

**Lang Inc.**  
**(Was known as: “Jye Tai Precision  
Industrial Co., Ltd.”)**

**The 2023 Regular Shareholders  
Meeting**

**Agenda Handbook**

**Meeting time: 9:00 a.m. on June 7, 2023**

**Location: 2F., No. 1, Wuquan Rd., Wugu Industrial Park, New Taipei City  
(Conference Room 222)**

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**Lang Inc.**

**The 2023 Regular Shareholders Meeting procedure**

- I. Call the meeting to order**
- II. Chairman's opening remarks**
- III. Report items**
- IV. Ratifications**
- V. Discussions**
- VI. Elections**
- VII. Other Proposals**
- VIII. Extraordinary Motions**
- IX. Meeting adjourned**

## Two. Meeting agenda

# Lang Inc.

## The 2023 Regular Shareholders Meeting Agenda

- I. Time: 9:00 a.m. on June 7, 2023 (Wednesday)
- II. Location: 2F., No. 1, Wuquan Rd., Wugu Industrial Park, New Taipei City (Conference Room 222)
- III. Form of Shareholders' Meeting: Physical
- IV. Call the meeting to order
- V. Chairman's opening remarks
- VI. Report items
  - (1) 2022 Business Report of the Company.
  - (2) The Audit Committee's Review Report on the 2022 financial statements.
  - (3) Report on the Issuance of Private Placement of Securities by the Company .
  - (4) Report on the 2022 employees' remuneration and directors' remuneration distribution.
  - (5) Report on the implementation that no 2022 earnings would be distributed as cash dividends.
  - (6) The status of the Company's plan to issue common shares by book building to increase capital.
- VII. Ratifications
  - (1) The Company's 2022 business report and financial statements.
  - (2) The Company's 2022 earnings distribution plans.
- VIII. Discussions
  - (1) Amendments to the Company's "Rules of Procedures for Shareholders' Meetings".
  - (2) The Company's 2023 plan to issue common shares and domestic convertible bonds with warrants by private placements.
  - (3) Proposal of the Company's plan to issue common shares by book building to increase capital.
- IX. Elections
  - (1) The election of all the Company's directors (including independent directors)
- X. Other proposals
  - (1) Proposal of the removal of non-competition restrictions on newly elected directors and their representatives.
- XI. Extraordinary Motions
- XII. Meeting adjourned

## Report Items

### **Proposal 1**

The Company's 2022 Business Report is submitted for review.

**Explanation:** Refer to Attachment I (pp. 14–16) of this handbook for the Company's 2022 Business Report.

### **Proposal 2**

The Audit Committee's Review Report on the 2022 financial statements is submitted for review.

**Explanation:** Please refer to Attachment II (p.17) of this handbook for the Company's 2022 Audit Committee's Review Report.

### **Proposal 3**

Report on the Issuance of Private Placement of Securities by the Company is submitted for review.

**Explanation:** In the Company's Shareholders' Meeting held on June 22, 2022, the motion to issue common shares and domestic convertible bonds with warrants by private placements was passed, and the Board of Directors was authorized to proceed, subject to market conditions and the needs of the Company within one year of the date of the Shareholders' Meeting's resolution. Before the expiry date of June 6, 2023, the proceedings of this motion is not yet completed since the related plans are still under planning, therefore, the proceedings of this motion will not be continued within the remaining period before the expiry date.

### **Proposal 4**

Report on the Company's distribution of remuneration to employees and directors in 2022 is submitted for review.

**Explanation:** The Company has a pre-tax net profit of NT\$35,055,429 in year 2022 (not yet recognized as remuneration to employees and directors). In accordance with Article 27 of the Company's Articles of Incorporation, the Company plans to appropriate NT\$794,467 (approximately 2.26% of the profit) as the remuneration to employees and NT\$1,051,663 (approximately 3% of the profit) as the remuneration to directors, all of which are paid in cash.

### **Proposal 5**

Report on the implementation that no 2022 earnings would be distributed as cash dividends is submitted for review.

**Explanation:** According to Article 27 of the "Articles of Incorporation," the Company may withhold distribution if the accumulated distributable net profit falls below 50% of the paid-in capital. The earnings will be reserved and not distributed as cash dividends for considerations of business needs.

### **Proposal 6**

**Cause:** The status of the Company's plan to issue common shares by book building to increase capital is hereby submitted for review.

**Explanation:** At the Company's annual shareholders' meeting held on June 22, 2022, the proposal to conduct a domestic cash capital increase by offering common shares by book building was approved, which authorized the Board of Directors to determine the payment period, capital increase record date, and handle all related matters after submitting and getting approved by the competent authority. Since the relevant plans are still under planning, the execution of this proposal is suspended starting today.

## **Ratifications**

### **Proposal 1**

The 2022 Business Report and financial statements are submitted for ratification. [Proposed by the Board]

#### **Explanation:**

- I. The Company's 2022 Business Report, Consolidated Financial Statements and Parent Company Only Financial Statements were approved by the Audit Committee and ratified by the Board of Directors, in which the Consolidated Financial Statements and the Parent Company Only Financial Statements have been audited by CPAs Heng-Sheng Lin and Shu-Chih Yang from KPMG Taiwan who issued an unqualified opinion upon completion of the audit.
- II. Please refer to Attachment I (pp14-16 ), Attachment III (pp18.-26 ), and Attachment IV (pp. 27-33) of this handbook for the 2022 Business Report, Independent Auditors' Report, and financial statements. °

#### **Resolution:**

### **Proposal 2**

The company's earnings distribution proposal for 2022 is hereby presented for ratifications. [Proposed by the Board]

#### **Explanation:**

- I. The Company's undistributed earnings at the end of the period in 2022 was NT\$124,823,276. The earnings will be reserved and not distributed as dividends to shareholders for considerations of business needs.
- II. Please refer to Attachment V (p.34) of this handbook for the 2022 Earnings Distribution Table.

#### **Resolution:**

## Discussions

### **Proposal 1**

Amendments to the Company's "Rules of Procedure for Shareholders' Meetings" are submitted for review and discussion. [Proposed by the Board]

**Explanation:** To be in line with the Company's practical operation and the sample "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", some of the articles of the Company's "Rules of Procedure for Shareholders' Meetings" are amended. Please refer to Attachment VI (pp.35-57) of this handbook for the Table of Amendments to the Rules of Procedure for Shareholders Meetings.

Resolution:

### **Proposal 2**

**Proposal:** The Company plans to conduct a private placement of common shares and domestic secured convertible bonds for 2023. Please proceed to review. [Proposed by the Board]

#### **Explanation:**

I. To enhance its working capital, repay loans, make reinvestments, or other needs for corporate long-term working capital, the Company plans to raise funds through a private placement after evaluating the capital market conditions, speed, and timeliness of fundraising.

- (I) The main contents of the cash capital increase through the issuance of common shares are as follows:
  - 1. Total number of privately placed shares: proposed issuance shall be limited to 20,000,000 shares.
  - 2. Par value per share: NT\$10.
  - 3. Total amount of private placement: to be determined based on the issue price and the actual number of shares issued.
- (II) The main contents of issuing domestic secured convertible bonds are as follows:
  - 1. Total number of privately placed bonds: proposed issuance shall be limited to 3,000 bonds.
  - 2. Par value: NT\$100,000 per bond.
  - 3. Total amount of private placement: limited to NT\$300,000,000.

For the preceding two privately placed securities, it is proposed to raise funds from specified persons in two tranches within one year from the date of the Shareholders' Meeting resolution on Jun. 7, 2023, depending on the actual needs of corporate management.

II. Under Article 43-6, paragraph 6 of the Securities and Exchange Act, the matters to be explicated for the private placement are as follows:

- (I) Basis and reasonableness of the pricing:
  - 1. The pricing of the Company's privately placed common shares shall be set at no less than 80% of the reference price. The reference price is determined by calculating the simple average closing price of the common shares for either one, three, or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights, or the simple average closing price of the common shares for the 30 business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights. The

higher of the two calculated benchmark prices shall be applied.

2. The determination of the issue price for the Company's privately placed domestic secured convertible bonds shall be set at no less than 80% of the theoretical price of such corporate bonds. The conversion price is determined by calculating the simple average closing price of the common shares for either one, three, or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights, or the simple average closing price of the common shares for the 30 business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights. The higher of the two calculated benchmark prices shall be applied, with the pricing basis set at no less than 80% of the reference price. Please refer to the attachment VII in this handbook (pp.58 -65) for the provisional procedures of issuance and conversion for the privately placed domestic secured convertible bonds.
3. The Company plans to seek authorization from the Shareholders' Meeting for the Board of Directors to determine the actual pricing date and the actual private placement price of the aforesaid securities. It shall not be lower than the resolved percentage by the Shareholders' Meeting and dependent on circumstances of specific individuals and market conditions to be negotiated in the future.
4. The common stock price per share and the conversion price of domestic secured convertible bonds offered in this private placement will be determined under the laws and regulations prescribed by the competent authority. In addition to considering the three-year transfer restriction on privately placed securities stipulated by the Securities and Exchange Act, we also factor in the company's business performance, future prospects, common share market prices, and market practices in determining the pricing. Furthermore, the Company's pricing basis for preceding privately placed securities complies with the provisions of the "Directions for Public Companies Conducting Private Placements of Securities." As there is no material harm to the shareholders' equity, its pricing is considered reasonable.
5. The privately placed common shares and the common shares converted from privately placed domestic secured convertible bonds in this offering have the same rights and obligations as the common shares already issued by the Company. The transfer of the private placement securities under this resolution shall be subject to the restrictions set forth in Article 43-8 of the Securities and Exchange Act. In addition, the Company plans to seek authorization from the Shareholders' Meeting after three full years from the delivery of the private placement securities for the Board of Directors to determine whether to apply to the competent authority for the issuance of a retroactive public offering consent letter and file for the retroactive public offering based on the prevailing circumstances at that time.
6. In the future, where the actual price per share or the conversion price per share determined for issuance is lower than the par value of the stock due to changing factors in the securities market, the pricing basis has been conducted following legal regulations, has reflected the market price conditions, and it is essential to successfully raise funds and facilitate the long-term stable growth of



the company, so such pricing should be necessary and reasonable. Where the price per share and conversion price is lower than the par value, leading to an increase in accumulated losses that affect shareholders' equity, shareholders shall evaluate and discuss at the next annual Shareholders' Meeting whether to reduce capital or adopt other statutory means to offset the losses based on the annual business results.

