company. Such a postponement of meeting shall not be made more than two times, with postponement(s) limiting to one hour in aggregate. If, after second such postponement, shares in attendance are less than a quorum but more than one-third of the total issued and outstanding shares, the Shareholders may proceed with such meeting pursuant to Article 175 of the Company Act to adopt provisional resolutions. Before the meeting is adjourned, if shares in attendance have reached a required quorum, the person presiding over the meeting may, pursuant to Article 174 of the Company Act, submit those provisional resolutions so adopted for a final resolution at the meeting.
9. If Shareholders' Meeting is called by the Board of Directors, the Board of Directors shall set the agenda of the meeting. The meeting shall proceed in accordance with the agenda so set by the Board of Directors unless otherwise changed by a resolution adopted at the Shareholders' Meeting. During the meeting, the person presiding over the meeting may allocate an appropriate amount of time for recess. Unless otherwise adopted by a resolution, the person presiding over the meeting may not adjourn the meeting prior to the end of the agenda of the meeting. If the person presiding over the meeting declares the adjournment of the meeting in a manner in violation of the applicable rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution adopted by a majority of the voting rights represented by the Shareholders attending said meeting to continue the proceeding of the meeting.
10. A Shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and Shareholder's account number. The person presiding over the meeting shall determine the order to make such oral statements. Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail. No Shareholders shall interfere with the Shareholder who is making oral statement in any way unless the chairman of the meeting and the speaking Shareholder gives his/her consent. The person presiding over the meeting shall stop any such interference.
11. Unless otherwise approved by the person presiding over the meeting, each Shareholder may not make oral statements exceeding twice for a same proposal or addressing matter under deliberation; and the length each oral statement shall not exceed 5 minutes. Otherwise, the person presiding over the meeting may

- stop the Shareholder from making further statements.
12. A legal entity acting as a proxy for a Shareholder to attend the meeting may appoint only one representative to attend the meeting. If more than one representatives are appointed by such legal entity to attend the meeting, only one person elected among them may make oral statements on the same proposal.
 13. The person presiding over the meeting may reply to the oral statements, or may designate appropriate person to reply to the oral statements made by Shareholders in attendance.
 14. The person presiding over the meeting may declare the suspension of discussing of a proposal as he/she may deem appropriate and may submit the proposal for adopting a resolution.
 15. The person presiding over the meeting shall appoint persons among the Shareholders in attendance to supervise the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the voting shall be announced immediately, and a record of the same shall be made accordingly.
 16. Unless otherwise provided in the Company Act or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the Shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.
 17. The person presiding over the meeting shall determine the order of voting on amendment proposals or substituted proposals accompanying with their original proposals. As soon as one of those proposals is adopted as a resolution, other proposals in conflict regarding the same matter shall be deemed denied and shall require no further voting.
 18. The person presiding over the meeting may direct monitors (or security guards) to maintain order at the meeting. Monitors (or security guards) shall wear a badge marked "SECURITY" or "MONITOR" when performing their duties at the meetings.
 19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the Shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to Shareholders.
 20. The applicable provisions of the Company Act and the Company's Articles of Incorporation shall govern any matter not provided herein.
 21. These Regulations and any amendments thereto, shall become effective upon approval by the Shareholders.
 22. Approved by the General Shareholders' Meeting held on Nov. 27, 2017.

Appendix 2

Acer Cyber Security Incorporated **Articles of Incorporation (Before the revision)**

CHAPTER I – GENERAL PROVISIONS

- Article 1 This Company shall be incorporated in accordance with the Company Law, and its name shall be 安基資訊股份有限公司 in the Chinese language, and Acer Cyber Security Incorporated in the English language.
- Article 2 The scope of business of this Company shall include the following:
- I301010 Software Design Services
 - I301020 Data Processing Services
 - I301030 Digital Information Supply Services
 - IZ13010 Internet Identify Services
 - I103010 Enterprise Management Consultancy
 - F118010 Wholesale of Computer Software
 - F218010 Retail Sale of Computer Software
 - F113050 Wholesale of Computing and Business Machinery Equipment
 - F213030 Retail sale of Computing and Business Machinery Equipment
 - F113070 Wholesale of Telecom Instruments
 - F213060 Retail Sale of Telecom Instruments
 - CC01050 Data Storage Media Units Manufacturing
 - I601010 Rental and Leasing
 - JZ99050 Agency Services
 - F301030 General Merchandise
 - G902011 Type II Telecommunications Enterprise
 - H703100 Real Estate Rental and Leasing
 - ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 This Company may, for its business operations or other investment matters, make endorsements or issue guarantees.
- Article 4 The headquarters of this Company shall be located in Taipei City, Taiwan, R.O.C. If the Company considers it's necessary, it may, by a resolution adopted at a meeting by the Board of Directors, set up branch offices in Taiwan or abroad.
- Article 5 If the Company considers it's necessary for business operation, it may make investment, and it may, by a resolution adopted at a meeting by the Board of Directors, be a corporate Shareholder of other company with limited liabilities. The total amount of investment made by this Company shall be exempt from the

restriction under Article 13 of the Company Law.

- Article 6 Public announcements of the Company shall be made according to Article 28 of the Company Act.