(II) The means of selecting the specified persons:

The applicants for this private placement resolution are limited to specified persons who meet the requirements of relevant letters and provisions, such as Article 43-6 of the Securities and Exchange Act, the letter with reference number Tai-Tsai-Zheng-(1)-Zi-0910003455 issued by the former SFC, Ministry of Finance, on Jun. 13, 2002, and the "Directions for Public Companies Conducting Private Placements of Securities." As of now, there have been no confirmed applicants

1. The means and purposes of selecting applicants:

Applicants must be those possessing a comprehensive understanding of the Company's operations, those who are beneficial to its future business to achieve the primary goal of generating direct or indirect benefits for future corporate business, and those who are able to meet the requirements of the competent authority for specified persons. Regarding matters related to contacting specified individuals, it is proposed to seek authorization from the Shareholders' Meeting for the Board of Directors to handle these matters with full authority.

(1) Strategic investors as applicants

I. The means and purposes of selection:

The selection of applicants aims to provide essential management and financial resources that can assist the Company's operations, along with business management expertise, improving financial cost management, and supporting business development and expansion to enhance corporate competitive advantages.

II. Necessity:

In response to the objectives of the Company's long-term operational planning, we aim to enhance operational efficiency, reinforce the financial structure, and premeditate strengthening the management stability. The introduction of funds from strategic investors through this private placement will benefit corporate management and business development, as well as improve the overall operational quality and strengthen corporate cohesiveness. Therefore, it is necessary to introduce strategic investors through private placement at this time.

III. Potential benefits:

With capital injection from strategic investors, it can reduce the pressure on working capital costs and reinforce the financial structure, ultimately enhancing corporate competitiveness, which in turn, drives stable growth in corporate operations and benefits shareholder equity.

(III) Necessary reasons for this private placement:

1. Reasons for not adopting a public offering: To fulfill the needs of enriching working capital, repaying loans, reinvestment, or responding to other requirements for corporate long-term working capital development, the Company plans to issue securities through private placement instead of a

public offering in consideration of the quick and convenient timeliness of private placement and the fact that private placement securities are subject to restrictions from free transfer within three years, which can better ensure the long-term relationship between the company and its investment partners. The implementation of this project is expected to improve the financial structure and enhance operational efficiency, resulting in a positive impact on shareholders' equity.

2. Estimated frequency, proposed usage of funds, and potential benefits for each installment of the private placement:

(1) Estimated frequency and amount of private placement:

Private securities item	Par value per share/bond	Issue Cap	Estimated frequency
Common Share	NT per share \$10	20,000,000 shares	It is planned to be processed twice within one year from the date of the Shareholders' Meeting resolution on Jun. 7, 2023.
Domestic secured convertible bonds	NT\$100,000 per bond	3,000 bonds	It is planned to be processed twice within one year from the date of the Shareholders' Meeting resolution on Jun. 7, 2023.

(2) Estimated frequency, proposed usage of funds, and potential benefits for each installment of the private placement:

Private securities item	Estimated frequency	Usage of private funds	Potential benefits
Common Share	First issuance of 10,000,000 shares Second issuance of 10,000,000 shares	Enriching working capital, repaying loans, reinvestment, or responding to other requirements for corporate long-term working capital	Improving and reinforcing the corporate financial structure, enhancing the corporate equity ratio, and boosting future operational performance.
Domestic secured convertible bonds	First issuance of 1,500 bonds Second issuance of 1,500 bonds		
Regarding the anticipated number of privately placed shares/bonds for each item mentioned above, the previously unissued shares/bonds may be combined with the anticipated number of shares/bonds to be issued in subsequent transactions, either wholly or partially. However, the total number of common shares issued must not exceed 20,000,000, and the total number of domestic secured convertible bonds must not exceed 3,000.			

- III. Where the private placement by installments is not expected to be carried out within the prescribed period, or there are no further plans for private placement by installments within the remaining period, and the original scheme is still feasible, the share payments or payments for private securities shall be deemed as received in full.
- IV. The main contents of this private placement of common shares and domestic secured convertible bonds, include pricing percentage, actual issuance terms, conversion procedures, issue price, actual conversion price per share, guarantee conditions, number of shares issued, total amount raised, planned projects, fund utilization progress, potential benefits, and other matters not specified. The Board of Directors will gain authorization from the Shareholders' Meeting to adjust, formulate, and execute these matters based on market conditions within the scope authorized by the Shareholders' Meeting. In the event of any future amendments made by competent authorities or modifications based on operational assessments or objective changes in the environment, it is proposed to seek authorization from the Shareholders' Meeting for the Board of Directors to handle with full authority in accordance with prevailing market conditions and legal regulations.
- V. To facilitate the private placement of securities, it is proposed to seek authorization from the Shareholders' Meeting for the Chairman to represent the Company in signing and negotiating all contracts and documents related to the private placement plan on behalf of the Company, as well as handling all necessary matters pertaining to the private placement plan.
- VI. Please refer Attachment VIII (pp.66-72) of this handbook for the securities underwriter evaluation opinion on the necessity and reasonableness of conducting private placements in 2023. Resolution:

### **Proposal 3**

**Cause:** Proposal of the Company's plan to issue common shares by book building to increase capital is hereby submitted for review. [Proposed by the Board]

#### **Explanation:**

- I. In order to meet the needs of subsequent operations, the Company will be enhancing the working capital and repaying loans, in which it intends to raise cash capital domestically by publicly issuing no more than 15,000,000 shares by means of book building.
- II. The issuance of common shares for cash capital increase is proposed to be handled in the following ways:
1. Pursuant to Article 267 of the Company Act, 10% of the shares issued for the capital increase are reserved for subscription by the employees of the Company, and it is proposed that for the remaining 90% of the shares, the shareholders' meeting is to approve that the original shareholders forfeit their preemptive right to subscribe in accordance with Article 28-1 of the Securities and Exchange Act, and have the remaining shares open for public issuance by means of book building. In the event of surplus amount in the reserved portion due to under-subscription or employees of the Company waiving their subscription rights, the Chairman is authorized to contact specific persons to subscribe.
  2. The actual issue price per share for the common stock to be issued by way of book building for the cash capital increase is calculated in accordance with Article 7 of the "Self-Disciplinary Rules Governing the Offering and Issuance of Securities by Underwriter Members of the Securities Association of the Republic of China.", may not be less than 90% of the average share price of the simple average closing price of the common shares for either one, three, or five business days prior to registering the book building agreement and the underwriting agreement with the Securities Association, subtracting the ex-rights and dividends of

bonus shares issued.

- III. The pricing method referred to above was processed in accordance with the relevant regulations and should be legal. If the relevant laws and regulations in Taiwan are changed, the pricing method may be adjusted in accordance with the laws and regulations. However, the Board of Directors is authorized to determine the actual issue price through negotiation with the lead underwriters within the ranges referred to above based on the circumstance of book building and market conditions.
- IV. In the event that the important details of the current cash capital increase plan, including the underwriting method, issue price, actual number of shares issued, issuance conditions, amount to be raised, planned items, expected progress, expected benefits, and related matters are amended by the competent authority or require amendments due to changes in the objective environment, it is proposed that the Board of Directors shall be authorized to handle such matters with the full authority.
- V. After the proposal for this cash capital increase has been approved by the shareholders' meeting, it is proposed to have the shareholders' meeting to authorize the Board of Directors to set the payment period, record date for capital increase, and to handle all related matters after the proposal has been submitted to and approved by the competent authority.
- VI. The new shares issued this time carry the same rights and obligations as the original shares, and the new shares are issued in dematerialized form.
- VII. For matters not addressed above, it is proposed that the shareholders' meeting to give the Board of Directors full authority to handle all matters in accordance with the laws.

**Resolution:**

## **Elections**

### **Proposal 1**

The election of all the Company's directors (including independent directors) is hereby proposed to be planned.

[Proposed by the Board]

Explanation:

- I. The term of office of the 15<sup>th</sup> Board of Directors of the Company will expire on June 14, 2023; therefore, an election is to be arranged in the 2023 Shareholders' Meeting.
- II. Pursuant to Article 16 of the Company's Articles of Incorporation, the Shareholders' Meeting shall elect 7 directors (including 4 independent directors) from the candidate list for the 16<sup>th</sup> Board of Directors. New directors and independent directors will assume office for three years after the election is held, from June 7, 2023 to June 6, 2026.
- III. The list of candidates (including independent directors) for the 16<sup>th</sup> Board of Directors was approved by the Board of Directors on April 25, 2023. Please refer to Attachment IX (p. 73) of this handbook for the related education, work experience and shares currently held.
- IV. This election is held in accordance with the "Regulations Governing the Election of Directors and Independent Directors" of the Company. Please refer to Attachment IX (p.73) of this handbook for the Voting Results:

## **Extraordinary Motion**

## **Adjournment**

## Other proposals

### Proposal 1

Cause: Proposal of the removal of non-competition restrictions on newly elected directors and their representatives is hereby submitted for review. [Proposed by the Board]

Explanation:

- I. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. The details of the concurrent job positions in other companies of the newly appointed directors and independent directors of the Company are as shown in the table below. Without prejudice to the interests of the Company, it is proposed to request the shareholders' meeting's approval to remove the non-competition restrictions on the directors from the day the directors take inauguration.

Concurrently held job positions in other companies of the director candidates and independent director candidates

Classification	Name	Name and position of the company held concurrently
Director	Chanyeh Investment Co., Ltd. Representative: Wang, Guan-jung	Chairman and General Manager of ShineRay Co., Ltd. Director, Baulong Technology Co., Ltd. Chairman, Chairman, Hong Kong ShineRay Co., Ltd. Chairman, Supervisor, Production Film Co., Ltd.
Director	Yungmei Investment Co., Ltd. Representative: Ma, Yung-rui	CEO, Business Management Department, Eastern Media International Corporation Vice Chairman, ET New Media Holding Co., Ltd. Chairman, Chairman, Chairman,
Director	Yungmei Investment Co., Ltd. Representative: Li, Wan-Yu	Manager of FUTURE LEADING INVESTMENT PTE. LTD.
Independent director	Liu, Yu-wen	Vice President of Finance, Li Guang Technology International Corp.
Independent director	Chang, Chih-chao	Chao Yii International Co., Ltd.
Independent director	Tang, Tsung-Lin	Producer, Golden Star Entertainment Co., Ltd. Producer, WildFire Entertainment Co., Ltd. Producer, How Kan Entertainment Production Co., Ltd. President, How Kan Entertainment Production Co., Ltd.

**Resolution:**

**Extraordinary Motion**

**Adjournment**

## Lang Inc.

### 2022 Annual Business Report

With the advent of the internet era and the rise of new media, live streaming has become a new trend among the masses. Coupled with the significant impact of the pandemic, live streaming featuring entertainment and real-time interactivity has become a trend. Meanwhile, the Company's traditional electronic connector business is facing a rise of the mainland supply chain, resulting in intensified competition pressure for connector manufacturers. To enhance our competitiveness and respond to the rapidly changing market, the Company has conducted an internal evaluation and acquired ShineRay Co., Ltd. (hereinafter referred to as "ShineRay") in 2020. ShineRay mainly operates the Lang Live streaming platform, currently serving as the primary source of the Company's consolidated operating revenue.

#### I. 2022 Business Report

##### (I) Implementation Results of the Business Plan:

The Company's consolidated operating revenue for 2022 was \$3,011,423 thousand, along with a consolidated net income before tax from continuing operations of \$117,069 thousand and a consolidated net income of \$32,817 thousand. The operating revenue and net income mentioned above both experienced significant increases compared to 2021, demonstrating a notable improvement in business performance.

##### (II) 2022 Budget Implementation:

The Company did not prepare any financial forecasts for 2022 thus there was no information available on the implementation of the budget.

##### (III) Financial Revenue, Expenditure, and Profitability

###### 1. Financial revenue and expenditure

Unit: NT\$1,000

Item	2022	2021	Increase (decrease) amount	Increase (decrease) %
Operating revenue	3,011,423	2,716,193	295,230	10.87
Operating costs	2,168,089	2,009,232	158,857	7.91
Gross profit	843,334	706,961	136,373	19.29
Operating expenses	750,058	590,102	159,956	27.11
Operating profit (loss)	93,276	116,859	-23,583	-20.18
Non-operating net income and expenses	23,793	74,475	-51,940	-67.74
Net income (loss) before tax	117,069	191,334	-75,523	39.47
Net income (loss) from continuing operations	32,817	128,552	-21,470	-75.45



Income/loss from discontinued operations	-	1,647	-96,993	-100.00
Net income (loss)	32,817	130,199	-1.647	-75.76

Explanation of the increase or decrease of ratios in the last the two years:

Operating revenues, operating costs, gross profit, and operating expenses: Significantly increased compared to the previous period, mainly due to the increase in the operating revenue of the live streaming platform, which improved its overall operating performance, but operating costs and operating expenses also increased accordingly.

## 2. Profitability analysis

Item	2021	2020
Return on assets (%)	2.29	9.75
Return on equity (%)	4.56	21.14
Ratio of net income before tax to paid-in capital (%)	21.75	35.94
Net profit ratio (%)	1.05	4.73
Basic earnings per share (\$)	0.62	2.60
Diluted earnings per share (\$)	0.61	2.27

### (IV) Research and Development

Since 2020, the Company has undergone an organizational transformation and expanded into the fields of internet technology and cultural creativity, with the internet live streaming business as the primary development focus. To continuously optimize the internet live streaming platform and boost the Company's revenue and profitability, we invested NT\$82.444 million in R&D expenses in 2021.

## II. 2023 Business Plan Summary

### (I) Business Policy and Objectives

In the future, the Company will actively expand into the fields of internet technology and cultural creativity, with a main focus on related businesses such as online live streaming to enhance the Company's value and profitability. In addition to stabilizing our position in the Taiwan market, we plan to lay out a global development strategy from now on. Currently, ShineRay's Lang Live streaming platform already has a certain presence in Taiwan's live streaming market. Going forward, in addition to stabilizing the Taiwan market, we will also keenly develop our live-streaming business for overseas markets. Our initial plan will be expanding into the live streaming markets in Southeast Asia or Japan in Northeast Asia as the next step in our corporate expansion approach.

### (II) Major Production & Marketing Policy

The Company will emphasize the internet business henceforward, with online live streaming as the core development. To fortify the Company's internet business, we will diversify around live streaming products, such as the gaming buddy APPs or other peripheral-related internet APPs.

### (III) Expected Sales and the Basis thereof

The Company has expanded its business operations by adding information software services and data processing services. In particular, the Lang live streaming platform provided by ShineRay has generated

online streaming-related revenue for the Company. Nonetheless, the Company has not prepared any financial forecasts at present, so there are no relevant statistics on expected sales volume.

### **III. Future Development Strategy**

Under dynamic transformation, the Company has achieved remarkable results, mainly due to Lang Live, the internet live streaming business, operated by the subsidiary ShineRay. In the future, we will further advance internet-related businesses, with live streaming as the core, bolstering the integration of internet businesses and replicating the monetization model of live streaming in other internet businesses to provide players with more diversified network platforms and create maximum benefits for shareholders.

### **IV. Effect of External Competition, Legal Environment, and Overall Business Environment**

Owing to the impact of COVID-19, which has not only affected the global economy but also led to new changes to the internet industry and generated greater benefits for ShineRay's live streaming platform at the same time. In 2022, in addition to a good performance in revenue, there was also a decent profit.

Besides complying with domestic policies and regulations, the Company's relevant finance, business, and audit units are also constantly monitoring policies that may affect our operations. At present, there is no material impact on the Company's financial operations in view of changes in domestic and foreign regulatory environment. We will constantly track updates and comply with current and potential regulatory developments and changes to ensure maximum shareholder benefit.

The above report provides the Company's 2022 business overview, 2023 operation outlook, future development strategies, and external environmental impact. We are deeply grateful for the support of all shareholders. The management team will continue to reinforce the Company's strengths, enhance competitiveness, provide customers with the best service, and look forward to continuing to generate the highest returns for shareholders.

**Chairman: Wang, Guan-Jung,**

**General Manager: Wang, Guan-Jung,**

**Chief Financial Officer: Chen, Hua-Tze**

**Lang Inc.**  
**Audit Committee Review Report**

The Board of Directors has prepared the Company's 2022 financial report (including the parent company-only financial report and consolidated financial report), which has been audited by KPMG Taiwan. The report presents fairly, in all material respects, the Company's financial position, operating results, and cash flows. After a thorough review by the Audit Committee, no discrepancies have been found in the above documents alongside the business report and earnings distribution proposal. Hence, in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have prepared this report for your examination and consideration.

To

2023 Shareholders' Meeting of Lang Inc.

Convener of the Audit Committee: Yu-wen Liu



Mar. 15, 2023

**Independent Auditors' Report and  
2022 Consolidated Financial Statements**

**Representation Letter**

The entities that are required to be included in the combined financial statements of Lang Inc. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Lang Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Lang Inc.  
Chairman: Wang Guanzhong  
Date: March 15, 2023

## Independent Auditors' Report

To the Board of Directors of Lang Inc.:

### Opinion

We have audited the consolidated financial statements of Lang Inc. and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, 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 Group as of December 31, 2022 and 2021, 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 Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

#### 1.Revenue recognition

Please refer to note 4 (p) for the relevant accounting policy regarding recognition of revenue, and refer to note 6 (t) for relevant disclosures.