CHAPTER II – CAPITAL STOCK

- Article 7 The total amount of this Company capital stock is NT\$ 3,000,500,000 divided into 300,050,000 shares at par value of NT\$10 per share, within which the Board of Directors is authorized to issue shares in installments.

NT\$ 20,000,000 of the aforesaid total capital stock is reserved for exercising stock options, within which the Board of Directors may be authorized to issue shares in installments according to laws and regulations.

When this Company issues employee stock options, transfers treasury stock to employees, issues new shares reserved for subscription by employees, and issues restricted stock for employees, the employees of subsidiaries of this Company may be included. Qualification requirements of the employees who are entitled to receive the aforesaid shall be set and specified by the Board of Director.

To issue employee stock options that the exercise price may be lower than the closing price of this Company stocks as of the issue date, this Company must have obtained the consent of at least two-thirds of the voting rights represented at a Shareholders Meeting attended by Shareholders representing a majority of the total issued shares.

To transfer shares to employees at less than the average actual repurchase price, this Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent Shareholders Meeting attended by Shareholders representing a majority of total issued shares.

- Article 8 After approval for registration, the share certificates of this Company shall be issued in registered form, signed by, and affixed with the seals of, at least three directors of this Company, and authenticated by the competent registrar.

The Company may issue shares without printing share certificate, provided that it shall register such issued shares with a centralized securities depository enterprise. The same applies in case of issuing other marketable securities.

The Company's withdrawal of application for public issuance shall be resolved by the Shareholders Meeting in accordance with the Company Act and relevant laws and regulations. This Article shall not be modified as long as the Company is under the process of applying for the qualifications of an emerging stock company and OTC/listed company.

- Article 9 The transfer of share certificates shall not be filed with the Company within sixty (60) days prior to the date of the annual Shareholders' Meeting or within

thirty (30) days prior to the special Shareholders' Meeting or within five (5) days prior to the date fixed for allocating dividends, bonuses or other benefits.

The affairs of share certificates shall be ascertained by referring to the Regulations Governing the Administration of Shareholder Services of Public Companies unless specified otherwise by law and securities regulations.

CHAPTER III – SHAREHOLDERS' MEETINGS

Article 10 Shareholders' Meetings of this Company are classified into (1) regular meetings and (2) special meetings. The Board of Directors shall convene regular meetings within six (6) months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law. The notice of Shareholders' Meeting may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice of the Shareholders meeting to Shareholders who own less than 1,000 shares of nominal stocks may be given by the Company in the form of a public announcement. The notice and public announcement of Shareholders' Meeting shall be ascertained by referring to Article 172 of the Company Act.

Article 11 Where a Shareholder is unable to attend a meeting; such Shareholder may appoint a proxy by using the proxy form provided by this Company, which shall specify the scope of proxy and be signed or sealed by the Shareholder. Where one person has been appointed to act as proxy for more than two Shareholders, unless such person represents a trust enterprise or agent for stock affairs approved by the security authority, the votes exercised by such person which exceeding three percent (3%) of all the issued and outstanding shares of this Company shall not be counted.

The above-mentioned proxy forms shall be delivered to this Company five (5) days before the Shareholders' Meeting. In case of duplicated forms were received, the proxy received earlier shall be effective.

Besides Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act, the policies of Shareholders' appointment of proxy shall also be ascertained referring to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

After this Company becomes an OTC/listed company, it shall provide electronic voting mechanism as one of the options for Shareholders to exercise their voting rights.

Article 12 Unless otherwise regulated by law, each Shareholder of this Company owns one vote per share.

Article 13 Except as otherwise provided by the Company Law, a resolution of Shareholders meeting shall be adopted by the Shareholders of a majority of the votes of the

issued and outstanding shares represented at such meeting at which the Shareholders of a majority of issued and outstanding shares are present.

Resolutions adopted at a Shareholders' Meeting shall be recorded in the minutes of the meeting according to Article 28 of the Company Act.

CHAPTER IV – DIRECTORS AND COMMITTEE

Article 14 This Company shall have five (5) ~ nine (9) directors, to be elected from the nominees listed in the roster of director with the candidate nomination system. The term of office of directors shall be three (3) years. The directors are eligible for re-election.

To comply with Article 14-2 of the Securities and Exchange Act, the Company shall establish at least three (3) independent directors, occupying equal to/exceeding seats of one fifth of the elected directors, to be included in the number of directors designated in the preceding paragraph. The profession qualifications of independent directors, and their holding shares number, non-competition limitation, nomination, election and other items requiring compliance shall be ascertained referring to regulations of the security authority.

The Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be obligated to perform those duties of Supervisors specified under the Company Act, Securities and Exchange Act and other relevant laws and regulations.

Article 15 The election of the Company's directors adopts the cumulative voting system. Each share has the same votes/voting rights as the number of directors to be elected. All votes can be used to elect one person collectively, or distributed to several persons. The person received votes representing more voting rights shall be elected as director.

Article 16 The Board of Directors shall consist of directors of the company, and the chairman of the Board of Directors shall be elected by a majority of directors in attendance at a meeting attended by over two-thirds of the Board of Directors. The Company may have a vice chairman through the same way. The chairman of the Board of Directors shall represent this Company in external matters.

Article 17 Where the chairman of the Board of Directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act. Where a director is unable to attend the meeting of the Board of Directors, he may appoint another director as his proxy to attend the meeting by issuing a letter of proxy. Each director can act as a proxy for only one other director. In case that a director attended a meeting of the Board of Directors via visual communication

network, he/she shall be deemed to have attended such meeting in person.

Article 18 The meeting of the Board of Directors shall be convened in accordance with the Company Act and relevant regulations of competent authority; the notice of such meeting to each director may be provided in writing, by electronic mail or facsimile transmission.

Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by more than one-half of the directors at a meeting attended by more than one-half of the directors.

Article 19 For business operation requirements, the Board of Directors may place remuneration committee or other functional committees.

Article 20 The Board of Directors is authorized to determine the compensation for chairman of the Board of Directors and directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within the R.O.C. and overseas, no matter whether the Company has profit or suffered loss.

Article 21 The Board of Directors may buy the Responsibility Insurance for the directors who have to be responsible for the damages caused by their performance of duties during their tenure according to laws and regulations.

CHAPTER V – MANAGERS

Article 22 This Company may have one president and several vice presidents. The appointment, removal, and compensation of such president and vice presidents shall be made in accordance with Article 29 of the Company Act.

CHPATER VI – ACCOUNTING

Article 23 At the end of each business fiscal year, the following reports shall be prepared by the Board of Directors, and shall be submitted to the Shareholders' Meeting for approval:

- (1) Business Report;
- (2) Financial Report;
- (3) Proposal of Appropriation of Net Profit or the Covering of Losses.

Article 24 Where there is profit at the end of each fiscal year, after covering the accumulated losses, at least 2% of the profit shall be distributed as employees' compensation and no more than 0.8% shall be allocated as the remuneration for directors.

The employees' compensation in the previous section may be distributed in the form of either cash or stock bonus, and may be distributed to the employees of subsidiaries of this Company. Qualification requirements of the employees who are entitled to receive the employees' compensation shall be specified by the

Board of Directors.

Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous years, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total authorized capital. Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount of the same may be allocated to Shareholders as dividends and bonuses after the resolution of proposal, submitted by the Board of Directors, has been made by the Shareholders' Meeting. Except distribution of reserve in accordance with competent laws and regulations, the Company shall not pay dividends or bonuses when there is no profit.

The distributable dividends and bonuses in whole or in part will be paid in cash by this Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.

- Article 25 Considering that the industry life cycle is in growth stage, the Company's dividend policy is set based on capital budgeting needs for long-term financial planning, as well as Shareholders' interests and other factors. The Shareholders' dividends allocated shall not be lower than 2% of the annual distributable surplus. The method for allocation of Shareholders' dividends could be done in cash or stock dividends, where the proportion of cash dividends should not be less than 10% unless the Board of Directors decided not to distribute and such decision was approved by the Shareholders meeting. When the Company has no surplus, no dividends and bonuses will be distributed; however, the legal reserve and capital reserve may be distributed in whole or in part according to laws and regulations or the competent authority based on the consideration of the Company's financial, business and operating aspects.

CHAPTER VII – SUPPLEMENTARY PROVISIONS

- Article 26 The Company Act and related regulations shall govern any matter not provided in these Articles of Incorporation.
- Article 27 These Articles of Incorporation were approved on May 24, 2000
The first amendment was approved on August 1, 2000
The second amendment was approved on December 7, 2000
The third amendment was approved on February 1, 2001
The fourth amendment was approved on February 26, 2001
The fifth Amendment was approved on November 2, 2002
The sixth amendment was approved on December 10, 2002
The seventh amendment was approved on March 31, 2003
The eighth amendment was approved on April 17, 2006

The ninth amendment was approved on June 28, 2010

The tenth amendment was approved on December 1, 2015

The eleventh amendment was approved on February 9 , 2018

The twelfth amendment was approved on December 13, 2018

The thirteenth amendment was approved on June 21, 2019

Appendix 3

Acer Cyber Security Incorporated

Procedures Governing Acquiring or Disposing of Assets

(Before the revision)

Article 1 Purpose and Legal Basis

To enhance the management of the Company's "Procedures Governing Acquiring or Disposing of Assets," these Procedures are adopted and amended in accordance with the Securities and Exchange Law, "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and relevant laws and regulations.

Article 2 Scope of "assets" as used in these Procedures is as follows:

1. Investments in stocks, government bonds, corporate bonds, financial debentures, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc.
2. Real estate (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Membership certificates.
4. Intangible assets, such as patent right, copyright, trademark right, franchise, etc.
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables)
6. Right-of-use assets.
7. Derivative products.
8. Assets acquired or disposed by mergers, splits, acquisition or share transfer in accordance with laws.
9. Other major assets.

Article 3 Definition

Terms used in these Procedures are defined as follows; any term is not defined herein, it shall have the same definition in accordance with the Securities and Exchange Act, Regulations Governing the Acquisition and Disposal of Assets by Public Companies and relevant laws and regulations:

1. "Derivative Products": means forward contracts, options contracts, futures contracts, leverage contracts, swap contracts, hybrid contracts combining the above contracts, or hybrid contracts or structured products containing embedded derivatives, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rates, index of prices or rates, indexes, credit rating or credit index, or other variable. The term "forward contracts" does not include insurance contracts, fulfillment contracts,

after-sales service contracts, long-term leasing contracts and long-term purchase (sale) contracts.