Description of key audit matter:

Lang Inc. and its subsidiaries are mainly engaged in the business of cultural creativity. Operating revenue is one of the important items in financial report and is expected to be the concern of financial report readers; therefore, the recognition of sales revenue is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

The principal audit procedures we have performed to address the aforementioned key audit matter included assessing if accounting treatment for revenue recognition were performed in accordance to relevant statement of standards; tests the design and implementation of the internal control system relating to revenue recognition; assesses whether the timing and amount of revenue recognition are in compliance with the requirements of the relevant statement of standards; and checks whether the records of income transactions and the various vouchers are in conformity.

## 2. Impairment of goodwill

Please refer to notes 4(m) and (n) for the accounting policy on impairment of goodwill, notes 5(a) for “Critical accounting judgments and key sources of estimation uncertainty” , for estimation uncertainty of impairment of goodwill, and notes 6(k)

Description of key audit matterThe goodwill of Lang Inc. and its subsidiaries as of the date of the financial report accounted for 7% of the combined assets, and the assessment of impairment of goodwill is dependent on management’ s estimate. Thus, the impairment of goodwill is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

assessing the goodwill impairment policies, obtaining goodwill impairment evaluations and appropriateness of recognition of goodwill impairment.

## Other Matter

Lang Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’ 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’ 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Group 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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.

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 HENG-SHEN LIN and SHU-CHIH YANG.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2023

#### **Notes to Readers**

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

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



(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
LANG INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
1100	Cash and cash equivalents(note (6)(a))	\$ 606,680	34	621,047	40	<b>Current liabilities:</b>					
1110	Current financial assets at fair value through profit or loss(note (6)(b))	31,123	2	7,176	-	2100	Short-term borrowings(note (6)(l))	\$ 77,400	4	9,400	1
1136	Current financial assets at amortised cost(notes (6)(c)and (8))	303,150	17	10,860	1	2130	Current contract liabilities(note (6)(t))	99,929	6	93,163	6
1170	Accounts receivable, net(notes (6)(d)and (t))	124,051	7	132,419	9	2170	Accounts payable	315,138	18	282,965	18
1200	Other receivables, net(note (6)(e))	16,706	1	3,850	-	2230	Current tax liabilities(note (6)(q))	61,267	3	60,658	4
1410	Prepayments	30,604	2	57,576	4	2200	Other payables	116,271	7	125,622	8
1470	Other current assets	8,415	-	589	-	2280	Current lease liabilities(note (6)(o))	45,077	3	40,397	3
		<u>1,120,729</u>	<u>63</u>	<u>833,517</u>	<u>54</u>	2321	Bonds payable, current portion(note (6)(n))	197,789	11	-	-
1510	Non-current financial assets at fair value through profit or loss(notes (6)(b)and (7))	43,646	2	43,332	3	2399	Other current liabilities, others	20,459	1	2,251	-
1536	Non-current financial assets at amortised cost(notes (6)(c)and (8))	-	-	200,000	13			<u>933,330</u>	<u>53</u>	<u>614,456</u>	<u>40</u>
1550	Investments accounted for using equity method(note (6)(g))	-	-	3,117	-	<b>Non-Current liabilities:</b>					
1600	Property, plant and equipment(note (6)(h))	15,507	1	16,915	1	2530	Bonds payable(note (6)(n))	-	-	192,619	13
1755	Right-of-use assets(note (6)(i))	145,412	8	108,626	7	2540	Long-term borrowings(note (6)(m))	20,000	1	-	-
1760	Investment property, net(note (6)(j))	50,189	3	52,743	3	2570	Deferred tax liabilities(note (6)(q))	156	-	156	-
1780	Intangible assets(note (6)(k))	242,281	14	277,972	18	2580	Non-current lease liabilities(note (6)(o))	99,858	6	65,640	4
1900	Other non-current assets(note (9))	148,464	9	9,711	1	2670	Other non-current liabilities, others	3,012	-	181	-
		<u>645,499</u>	<u>37</u>	<u>712,416</u>	<u>46</u>			<u>123,026</u>	<u>7</u>	<u>258,596</u>	<u>17</u>
								<u>1,056,356</u>	<u>60</u>	<u>873,052</u>	<u>57</u>
						<b>Total liabilities</b>					
						<b>Equity attributable to owners of parent(note (6)(r)):</b>					
						3110	Ordinary share	532,424	30	532,424	34
						3200	Capital surplus	44,914	3	44,914	3
						3310	Legal reserve	10,611	-	-	-
						3320	Special reserve	3,665	-	-	-
						3350	Unappropriated retained earnings	117,941	7	106,114	7
						3400	Other equity interest	(568)	-	(9,000)	(1)
								<u>708,987</u>	<u>40</u>	<u>674,452</u>	<u>43</u>
						<b>Total equity attributable to owners of parent:</b>					
						36XX	Non-controlling interests	885	-	(1,571)	-
								<u>709,872</u>	<u>40</u>	<u>672,881</u>	<u>43</u>
						<b>Total equity</b>					
						<b>Total liabilities and equity</b>					
								<u>\$ 1,766,228</u>	<u>100</u>	<u>1,545,933</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 1,766,228</u>	<u>100</u>	<u>1,545,933</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**LANG INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

	<u>2022</u>		<u>2021</u>	
	Amount	%	Amount	%
4000	\$ 3,011,423	100	2,716,193	100
5000	<u>2,168,089</u>	<u>72</u>	<u>2,009,232</u>	<u>74</u>
	<b>843,334</b>	<b>28</b>	<b>706,961</b>	<b>26</b>
	<b>Gross profit (loss) from operations</b>			
	<b>Operating expenses (notes (6)(d), (e), (o), (p) and (u)):</b>			
6100	227,461	8	118,055	4
6200	415,052	14	306,231	11
6300	118,354	4	82,444	3
6450	<u>(10,809)</u>	<u>-</u>	<u>83,372</u>	<u>3</u>
	<b>750,058</b>	<b>26</b>	<b>590,102</b>	<b>21</b>
	<b>93,276</b>	<b>2</b>	<b>116,859</b>	<b>5</b>
	<b>Net operating income (loss)</b>			
	<b>Non-operating income and expenses (note (6)(v)):</b>			
7100	3,582	-	1,079	-
7010	1,080	-	1,297	-
7020	28,988	1	79,966	3
7050	(7,998)	-	(6,987)	-
7060	<u>(3,117)</u>	<u>-</u>	<u>(880)</u>	<u>-</u>
	<b>22,535</b>	<b>1</b>	<b>74,475</b>	<b>3</b>
	<b>Total non-operating income and expenses</b>			
	<b>Profit (loss) from continuing operations before tax</b>			
7950	<u>84,252</u>	<u>3</u>	<u>62,782</u>	<u>2</u>
	<b>31,559</b>	<b>-</b>	<b>128,552</b>	<b>6</b>
	<b>Profit (loss) from discontinued operations:</b>			
8100	-	-	1,647	-
	<b>31,559</b>	<b>-</b>	<b>130,199</b>	<b>6</b>
	<b>Profit (loss)</b>			
	<b>Other comprehensive income:</b>			
8300	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>			
8360	8,432	-	(3,666)	-
8399	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>8,432</b>	<b>-</b>	<b>(3,666)</b>	<b>-</b>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>			
8300	<u>8,432</u>	<u>-</u>	<u>(3,666)</u>	<u>-</u>
	<b>Other comprehensive income</b>			
	<b>8,432</b>	<b>-</b>	<b>(3,666)</b>	<b>-</b>
	<b>Total comprehensive income</b>			
	<b>\$ 39,991</b>	<b>-</b>	<b>126,533</b>	<b>6</b>
	<b>Profit (loss), attributable to:</b>			
	\$ 33,209	-	138,688	6
	<u>(1,650)</u>	<u>-</u>	<u>(8,489)</u>	<u>-</u>
	<b>\$ 31,559</b>	<b>-</b>	<b>130,199</b>	<b>6</b>
	<b>Comprehensive income attributable to:</b>			
	\$ 41,641	-	135,022	6
	<u>(1,650)</u>	<u>-</u>	<u>(8,489)</u>	<u>-</u>
	<b>\$ 39,991</b>	<b>-</b>	<b>126,533</b>	<b>6</b>
	<b>Basic earnings per share (note (6)(s))</b>			
	\$	0.62	2.57	
	-	-	0.03	
	<b>\$ 0.62</b>	<b>2.60</b>		
	<b>Total basic earnings per share (note (6)(s))</b>			
	\$	0.61	2.24	
	-	-	0.03	
	<b>\$ 0.61</b>	<b>2.27</b>		
	<b>Total diluted earnings per share</b>			

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**LANG INC. AND SUBSIDIARIES**

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

	Equity attributable to owners of parent								Total equity
	Share capital		Retained earnings				Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	
<b>Balance at January 1, 2021</b>	\$ 532,424	44,914	-	-	(30,408)	(5,334)	541,596	2,183	543,779
Profit (loss)	-	-	-	-	138,688	-	138,688	(8,489)	130,199
Other comprehensive income	-	-	-	-	-	(3,666)	(3,666)	-	(3,666)
Total comprehensive income	-	-	-	-	138,688	(3,666)	135,022	(8,489)	126,533
Changes in non-controlling interests	-	-	-	-	(2,166)	-	(2,166)	4,735	2,569
Balance at December 31, 2021	532,424	44,914	-	-	106,114	(9,000)	674,452	(1,571)	672,881
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	10,611	-	(10,611)	-	-	-	-
Special reserve appropriated	-	-	-	3,665	(3,665)	-	-	-	-
Profit (loss)	-	-	-	-	33,209	-	33,209	(1,650)	31,559
Other comprehensive income	-	-	-	-	-	8,432	8,432	-	8,432
Total comprehensive income	-	-	-	-	33,209	8,432	41,641	(1,650)	39,991
Changes in ownership interests in subsidiaries	-	-	-	-	(7,106)	-	(7,106)	4,106	(3,000)
<b>Balance at December 31, 2022</b>	<b>\$ 532,424</b>	<b>44,914</b>	<b>10,611</b>	<b>3,665</b>	<b>117,941</b>	<b>(568)</b>	<b>708,987</b>	<b>885</b>	<b>709,872</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
LANG INC. AND SUBSIDIARIES