2. “Assets Acquired or Disposed Through Mergers, Splits, Acquisitions or Share transfer Pursuant to Laws”: means assets acquired or disposed through mergers, splits, acquisitions in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts or, or to facilitate share transfer from another company through issuance of the Company’s new shares as the 2. consideration therefor (hereinafter "share transfer") under Article 156-3 of the Company Act.
3. ”Related Party” and “Subsidiary”: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. “Date of occurrence of the event”: means the date of contract signing, date of payment, date of consignment trading, date of transfer, date of resolution of Board of Directors, or other date which can confirm the counterparty and trading amount, 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.
5. “Professional appraiser”: refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or equipment.
6. “Mainland area investment”: refers to investments in China 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.
7. “Securities exchange”: domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue (the "OTC venue" or "OTC"): domestic OTC venue refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; foreign OTC venue refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets

1. Acquisition or Disposal of Securities
 - (1) For securities acquired or disposed of in the centralized exchange market or OTC venue, the operating department shall submit items such as the reasons

- for the proposed acquisition or disposal, targeted assets, and price reference, etc. to the in-charge department for the decision.
- (2) For securities not acquired or disposed of in the centralized exchange market or OTC venue, the operating department shall submit items such as the reasons for the proposed acquisition or disposal, targeted assets, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision.
2. For acquisition or disposal of real estates, equipment, right-of-use assets of real estate, right-of-use assets of equipment, membership certificates, intangible assets, and assets acquired or disposed of by mergers, splits, acquisition or share transfer in accordance with laws, the operating department shall submit items such as the reasons for the proposed acquisition or disposal, targeted assets, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision.
3. For evaluation of derivative products, the finance manager shall hold periodic meetings with relevant persons examining operational strategies and performances. In principle, derivatives trading positions held shall be evaluated at least once per week; however, positions and performance for hedge trades required by business shall be evaluated at least twice per month by the finance manager. Evaluation reports shall be submitted to the Company's President.
4. The appraisal reports to the Company or any Subsidiaries which shall comply with these Procedures, written opinions provided by a certified public accountant, attorney, or securities underwriter, the qualifications of said professional appraisers and their personnel, certified public accounts, attorneys, and securities underwriters, and the process when issuing an appraisal report or opinion, shall comply with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and related regulations.
5. Relevant operations for acquisition or disposal of assets shall be handled in accordance with the Company's regulations relating to the internal control system.

Article 5 Procedures for Approval of Acquisition or Disposal of Assets

1. Methods and the Reference Basis for the Decision on Price
- (1) For securities purchased and sold in the centralized exchange market or OTC venue, the price shall be determined according to market price at the time of transaction. For securities not acquired or disposed of in the centralized exchange market or OTC venue, the price shall be determined by reference to net worth per share, profitability, potential for future development, and then transaction price.

- (2) The acquisition or disposal of real estate, equipment, right-of-use assets of real estate, or right-of-use assets of equipment shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate, it shall be determined by reference to the publicly announced current value, appraised current value, and actual transaction price in the vicinity.
- (3) For acquisition or disposal of membership certificate, the price shall be comprehensively evaluated by reference to future anticipated added-value and produced benefit.
- (4) For acquisition or disposal of intangible assets such as patent right, copyright, trademark right, and franchise, the price shall be determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legal protected conditions, circumstances of license and implementation, production cost or implementation cost, in addition thereto, the relevant elements of right owners and licensees shall also be overall considered.

2. Amount and Level of Authorization

In-charge department of the Company shall decide within its authority on the acquisition and disposal of assets in the following situations; provided, however, that matters governed by Article 185 of the Company Act shall be approved by the shareholders' meeting in advance:

- (1) Unless otherwise provided below, the acquisition or disposal of securities shall be approved by the Board of Directors before its execution: The investment of idle fund shall be limited within government bond, domestic bond fund, financial debentures, monetary fund and US treasury bond. The amount of investment for each single transaction or the transactions within one day not exceeding NT\$12 million shall be approved by the head of financial department; the approval of the Company's President is required for amount between NT\$12 million and NT\$15 million; and the approval of the Company's Chairman is required for amount exceeding NT\$15 million.
- (2) The acquisition or disposal of real estate and its right-of-use assets shall be approved by the Board of Directors before execution.
- (3) The acquisition or disposal of equipment or its right-of-use assets shall be approved by the Board of Directors with the amount is more than NT\$20 million. Provided that the amount not exceeds NT\$20 million, it shall be determined upon the Company's level of authority.
- (4) The Business Foreign Exchange Risk Management and Structured Deposit-related Financial Products Management Regulations are enacted, in accordance with the Company's development of turnover and variation of risk position, for the process of the authorization of acquisition or disposal of derivative products.

- (5) The acquisition or disposal of patent rights, copyrights, trademark rights, franchise rights, and other intangible assets shall be decided by the Board of Directors.

3. Operating Department

Finance department is the operating department for securities and derivative product investments; the using department and relevant in-charge departments are the operating departments for investments in real estate, equipment, right-of-use assets of real estate, right-of-use assets of equipment, intangible assets, membership certificate and assets acquired or disposed of through mergers, splits, acquisition or share transfer.

Article 6 The Standards for Public Announcement

1. For acquisition or disposal of the Company's assets as provided below, the Company shall announce the same at the website designated by the Competent Authority in a form stipulated by the Competent Authority based on its nature, within two days commencing immediately from the date of occurrence of said matter:
 - (1) acquisition or disposal of real estate or right-of-use assets of real estate from Related Party; or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate from Related Party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300 million or more; provided, however, that trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises shall not be applied.
 - (2) proceeding mergers, splits, acquisition or share transfer.
 - (3) enacting in derivative products transactions and the loss reaching the maximum loss limit amount of the total or individual contract as provided in relevant procedures.
 - (4) acquisition or disposal of equipment or right-of-use assets of equipment for business use, the counterparty is not a Related Party, and the transaction amount reaches either of the follows:
 - A. the transaction amount is NT\$500 million or more in the event the paid-in capital of the Company is less than NT\$10 billion.
 - B. the transaction amount is NT\$1 billion or more in the event the paid-in capital of the Company is NT\$10 billion or more.
 - (5) where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on a leased land, joint construction and allocation of housing units, ownership percentages, or sale

- percentages with an party which is not a Related Party, and the amount the Company expects to invest in the transaction is NT\$500 million or more.
- (6) asset transactions other than those provided in the preceding items (1) to (5), a disposal of receivables by a financial institution, or investment in Mainland China, the transaction amount reaches 20% of Company's paid-in capital or NT\$300 million or more; provided, however, that the following situations are not applied:
 - A. purchase and sale of domestic government bond.
 - B. trading of bonds under repurchase/resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises.
2. The transaction amount in the preceding paragraph is calculated in accordance with the methods provided below:
 - (1) the amount of an individual transaction.
 - (2) the transaction amount accumulated within one year with the same counterparty in the acquisition or disposal of the targeted assets of the same type.
 - (3) the amount accumulated (the transaction amount for acquisition and disposal are separately accumulated) within one year in the acquisition or disposal of real estate or right-of-use assets of real estate within the same development project.
 - (4) the amount accumulated (the transaction amount for acquisition and disposal are separately accumulated) within one year in the acquisition or disposal of the same securities.
 3. "Within one year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.
 4. The Company shall monthly report the transaction of the derivative products engaged by it and its Subsidiaries not categorized as domestic public companies up to the end of the previous month by entering the information in the stipulated form to the website designated by the Competent Authority for filing of information before the 10th date of each month.
 5. Where there is an error or omission in an item required to be announced according to regulations at the time of announcement and correction is required, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date of knowing of the error or omission.
 6. Unless otherwise provided by other laws, the Company acquiring or disposing assets shall retain all relevant contracts, meeting minutes, registry, appraisal

reports, and opinions of accountants, attorneys and security underwriters for at least 5 years.

7. After announcing and filing the transaction in accordance with these Procedures, the Company shall make a public announcement of relevant information in the website designated by the Competent Authority within two days commencing immediately from the date of occurrence of any following matter:
 - (1) The executed relevant contracts of the original transaction have been changed, terminated or ceased.
 - (2) Mergers, splits, acquisition or share transfer have not been completed in the anticipated timeframe as provided in the contracts.
 - (3) Any change in the content of the original announcement and filing.

Article 7 Scope and Amount of Acquisition or Disposal of Assets

1. The Company's acquisition or disposal of assets shall not violate rules provided herein below:
 - (1) Except for acquiring the real estate for business use, the Company shall not purchase real estate or right-of-use assets of real estate for non-business use.
 - (2) Total investment in securities and investment in single security shall not exceed the shareholder's equity of the Company as certified by the accountant.
2. The limitations to the Subsidiary of which the Company owns more than 50% shares on amounts of acquisition or disposal of assets shall not violate rules provided herein below:
 - (1) Except for acquiring the real estate for business use, the Subsidiary shall not purchase real estate or right-of-use assets of real estate for non-business use.
 - (2) Total investment in securities shall not exceed 40% of the shareholder's equity of the Company as certified by the accountant.
 - (3) Investment in a single security shall not exceed 20% of the shareholder's equity of the Company as certified by the accountant.

Article 8 Control Procedures for Acquisition or Disposal of Assets of the Company's Subsidiaries

1. For the acquisition or disposal of assets by the Company's Subsidiaries thereof that is not a public company in Taiwan, either one of the following shall be processed in advance:
 - (1) The acquisition or disposal shall be approved and executed by the Company's Board of Directors and relevant departments of the Company

in accordance with these Procedures, and the Company's Subsidiaries shall cooperate to handle relevant matters; or

- (2) The Subsidiaries' "Procedures Governing Acquiring or Disposing of Assets" shall be enacted and executed in accordance with regulations; and filed with the Company's Board of Directors for approval. Any amendment thereto shall be subject to the same procedures.
2. Where Subsidiaries of the Company not categorized as domestic public companies whose acquisition or disposal of assets reach the thresholds of public announcement under these Procedures, the Company shall also make a public announcement with copies to relevant competent authorities in accordance with these Procedures.
3. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a Subsidiary under the preceding paragraph is subject to Paragraph 1 of Article 6 (in the event the type of transaction reaches 20% of paid-in capital or 10% of total assets) under these Procedures.
4. For the acquisition or disposal of assets by the Company's Subsidiaries that is a public company in Taiwan, the Subsidiaries shall comply with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and related regulations.