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

	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
Profit from continuing operations before tax	\$ 115,811	191,334
from discontinued operations before tax	-	1,647
<b>Profit before tax</b>	115,811	192,981
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	61,064	45,053
Amortization expense	45,399	32,231
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(10,809)	83,372
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(3,250)	23,444
Interest expense	7,998	6,987
Interest income	(3,582)	(1,079)
Share of loss (profit) of associates and joint ventures accounted for using equity method	3,117	880
Loss (gain) on disposal of property, plan and equipment	102	(68)
Loss (gain) on disposal of investments	(107)	(106,979)
Impairment loss on non-financial assets	7,650	-
<b>Total adjustments to reconcile profit (loss)</b>	107,582	83,841
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in notes receivable	44	(44)
Decrease (increase) in accounts receivable	19,133	(102,850)
Decrease (increase) in other receivable	(12,856)	18,480
Decrease (increase) in prepayments	26,972	29,951
Decrease (increase) in other current assets	(7,826)	(580)
<b>Total changes in operating assets</b>	25,467	(55,043)
Increase (decrease) in contract liabilities	6,766	21,366
Increase (decrease) in accounts payable	32,173	66,155
Increase (decrease) in other payable	(9,351)	53,920
Increase (decrease) in other current liabilities	18,208	(4,879)
<b>Total changes in operating liabilities</b>	47,796	136,562
<b>Total changes in operating assets and liabilities</b>	73,263	81,519
<b>Total adjustments</b>	180,845	165,360
Cash inflow (outflow) generated from operations	296,656	358,341
Interest received	3,582	1,079
Interest paid	(2,828)	(1,952)
Dividends paid	(83,643)	(21,983)
<b>Net cash flows from (used in) operating activities</b>	213,767	335,485
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(92,290)	42,803
Acquisition of financial assets at fair value through profit or loss	(28,584)	(41,341)
Proceeds from disposal of financial assets at fair value through profit or loss	10,107	9,181
Acquisition of investments accounted for using equity method	-	(3,000)
Proceeds from disposal of subsidiaries	-	123,395
Acquisition of property, plant and equipment	(7,662)	(11,106)
Proceeds from disposal of property, plant and equipment	1	504
Increase in refundable deposits	(972)	(683)
Acquisition of intangible assets	(16,338)	(38,885)
Increase in prepayments for business facilities	(137,781)	-
<b>Net cash flows from (used in) investing activities</b>	(273,519)	80,868
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	68,000	-
Proceeds from long-term debt	20,000	-
Decrease in guarantee deposits received	2,831	181
Payment of lease liabilities	(49,146)	(31,616)
Change in non-controlling interests	(3,000)	2,569
<b>Net cash flows from (used in) financing activities</b>	38,685	(28,866)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	6,700	(3,157)
<b>Net increase (decrease) in cash and cash equivalents</b>	(14,367)	384,330
<b>Cash and cash equivalents at beginning of period</b>	621,047	236,717
<b>Cash and cash equivalents at end of period</b>	\$ 606,680	621,047

See accompanying notes to consolidated financial statements.

## **Independent Auditors' Report and 2022 Parent Company Only Financial Statements**

### **Independent Auditors' Report**

To the Board of Directors of Lang Inc.:

#### **Opinion**

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 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. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. The goodwill impairment of investments accounted for using equity method

Please refer to notes 4(h) and (i) for the accounting policy on investments accounted for using equity method, note 4(n) for "impairment of goodwill" , notes 5(a) for "Critical accounting judgments and key sources of estimation uncertainty" , for estimation uncertainty of impairment of goodwill accounted for using equity method, and notes 6(f) for the related disclosures, respectively, of the notes to the parent only financial statements.

Description of key audit matter:

The long-term investments accounted for using equity method of Lang Inc. as of the date of the financial report accounted for 39% of the combined assets, and the assessment of impairment of goodwill is dependent on management's estimate. Thus, the impairment of goodwill is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following: assessing the goodwill impairment policies, obtaining goodwill impairment evaluations and appropriateness of recognition of goodwill impairment.

## **Other Matter**

### **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 are responsible for overseeing the Company's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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 reviews resulting in this independent auditors' review report are HENG-SHEN LIN and SHU-CHIH YANG.

KPMG

Taipei, Taiwan (Republic of China)  
March 15, 2023

#### **Notes to Readers**

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
LANG INC.

**Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

	<b>December 31, 2022</b>		<b>December 31, 2021</b>			<b>December 31, 2022</b>		<b>December 31, 2021</b>			
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>		
<b>Assets</b>					<b>Liabilities and Equity</b>						
1100	Cash and cash equivalents (note (6)(a))	\$ 114,618	12	93,935	11	2100	Short-term borrowings (note (6)(j))	\$ 58,000	6	-	-
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (u))	20	-	-	-	2170	Accounts payable	91	-	257	-
1136	Current financial assets at amortised cost (notes (6)(c) and (8))	292,130	30	-	-	2200	Other payables:	4,802	-	11,900	1
1170	Accounts receivable, net (notes (6)(d) and (r))	9	-	216	-	2280	Current lease liabilities (note (6)(l))	726	-	1,234	-
1210	Other receivables-related parties (note (7))	-	-	116,256	13	2321	Bonds payable, current portion (note (6)(k))	197,789	21	-	-
1220	Current tax assets	180	-	172	-	2300	Other current liabilities	1,717	-	2,517	-
1410	Prepayments	5,711	-	5,472	1			<u>263,125</u>	<u>27</u>	<u>15,908</u>	<u>1</u>
1476	Other current financial assets	-	-	18	-	<b>Non-Current liabilities:</b>					
1470	Other current assets:	145	-	138	-	2530	Corporate bonds notes and bills payable (note (6)(l))	-	-	192,619	22
		<u>412,813</u>	<u>42</u>	<u>216,207</u>	<u>25</u>	2581	Non-current lease liabilities (note (6)(l))	-	-	171	-
Non-current assets:						2572	Deferred tax liabilities, income tax (note (6)(n))	156	-	156	-
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (7))	24,000	3	24,760	3	2600	Other non-current liabilities	181	-	181	-
1535	Non-Current financial assets at amortized cost (notes (6)(c) and (8))	-	-	200,000	22			<u>337</u>	<u>-</u>	<u>193,127</u>	<u>22</u>
1550	Investments accounted for using equity method (note (6)(f))	380,836	39	424,306	48			<u>263,462</u>	<u>27</u>	<u>209,035</u>	<u>23</u>
1600	Property, plant and equipment (note (6)(g))	161	-	408	-	<b>Total liabilities</b>					
1755	Right-of-use assets (note (6)(h))	722	-	1,394	-	<b>Equity attributable to owners of parent:(note(6)(o))</b>					
1760	Investment property (note (6)(i))	15,141	2	15,417	2	3110	Ordinary share	532,424	55	532,424	60
1900	Other non-current assets: (note (9))	138,776	14	995	-	3200	Capital surplus	44,914	5	44,914	5
		<u>559,636</u>	<u>58</u>	<u>667,280</u>	<u>75</u>	3310	Legal reserve	10,611	1	-	-
		<u>\$ 972,449</u>	<u>100</u>	<u>883,487</u>	<u>100</u>	3320	Special reserve	3,665	-	-	-
						3351	Accumulated profit and loss	117,941	12	106,114	12
						3400	Other equity interest	(568)	-	(9,000)	-
								<u>708,987</u>	<u>73</u>	<u>674,452</u>	<u>77</u>
						<b>Total equity</b>					
						<b>Total liabilities and equity</b>					
								<u>\$ 972,449</u>	<u>100</u>	<u>883,487</u>	<u>100</u>

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
LANG INC.

**Statements of Comprehensive Income**

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

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

		2022		2021	
		Amount	%	Amount	%
4000	<b>Operating revenues</b> (note (6)(r))	\$ 14,550	100	1,671	100
5000	<b>Operating cost</b>	777	5	1,549	93
	<b>Gross profit (loss) from operations</b>	<u>13,773</u>	<u>95</u>	<u>122</u>	<u>7</u>
	<b>Operating expenses</b> (notes (6)(d), (e), (l), (m), (n) and (7)):				
6100	Selling expenses	3,963	27	11,073	663
6200	Administrative expenses	43,590	300	44,725	2,677
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-	-	(11)	(1)
	<b>Total operating expenses</b>	<u>47,553</u>	<u>327</u>	<u>55,787</u>	<u>3,339</u>
	<b>Net operating income (loss)</b>	<u>(33,780)</u>	<u>(232)</u>	<u>(55,665)</u>	<u>(3,332)</u>
	<b>Non-operating income and expenses</b> (note (6)(s)):				
7100	Interest income	2,324	16	675	40
7010	Other income	1,096	8	369	22
7020	Other gains and losses (note (6)(k))	16,728	115	(1,967)	(118)
7050	Finance costs	(5,184)	(36)	(5,061)	(303)
7370	Share of profit of associates and joint ventures accounted for using equity method (note (6)(f))	52,025	358	200,337	11,989
	<b>Total non-operating income and expenses</b>	<u>66,989</u>	<u>461</u>	<u>194,353</u>	<u>11,630</u>
	<b>Profit (loss) from continuing operations before tax</b>	33,209	229	138,688	8,298
7951	Less: Income tax expenses (note (6)(n))	-	-	-	-
	<b>Profit (loss)</b>	<u>33,209</u>	<u>229</u>	<u>138,688</u>	<u>8,298</u>
8300	<b>Other comprehensive income</b>	<u>8,432</u>	<u>58</u>	<u>(3,666)</u>	<u>(219)</u>
	<b>Total comprehensive income</b>	<u>\$ 41,641</u>	<u>287</u>	<u>135,022</u>	<u>8,079</u>
	<b>Basic earnings per share</b> (note (6)(p))				
	Basic earnings per share	<u>\$ 0.62</u>		<u>2.60</u>	
	Diluted earnings per share	<u>\$ 0.61</u>		<u>2.27</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
LANG INC.

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

	Share capital		Retained earnings			Total other equity interest	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	
<b>Balance at January 1, 2021</b>	\$ 532,424	44,914	-	-	(30,408)	(5,334)	541,596
Profit (loss)	-	-	-	-	138,688	-	138,688
Other comprehensive income	-	-	-	-	-	(3,666)	(3,666)
Total comprehensive income	-	-	-	-	138,688	(3,666)	135,022
Changes in ownership interests in subsidiaries	-	-	-	-	(2,166)	-	(2,166)
Balance at December 31, 2021	532,424	44,914	-	-	106,114	(9,000)	674,452
Profit (loss)	-	-	-	-	33,209	-	33,209
Other comprehensive income	-	-	-	-	-	8,432	8,432
Total comprehensive income	-	-	-	-	33,209	8,432	41,641
Legal reserve appropriated	-	-	10,611	-	(10,611)	-	-
Special reserve appropriated	-	-	-	3,665	(3,665)	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	(7,106)	-	(7,106)
<b>Balance at December 31, 2022</b>	<b>\$ 532,424</b>	<b>44,914</b>	<b>10,611</b>	<b>3,665</b>	<b>117,941</b>	<b>(568)</b>	<b>708,987</b>

See accompanying notes to parent company only financial statements.

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

—、LANG INC.

## 二、Statements of Cash Flows

## 三、For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 33,209	138,688
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	2,027	2,201
Expected credit loss (gain)	-	(11)
Interest expense	5,184	5,061
Interest income	(2,324)	(675)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(52,025)	(200,337)
Loss (gain) on disposal of property, plan and equipment	-	10
Evaluation loss on financial assets	740	540
<b>Total adjustments to reconcile profit (loss)</b>	<b>(46,398)</b>	<b>(193,211)</b>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in accounts receivable	207	6,272
Decrease (increase) in other receivable	-	58
Decrease (increase) in other receivable due from related parties	11,072	(2,528)
Decrease (increase) in prepayments	(240)	(5,058)
Decrease (increase) in other current assets	(7)	(138)
Decrease (increase) in other financial assets	18	(18)
Decrease (increase) in non current assets	-	(10)
Increase (decrease) in accounts payable	(166)	(270)
Increase (decrease) in other payable	(7,097)	(1,345)
Increase (decrease) in other current liabilities	(800)	1,052
<b>Total adjustments</b>	<b>(43,411)</b>	<b>(195,196)</b>
Cash inflow (outflow) generated from operations	(10,202)	(56,508)
Interest received	2,324	675
Income taxes paid	(8)	-
Interest paid	(14)	(26)
Dividends paid	96,821	59,338
Income taxes refund	-	311
<b>Net cash flows from (used in) operating activities</b>	<b>88,921</b>	<b>3,790</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortised cost	(92,130)	-
Acquisition of financial assets at fair value through profit or loss	-	(24,000)
Acquisition of investments accounted for using equity method	-	(3,000)
Proceeds from capital reduction of investments accounted for using equity method	105,184	-
Increase in refundable deposits	-	181
Increase in prepayments for business facilities	(137,781)	-
<b>Net cash flows from (used in) investing activities</b>	<b>(124,727)</b>	<b>(26,819)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	58,000	-
Decrease in financial liabilities at amortised cost	-	28,480
Payment of lease liabilities	(1,511)	(1,498)
<b>Net cash flows from (used in) financing activities</b>	<b>56,489</b>	<b>26,982</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>20,683</b>	<b>3,953</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>93,935</b>	<b>89,982</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 114,618</b>	<b>93,935</b>

See accompanying notes to parent company only financial statements.

  
**Lang Inc.**  
**2022 Earnings Distribution Table**

Unit: NT\$

Item	Amount	Notes
Unappropriated retained earnings for the last year	91,837,071	
Add: Net income for the period	33,209,299	
Add: Special reserve reversed	3,097,836	
Less: Statutory reserve	(3,320,930)	
Unappropriated retained earnings	124,823,276	
Note: Total paid-in capital of \$532,424,030		

Chairman: Wang, Guan-Jung,  
 Manager: Wang, Guan-Jung,



Chief Financial Officer: Chen , Hua-Tze



**Lang Inc.****Table of Amendments to the Rules of Procedure for Shareholders' Meetings**

Amendments	Current Articles	Explanation
<p>Article 1</p> <p><u>The rules of procedures for the Company's Shareholders Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.</u></p>	<p>Article 1</p> <p>Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be as provided in these Rules.</p>	<p>Text amendments.</p>
<p>Article 2</p> <p><u>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.</u></p> <p><u>Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.</u></p> <p><u>30 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS.</u></p> <p><u>Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them</u></p>	<p>Article 2</p> <p>The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The number of shareholders in attendance shall be determined based on the submitted sign-in cards or the sign-in book.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Articles 5 and 8.</p>

Amendments	Current Articles	Explanation
<p><u>available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency. The Company shall provide the handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:</u></p> <p><u>I. For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p><u>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</u></p> <p><u>Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.</u></p>		

Amendments	Current Articles	Explanation
<p><u>Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.</u></p> <p><u>A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</u></p> <p><u>A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p><u>Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.</u></p> <p><u>Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the</u></p>		

Amendments	Current Articles	Explanation
<p><u>annual general meeting of shareholders and take part in the discussion of the proposal. The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.</u></p>		
<p>Article 3  <u>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form. Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail. Once the proxy form is received by the</u></p>	<p>Article 3  <del>Attendance</del> and votes cast at shareholders' meetings shall be calculated based on numbers of shares.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.  2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 11.</p>



Amendments	Current Articles	Explanation
<p><u>Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company 2 days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</u></p>		
<p>Article 4 The venue for the shareholders' meetings of the Company shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>Full consideration shall be given to independent directors' opinions with respect to the place and time of the meeting.</u> <u>When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.</u></p>	<p>Article 4 The venue for the shareholders' meetings of the Company shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference. 2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited.</p>
<p>Article 5 The Company shall state, in the meeting notice, the sign-in time and place for <u>shareholders, solicitors, and proxies</u> (hereinafter referred to as "shareholders"), and other matters that shall be noted. The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in place shall be clearly marked and staffed with a sufficient number of suitable personnel; <u>When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences.</u></p>	<p>Article 5 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers for any reason, the Chairman shall appoint one director to act as chair. Where the Chairman fails to make such a designation, the directors shall elect a chair from among themselves. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference. 2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is</p>

Amendments	Current Articles	Explanation
<p><u>Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.</u></p> <p>Shareholders shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p><u>The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.</u></p> <p>When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.</p> <p><u>If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.</u></p> <p><u>If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.</u></p>	<p>themselves.</p>	<p>edited and the existing articles are adjusted to Article 6.</p>

Amendments	Current Articles	Explanation
<p><u>Article 5-1</u>  <u>When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:</u></p> <p><u>I. Methods of shareholders participating in the video conference and exercising their rights.</u></p> <p><u>II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:</u></p> <p><u>(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>(II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>(III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>(IV) Actions to be taken if the outcome of all</u></p>		<p>Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p>

Amendments	Current Articles	Explanation
<p><u>proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.</u></p>		
<p>Article 6</p> <p>If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the <u>Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason,</u> the Chairman shall <u>appoint one of the managing directors to act as the chair.</u> Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chair. <u>When a managing director or director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of a institutional director to serve as the chair.</u> <u>It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of the functional committee on</u></p>	<p>Article 6</p> <p>The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.</p> <p><del>Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.</del></p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited.</p>

Amendments	Current Articles	Explanation
<p><u>behalf of the committee. The attendance shall be recorded in the meeting minutes.</u></p> <p>Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.</p>		
<p>Article 7</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 proceedings of the shareholders meeting, and the voting and vote counting procedures. The audio and video recording in the preceding paragraph shall be kept 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>If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, as well as voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.</u></p> <p><u>The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.</u></p>	<p>Article 7</p> <p>The chair of a shareholders' meeting, may direct the proctors (or security personnel) to help maintain order at the meeting place. <del>Such disciplinary officers (or security personnel) shall wear badges marked "Disciplinary Officers" for identification purposes.</del></p>	<p>1. In accordance with the addition of articles this time, the number of articles is adjusted and the amendment number and date.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 16.</p>