Article 9 Punishment of Violation of the Procedure

If relevant employees and personnel of the Company violate these Procedures, they will be subject to the regulations of the Company's Personnel Administration Regulations or relevant work rules.

Article 10 Appraisal Report of Professional Appraisal Institutions

In acquiring or disposing of real estates, equipment, right-of-use assets of real estate, or right-of-use assets of equipment, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless otherwise transacted with a domestic government institution, engaging others to build on its own land, engaging others to build on leased land, or acquiring or disposing of equipment or right-of-use assets of equipment for business use, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraisal institution and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted to the Board of Directors for approval in advance, as well as any future changes to the terms and conditions of the transaction thereto.

2. Where the transaction amount is NT\$1 billion or more, at least two competent appraisers should be consulted.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) the discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - (2) the discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser institution and the effective date of the contract; provided, however, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 11 Certified Public Accountant's Opinions

1. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the targeted company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, a certified public accountant shall be retained prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the certified public accountant needs to use the report of an expert as evidence, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.
2. In acquiring or disposing intangible assets, right-of-use of intangible assets, or membership certificate and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacted with a domestic government institution, shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the certified public

accountant shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.

3. Where the Company acquiring or disposing of assets through court auction procedures, the evidentiary documentation issued by the court may substitute the appraisal report or CPA opinion.

Article 11-1 In addition that handling of the acquisition or disposal of assets between the Company and Related Party shall proceed with relevant approval procedures and evaluate the reasonableness of terms of the transaction in accordance with these Procedures, where the transaction amount reaches 10% of the Company's total assets or more, an appraisal report or a certified public accountant's opinion shall also be required in accordance with Articles 10 through the preceding Article. When judging whether the counterparty is a Related Party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 11-2 The transaction amount in the preceding three Articles are calculated in accordance to Paragraph 2 of Article 6 where the "within one year" is used refers to the year preceding the date of occurrence of the current transaction, and items previously obtained appraisal reports or certified public accountants' opinions in accordance with these Procedures need not be counted toward the transaction amount.

Article 12 Regarding the acquisition or disposal of real estate or right-of-use assets of real estate with the Related Parties, or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate with the Related Parties where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300 million or more; provided, unless it's about trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall submit information provided below to the audit committee for approval of audit committee members and then submit the same to the Board of Directors for further approval before signing the contracts and payments:

1. the purpose, necessity and the anticipated benefit of the acquisition or disposal of assets.
2. reasons for choosing the Related Party as a trading counterparty.
3. with respect to the acquisition of real property or right-of-use assets of real property from a Related Party, information regarding appraisal of the

reasonableness of the preliminary transaction terms in accordance with Articles 13 and 14.

4. the date and price at which the Related Party originally acquired the real property, the original trading counterparty, and such trading counterparty's relationship to the Company and the Related Party.
5. monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a certified public accountant's opinion obtained in accordance with these Procedures.
7. Restrictive covenants and other important stipulations associated with the transaction.

The transaction amount in the preceding paragraph is calculated in accordance with Paragraph 2 of Article 6 where “within one year” is used in these Procedures refers to the year preceding the date of occurrence of the current transaction, and items previously approved by the audit committee members and submit to the Board of Directors for further approval in accordance with these Procedures need not be counted toward the transaction amount.

Regarding the acquisition or disposal of equipment for business use among the Company, its parent companies or subsidiaries, the Company's Board of Directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

Article 13 The Company purchases real estate or right-of-use assets of real estate from a Related Party shall comply with methods provided below to evaluate the reasonableness of the transaction cost:

1. Based on the transaction price of the Related Party plus necessary interest on funding and the cost to be borne by the buyer according to law. “Necessary interest on funding” shall be imputed based on the weighted average interest rate of the funding borrowed by the Company in the year of purchase of the asset; however, 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, however, that the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have

been one (1) year or more. However, this shall not apply where the financial institution is a Related Party of one of the trading counterparties.

3. Where both the land and building on the property in question are purchased or leased in one transaction, the cost of the transaction may be reached by respectively evaluating such land and building based on either of the methods described above.
4. The Company acquires real property or right-of-use assets of real property from a Related Party and appraises the cost of the real property in accordance with the preceding Paragraphs 1, 2 and 3 shall also engage a certified public accountant to check the appraisal and render a specific opinion.
5. Where the Company acquires real property or right-of-use assets of real property from a Related Party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Articles 5 and 12, and the preceding four paragraphs do not apply:
 - (1) the Related Party acquires real estate or right-of-use assets of real estate through inheritance or as a gift.
 - (2) more than five (5) years will have elapsed from the time the Related Party signed the contract to obtain the real property or right-of-use assets of real property to the signing date for the current transaction.
 - (3) the real property is acquired through signing of a joint development contract with the Related Party, or through engaging a Related Party to build real property, either on the Company's own land or on leased land.
 - (4) the acquisition or disposal of real estate's right-of-use assets, which is for business use, between the Company and the Subsidiary, or between two Subsidiaries in which the Company holds, directly or indirectly, 100% of the shares outstanding or total capital.