Amendments	Current Articles	Explanation
<p>Article 8</p> <p><u>Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conference platform plus the number of shares whose voting rights are exercised in writing or by electronic means.</u></p> <p>The chair shall call the meeting to order at the appointed meeting time and <u>disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, <u>the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.</u></p> <p><u>If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements,</u> tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act.</p> <p><u>Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.</u></p> <p><u>If a shareholders' meeting is convened by video conference, shareholders who wish to</u></p>	<p>Article 8</p> <p>The minutes of the Company's <del>shareholders'</del> <del>meeting</del> are recorded or filmed and kept for at least 1 year.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 7.</p>

Amendments	Current Articles	Explanation
<p><u>attend by video conference shall re-register with the Company in accordance with Article 6.</u></p> <p><u>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</u></p>		
<p>Article 9</p> <p>If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. A one-time vote shall be cast on the proposals on the <u>agenda (including extempore motions and amendments to the original proposals set out in the agenda) after they're discussed one by one.</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting; If the chair declares the meeting adjourned in violation of the rules of procedure, <u>the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.</u></p> <p>The chair <u>shall allow ample opportunity during the meeting for explanation and</u></p>	<p>Article 9</p> <p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 of the Company Act.</p> <p><del>When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares,</del> the chair may resubmit the tentative resolution for a vote by the <u>shareholders meeting</u> pursuant to Article 174 of the Company Act.</p>	<p>Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 8.</p>

Amendments	Current Articles	Explanation
<p><u>discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</u></p>		
<p>Article 10 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. <u>If</u> the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>Article 10 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding two paragraphs apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting; If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders shall <del>elect a new chair, by agreement of a majority of the votes represented by the attending shareholders</del> to continue the meeting. <del>Shareholders may not elect another chair to continue the meeting at the original meeting place or at another place after the meeting was adjourned.</del></p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference. 2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 9.</p>



Amendments	Current Articles	Explanation
<p><u>If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.</u></p>		
<p>Article 11  <u>Votes cast at shareholders' meetings shall be calculated based on numbers of shares. With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.</u>  <u>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.</u>  <u>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted toward the number of the voting rights represented by attending shareholders.</u>  <u>With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of the issued shares. If that percentage is exceeded, the voting rights in excess of that percentage</u></p>	<p>Article 11  Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.  When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.  2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 10.</p>

Amendments	Current Articles	Explanation
<p><u>shall not be included in the counting.</u></p>		
<p>Article 12  <u>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</u>  <u>When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence.</u>  <u>When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.</u>  <u>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</u>  <u>After a shareholder has exercised voting rights by correspondence or electronic</u></p>	<p>Article 12            Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.            If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.            2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 10.</p>

Amendments	Current Articles	Explanation
<p><u>means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.</u></p> <p>Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. <u>At the time of a vote, for each proposal, after the total number of voting rights represented by the attending shareholders is announced, a poll of the shareholders shall follow. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p> <p><u>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be</u></p>		

Amendments	Current Articles	Explanation
<p><u>required.</u></p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p><u>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</u></p> <p><u>When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.</u></p> <p><u>When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.</u></p> <p><u>If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.</u></p> <p><u>Those who exercise their voting rights in writing or by electronic means without</u></p>		

Amendments	Current Articles	Explanation
<p><u>retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.</u></p>		
<p>Article 13 The director election at a <u>shareholders' meeting</u> shall be held in accordance with the Regulations Governing the Election of Directors and Independent Directors, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they are elected. <u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u></p>	<p>Article 13 When a juridical person is appointed to attend as a proxy, the juridical person may designate only one representative to attend the meeting. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.</p>	<p>Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 10.</p>
<p>Article 14 Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. <u>Said distribution may be announced through the MOPS.</u> <u>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting</u></p>	<p>Article 14 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference. 2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the</p>

Amendments	Current Articles	Explanation
<p><u>results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.</u></p> <p><u>When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.</u></p> <p><u>When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.</u></p>		<p>existing articles are adjusted to Article 10.</p>
<p>Article 15</p> <p><u>The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting.</u></p> <p><u>When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.</u></p>	<p>Article 15</p> <p>When the chair deems that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the</p>

Amendments	Current Articles	Explanation
<p><u>When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting. If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.</u></p>		<p>wording is edited and the existing articles are adjusted to Article 9.</p>
<p>Article 16  The chair of a shareholders' meeting, may direct the proctors (or security personnel) to help maintain order at the meeting place.  <u>At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</u></p>	<p>Article 16  Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.  <del>The outcome of a vote at the audit committee meeting shall be announced on-site and recorded accordingly.</del>  <del>A ballot is invalid under any of the circumstances on the left, and the number of weights for the ballot shall not be counted.</del>  1. <del>Ballots prepared by the Company were not used.</del>  2. <del>The ballots were not placed in the ballot box.</del>  3. <del>In addition to the items that should be filled in, the ballots have other words written on them.</del>  4. <del>Blank ballots without expressing opinions on the proposals.</del>  5. <del>The writing is unclear and indecipherable or has been altered.</del></p>	<p>Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Articles 12.</p>

Amendments	Current Articles	Explanation
<p>Article 17</p> <p>When a meeting is in progress, the chair may announce a break based on time considerations. <u>If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</u></p> <p><u>If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.</u></p> <p><u>A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</u></p>	<p>Article 17</p> <p>When a meeting is in progress, the chair may announce a break based on time considerations.</p>	<p>Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited.</p>
<p>Article 18</p> <p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations.</u></p>	<p>Article 18</p> <p>For the resolution of proposals, unless otherwise provided in the Company Act and the Articles of Incorporation, the consent of a majority vote of the attending shareholders shall prevail. <del>During voting, if the chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote. If there are any dissenting votes, the chair may order the dissenting people or those who abstain from voting to raise their hands or to stand, and the voting rights shall be counted. If the number of the dissenting or abstained voting rights do not reach the number stated in the regulations or the Articles of Incorporation, then the motion is deemed passed. A resolution by vote is prohibited.</del></p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 12.</p>



Amendments	Current Articles	Explanation
<p>Article 19</p> <p><u>When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.</u></p>	<p>Article 19</p> <p><del>In the event of an air raid alert, an earthquake, or other force majeure event occurring during the meeting, the chair shall announce the suspension of the meeting immediately, and each person shall be evacuated. The chair may decide whether to resume the meeting once the cause for the suspension is eliminated.</del></p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 20.</p>
<p>Article 20</p> <p><u>In the event of a virtual shareholders meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of</u></p>	<p>Article 20</p> <p><del>Any matters that are not properly addressed in these Rules are to be handled in accordance with the Company Act and other applicable laws as well as the Company's Articles of Incorporation.</del></p>	<p>In accordance with the addition of articles this time, the article is adjusted to Article 1.</p>

Amendments	Current Articles	Explanation
<p><u>shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the first 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. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in the first paragraph, 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 shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.</u></p> <p><u>When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.</u></p>		

Amendments	Current Articles	Explanation
<p>Article 21</p> <p><u>When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be provided.</u></p>	<p>Article 21</p> <p>These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>1. Amendment is made in view of the fact that the shareholders' meeting may be convened by video conference.</p> <p>2. Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the wording is edited and the existing articles are adjusted to Article 22.</p>
<p><u>Article 22</u></p> <p><u>These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</u></p>		<p>Based on the template of "Rules of Procedure for Shareholders' Meetings of ○○ Co., Ltd.", the additions are made.</p>

**Lang Inc.**  
**Procedures of Issuance and Conversion**  
**for the Private Placement**  
**of Domestic Secured Convertible Bonds (Draft)**

**I. Title**

The O0th Private Placement of Domestic Secured Convertible Bonds (hereinafter referred to as the "Private Convertible Bonds") of Lang Inc. (hereinafter referred to as the "Company")

**II. Issue date**

MM DD, YYYY (hereinafter referred to as the "Issue").

**III. Issuance period**

The issuance period is three years, starting from MM DD, YYYY to the maturity date of MM DD, YYYY (hereinafter referred to as the "maturity date").

**IV. Total issuance amount and par value per bond**

The total issuance amount is NT\$OO, with each bond having a par value of NT\$100,000. The bonds will be issued at its full par value.

**V. Bond coupon rate**

The coupon rate is 0% per annum.

**VI. Repayment date and terms**

Following Article 5 of the Procedures, the coupon rate per annum of the Private Convertible Bonds is 0%. Except for the bondholder (hereinafter referred to as "creditor") of the Private Convertible Bonds who convert to the Company's common shares under Article 10 of the Procedures, those redeemed in advance by the Company under Article 17 of the Procedures, or those repurchased and canceled by the Company, the Company shall repay the Private Convertible Bonds in cash at par value upon maturity.

**VII. Guarantee conditions**

- (I) The Private Convertible Bonds are entrusted to OOOO Commercial Bank, Ltd. to serve as the collateral bank (hereinafter referred to as the "Guarantee Bank." The guarantee obligation starts from the issuer's payment collection date of the Private Convertible Bonds until the full repayment date of the principal and interest payable under the procedures of issuance and conversion for the Private Convertible Bonds. The guarantee coverage includes the outstanding principal, interest payable, and all potential liabilities of the Private Convertible Bonds (including early redemption rights and creditors' repurchase rights, and any amounts payable according to the procedures of issuance and conversion upon exercise of the preceding redemption or repurchase rights).
- (II) Should the creditor (or trustee) wish to demand payment from the Guarantee Bank for the Private

Convertible Bonds, the Guarantee Bank must make payment within 14 business days upon receipt of a payment request notice from the creditor (or trustee) under the provisions of the Private Convertible Bonds.