Article 14 When the results evaluated by the Company in accordance with paragraphs 1, 2 and 3 of the preceding Article are all lower than the transaction price, the matter shall be handled in accordance with Article 15; provided, however, where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a certified public accountant have been obtained, this restriction shall not apply:

1. Where the Related Party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and buildings, 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 of the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property or leasing market practices.

2. Where the Company acquiring real property by purchasing or acquiring right-of-use assets of real estate by lease from a Related Party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

The completed transactions for 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; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets of real property.

Article 15 Where the Company acquires real property or right-of-use assets of real property from a Related Party and the results of appraisals conducted in accordance with Articles 13 and 14 are all lower than the transaction price or there are evidences showing that the aforesaid transaction is a non-arm's length transaction, the following steps shall be done:

1. a special reserve shall be set aside in accordance with the Securities and Exchange Act and related regulations against the difference between the real property or right-of-use assets of real property transaction price 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 paragraph 1, Article 41 of Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

2. the audit committee handling the matter pursuant to Article 218 of the Company Act.
3. actions taken pursuant to the preceding subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

After setting aside a special reserve pursuant to the preceding paragraph, the Company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or the assets have been disposed of, terminated the lease agreement, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Competent Authority has given its consent.

Transaction of Derivative Products

Article 16 The Company engages in transactions of derivative products shall pay strict attention to control of the following important risk management and auditing matters, and incorporate them into their Procedures:

1. Trading principles and strategies: shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts.
2. Risk management measures.
3. Internal auditing system.
4. Regular evaluation methods and the handling of irregular circumstances.

Article 17 The Company engaging in derivatives trading shall adopt the following risk management measures:

1. The scope of risk management shall include the risk management of credit, market price, liquidity, cash flows, operation and legal risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or high-level managers with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to high-level managers authorized by the Board of Directors.

5. Other important risk management measures.

Article 18 Principles of Supervision and Management of the Board of Directors:

1. Assign high-level managers to pay continuous attention to monitoring and controlling derivatives trading risk.
2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

The Principles of Supervision and Control of the High-Level Managers Authorized by the Board of Directors:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the rules to engage in the transaction of derivative products stipulated by the Company.
2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.

The Company shall report to the next meeting of the Board of Directors after it authorizes the relevant personnel to handle derivative trading in accordance with its enacting the Regulation of Foreign Exchange Risk Management and Structured Deposit.

Article 19 The Company shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Subparagraph 4 of Article 17, Subparagraph 2 of Paragraph 1 and Subparagraph 1 of Paragraph 2 of Article 18 shall be recorded in detail.

The Company's internal auditors shall periodically check the suitability of internal controls on derivative transactions and conduct a monthly audit of compliance of the trading departments with the procedures to engage in the transaction of derivative products, and prepare an audit report. If any material violation is discovered, the audit committee and its members shall be notified in writing.

Mergers, Splits, Acquisitions and Share Transfer among Enterprises

Article 20 Before convening the meeting for the Board of Directors for a resolution, the Company engaging in a merger, split, acquisition or share transfer shall retain accountants, attorneys or securities underwriters to provide opinions on the

reasonableness of the share conversion rates, acquisition price or the cash or other assets distributed to shareholders, and submit the opinions to the Board of Directors to discuss for approval. Provided, when the Company merges its Subsidiary in which the Company holds, directly or indirectly, 100% of the shares outstanding or total capital, or a merger occurs between its Subsidiaries in which the Company holds, directly or indirectly, 100% of the shares outstanding or total capital, the foregoing experts' opinions are not required.

Article 21 Prior to convening the shareholders' meeting, the Company participating in a merger, split or acquisition shall prepare a public report to shareholders detailing important contractual content and matters relating to the merger, split, or acquisition and include it along with the experts' opinions referred to in the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, split, or acquisition. Provided, however, where another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. If the shareholders' meeting of any company (including the Company) participating in the merger, split 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 Company shall immediately make a public announcement explaining the reasons for such occurrence, the follow-up measures to be taken, and the anticipated date for convening of the next shareholders' meeting(s).

Article 22 Unless otherwise provided by other laws or the Competent Authority is notified in advance of extraordinary circumstances and grants consent, the Company shall convene the board meetings and shareholders' meetings and pass resolutions regarding merger, split or acquisition and relevant matters on the same day with companies participating in a merger, split or acquisition.

Unless otherwise provided by other laws or the Competent Authority is notified in advance of extraordinary circumstances and grants consent, the Company and other companies participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction.

When participating in a merger, split, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the information requested by the Competent Authority and retain it for reference.

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

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

When participating in a merger, split, acquisition or share transfer from a company which is listed on an exchange or has its shares traded on an OTC venue, the Company shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph for recordation.

When participating in a merger, split, acquisition or share transfer of a company which is neither listed on an exchange nor has its shares traded on an OTC venue, the Company shall sign an agreement with such company whereby the latter is required to abide by Paragraphs 3 and 4 of Article 22.

Article 23 All persons participating in or knowing of plan of the Company's merger, split, acquisition or share transfer shall issue a written undertaking of nondisclosure, and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or share transfer.

Article 24 In the Company's participating in a merger, split, acquisition or share transfer, the share conversion rates or the acquisition price may not be arbitrarily changed unless under the following circumstances, and conditions for change shall be provided in the merger, split, acquisition or share transfer contract:

1. Cash capital increase, issuance of convertible corporate bonds, distribution of stock dividends, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. Acts affecting the Company's finances or operations, such as disposal of major assets.

3. Occurrence of major disasters, major technological transformations, or other events affecting the Company's shareholders' equity or the Company's securities prices.
4. An adjustment where any of the companies participating in the merger, split, acquisition, or transfer of shares from another company, buys back its treasury stock according to laws.
5. Increase, decrease, or change in the entities, or number thereof, participating in the merger, split, acquisition or share transfer.
6. Other conditions for change have been provided in the contract and publicly disclosed.

Article 25 In the Company's participation in a merger, split, acquisition or share transfer, the contract shall specify the rights and obligations of the companies participating in the merger, split, acquisition or share transfer and shall also specify the following particulars:

1. Handling of breach of agreement.
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. The scheduled timetable for execution of the plan, and scheduled timeframe for completion.
6. The relevant procedures for handling failure to complete within such timeframe, such as the anticipated date for convening of the shareholders' meeting(s) pursuant to laws

Article 26 Following public disclosure of information about the Company's participating in merger, split, acquisition or share transfer, if the Company has an intention to undertake a further merger, split, acquisition or share transfer with another company, any procedures or legal actions already carried out by the Company under the original merger, split, acquisition or share transfer plan shall be carried out anew except conditions that the number of the participating companies decreases and the companies' shareholders' meeting has made a resolution and authorized the Board of Directors the right for modification, the Company is exempt from convening the shareholders' meeting for another resolution.

Article 27 If the companies participating in the merger, split, acquisition or share transfer are categorized as non-public companies, the Company shall enter into an agreement with them whereby the latter is required to abide by Articles 22, 23 and 26

Article 28 Others

1. Matters not provided herein shall be governed by the relevant laws and regulations and relevant internal rules of the Company. If the Procedures of Acquisition or Disposal of Assets in the original ruling is amended by the competent authority, the Company shall apply the provisions in the new ruling.
2. These Procedures shall be approved by more than half of all audit committee members and submitted to the Board of Directors for further approval and reported to the shareholders' meeting for approval. The same procedures shall apply with any amendment hereto. If a director holds dissenting opinions of Company's matters and there were records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to the audit committee.
3. For the Company's matters which shall be approved by the Board of Directors pursuant to these Procedures or other laws, where a director holds dissenting opinions on the Company's matters and there were relevant records or made in writing, the Company shall submit materials of the director's dissenting opinions to audit committee.
4. When the Company reports these Procedures or the transaction of acquisition or disposal of assets pursuant to the preceding two paragraphs to the Board of Directors for discussion, the Board of Directors shall fully take each independent director's opinions into consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting
5. If approval of more than half of all audit committee members as required in Paragraph 2 is not obtained, these Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.
6. The terms "all audit committee members" in these Procedures and "all directors" in the preceding paragraph shall be calculated as the actual number of persons currently holding those positions.
7. The important transaction of assets or Derivative Products and the matters which shall be admitted by the audit committee pursuant to Paragraph 1, Article 12 of these Procedures shall be approved by half of all audit

committee members and then be submitted to the Board of Directors for further approval, subject to mutatis mutandis application of paragraphs 6 and 7 of this Article.

8. Another stricter management principles may be drafted by the Company's Chairman in accordance with these Procedures and be effective after approval by the Board of Directors with two-thirds vote at a meeting attended by more than two-thirds of the directors. The same procedure shall apply to any amendment thereto.
9. Where the Company's share is no-par stock or its par value per share is not the NT\$10, the transaction amount calculation related to 20% of the paid-in capital under these Procedures shall be calculated based on 10% of equity attributable to owners of the parent company.
10. For calculation of 10% of total assets under these Procedures, the total assets stated in the Company's most recent financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 29 The Procedures were enacted on November 27, 2017.

The first amendment was made on June 1, 2018.

The second amendment was made on December 13, 2018

The third amendment was made on June 21, 2019.

The fourth amendment was made on December 23, 2021.

Appendix 4

Impact of Stock Dividend Issuance on the Company's Business Performance, Earnings per Share and Shareholder Return Rate

The Company did not allot shares for free during the year, so it is not applicable.

Appendix 5

Acer Cyber Security Incorporated Shareholdings of All Directors as of March 29, 2022

Title	Name	Number of Shares
Chairman	Acer Incorporated	10,971,018
	Legal Representative: Maverick Shih	
Director	Acer Incorporated	10,971,018
	Legal Representative: Ben Wan	
Director	Acer Incorporated	10,971,018
	Legal Representative: Meggy Chen	
Independent Director	Ming-To Yu	0
Independent Director	Sophia Tung	0
Independent Director	Steve Ro	0
Total		10,971,018

Note:

- (1) The current number of issued shares in the Company as of Mar. 29, 2022 is 17,240,720 common shares.
- (2) The Company's directors shall hold at least 2,068,886 shares to comply with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".



Acer Cyber Security Inc.

<https://www.acercsi.com>