- (III) During the guarantee period, should the Company fail to repay the principal and interest on time, breach the trust agreement signed with the trustee bank, breach the delegated guarantee agreement signed with the Guarantee Bank, or violate the matters approved by the competent authority, which could impact creditors' rights and interests, the Private Convertible Bonds shall be deemed to be fully matured.

### **VIII. Underlying shares**

The underlying shares of the Private Convertible Bonds are the Company's common stock, and the Company shall fulfill the conversion obligation by issuing new shares.

### **IX. Conversion period**

Creditors may request the conversion of the Private Convertible Bonds into common stock of the Company through the Company's stock affairs agency under the Procedures at any time from the day after three months following the issuance of the Private Convertible Bonds (MM DD, YYYY) until the maturity date (MM DD, YYYY), except during the period from 15 business days before the Company's book closure date for stock dividends, cash dividends, or cash capital increase subscription until the ex-dividend record date, the period from the capital reduction record date to the day before the first trading day following the capital reduction and its share exchange, and the book closure period for the Company's other common stocks in accordance with the law. Such requests shall be processed in accordance with the provisions of Articles 10, 13, and 15 of the Procedures.

### **X. Procedures regarding request for conversion**

When requesting conversion, creditors should prepare the conversion notice along with the related documents and submit them to the Company's stock affairs agency. The conversion will take effect upon delivery of the precedent documents and cannot be revoked thereafter. Upon acceptance by the Company's stock transfer agency, it should be recorded in the shareholder roster and the Company's newly issued common shares should be delivered via book-entry transfer within five business days.

### **XI. Conversion price and its adjustment**

#### **(I) Method for setting the conversion price**

The determination of the conversion price for the Private Convertible Bonds is authorized by the Shareholders' Meeting and calculated based on the higher of the following benchmark prices, with the record date set on MM DD, YYYY:

- (1) The simple average closing price of the common shares for one, three, or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights, are respectively \$OO, \$OO, and \$OO. \$OO is chosen

as the calculated benchmark price.

- (2) In addition, the simple average closing price of the common shares for the 30 business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights, is \$OO.
- (3) The reference price is the higher of the two benchmark prices mentioned above. Therefore, the average closing price of \$OO for O business days prior to the pricing reference date is chosen as the reference price for the private placement. The pricing is based on OO% of the reference price, and the conversion price per share is tentatively set at \$OO.

(II) Adjustment of conversion price

1. Upon the issuance of the Private Convertible Bonds, besides various securities issued by the Company with common share conversion rights or stock warrants exchanging for common shares or new shares issued for employee bonuses, in the event of an increase in the Company's issued common shares (including cash capital increase through public offering or private placement, capitalization of retained earnings, capitalization of capital surplus, issuance of new shares in connection with corporate merger or receiving transfer of another company's shares, stock splits, and participation in the issuance of overseas depository receipts through cash capital increase), the conversion price shall be adjusted using the following formula (calculated to NT cent and rounded off downwards, not upwards, to the nearest cent) on the ex-rights record date of the new shares issuance (those who have made actual payment, the adjustment shall be made on the full payment date for shares).

$$\text{Adjusted conversion price} = \text{Pre-adjustment conversion price} \times \frac{[\text{Number of issued shares} + (\text{Payment per share} \times \text{Number of new shares issued}) / \text{Market price per share}]}{(\text{Number of issued shares} + \text{Number of new shares issued})}$$

Note 1: The number of issued shares should include both publicly and privately issued shares, and less any treasury shares that have been repurchased by the Company but not yet canceled or transferred.

Note 2: Where the new shares are distributed as stock dividends or stock split, the payment for such shares shall be zero.

Note 3: Where the issuance of new shares in connection with capital increase through merger, the payment per share shall be calculated as the net worth per share, as determined by the most recent financial statements of the dissolved company audited or reviewed by a CPA before the merger record date, multiplied by the exchange ratio. Where the issuance of new shares is in connection with receiving transfer of another company's shares, the amount paid per share shall be the net worth per share of the acquired company, as calculated from the most recent financial statements audited or reviewed by a CPA, multiplied by the exchange ratio.

Note 4: In the event of a modification to the issuance price of new shares on the ex-rights record date of new shares issued by a cash capital increase, the above formula shall be revised to reflect the updated issuance price of new shares. If the conversion price, after recalculation, is lower than the initial adjusted conversion price announced prior to the ex-rights record date, then a new readjusted conversion price shall be proclaimed.

Note 5: For capital increases resulting from mergers, the adjustment shall be made on the merger record date, while adjustments for stock splits shall be made on the stock split record date. In the case of cash capital increases carried out through book building or participation in the issuance of overseas depositary receipts, adjustments shall be made on the full payment date for shares since there is no ex-rights record date. For cash capital increases conducted through private placement, adjustments shall be made on the delivery date of private placements since there is no ex-rights record date.

Note 6: The number of newly issued shares includes the number of private placement shares.

Note 7: The determination of the market price per share shall be determined by calculating the simple average closing price of the common shares for either one, three, or five business days prior to the ex-rights record date, pricing record date, or stock split record date.

2. After the issuance of the Private Convertible Bonds, if the ratio of cash dividends distributed by the Company to market price per share exceeds 1.5%, the conversion price shall be reduced in proportion to the market price per share on the ex-dividend record date (calculated to NT cent and rounded off to the nearest cent) The conversion price reduction mentioned in this context does not apply to those who have requested conversion before the ex-dividend record date (exclusive). The adjusted formula is as follows:

Reduced conversion price = Pre-reduction conversion price  $\times$  [1 - the ratio of cash dividends distributed to market price per share (note)]

Note: The market price per share shall be determined by calculating the simple average closing prices of common shares for either one, three, or five business days prior to the ex-dividend book closure date for cash dividends.

3. After the issuance of the Private Convertible Bonds, if the Company reissues or privately places various securities with common share conversion rights or stock warrants at a conversion or warrant price lower than the market price per share (Note 1) or grants the issuance of corporate common stock call warrants to others not in connection with a cash capital increase, the conversion price shall be adjusted using one of the following calculation formulas (calculated to NT cent and rounded off downwards, not upwards, to the nearest cent). Adjustment and announcement shall be made on the issuance date of the preceding securities or stock warrants or the delivery date of privately placed securities:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \left[ \text{Outstanding shares (Note 2 and Note 3)} + \left( \frac{\text{Conversion or subscription price for newly issued or privately placed securities or subscriptions}}{\text{Number of shares for new issuance or private placement of securities or conversion or subscription}} \right) \times \text{Net price per share} \right]}{\text{Outstanding shares (Note 2 and Note 3)} + \text{Number of shares for new issuance or private placement of securities or conversion or subscription}}$$

Note 1: The market price per share is the simple average closing price of the common shares for either one, three, or five business days before the pricing record date (the delivery date of private placement securities) for the reissue of various securities with common share conversion rights or stock warrants.

Note 2: The number of issued shares should include both publicly and privately issued shares, and less any treasury shares that have been repurchased by the Company but not yet canceled or transferred.

Note 3: If the reissuance of various securities with common share conversion rights or stock warrants is backed by treasury stock, the number of issued shares in the formula shall be adjusted and subtracted by the number of shares of the newly issued securities that are convertible or exercisable.

4. After the issuance of the Private Convertible Bonds, if the Company's common shares are reduced as a result of a capital reduction other than the cancellation of treasury shares, the adjusted conversion price shall be calculated using the following formula, and the adjustment should be made on the record date of the capital reduction.

(1) Capital reduction to offset losses:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Outstanding common shares before capital reduction (Note 1)}}{\text{Outstanding common shares after capital reduction (Note 1)}}$$

(2) Capital reduction by cash:

$$\text{Conversion price after adjustment} = \frac{(\text{Conversion price before adjustment} - \text{Cash refund per share}) \times \text{Outstanding common shares before capital reduction (Note 1)}}{\text{Outstanding common shares after capital reduction (Note 1)}}$$

Note 1: The number of issued common shares should include both publicly and privately issued shares, and less any treasury shares that have been repurchased by the Company but not yet canceled or transferred.



## **XII. The listing and delisting of the Private Convertible Bonds on the TPEX.**

The Convertible Bonds are issued through private placement. According to the regulations of the competent securities authorities, the listing and resale of the Private Convertible Bonds can only be conducted in compliance with the Securities and Exchange Act and relevant provisions. Three years after the delivery date of the Convertible Bonds, the decision to apply for the TPEX trading under relevant regulations shall be made by the Board of Directors based on the prevailing conditions.

After obtaining the competent authority's approval for the Private Convertible Bonds to be traded on the TPEX, the Company shall seek the consent of the TPEX and make an official announcement. The Convertible Bonds will be delisted from the TPEX upon its complete conversion to common shares, or full repurchase or full repayment by the Company.

## **XIII. Listing of the newly converted shares on the TWSE or TPEX**

Once the Private Convertible Bonds held by the creditor are converted into the Company's common shares and any shares distributed in connection with a capital increase by earnings or capital surplus, those shares can only be sold in the domestic market three years after the delivery date of the Private Convertible Bonds and after the Company's filing for the retroactive public offering to the competent authority and obtaining approval for listing on the TWSE or TPEX.

## **XIV. Registration of share capital change**

The Company is required to announce the number of shares delivered due to conversion exercised of the Private Convertible Bonds in the previous quarter within 15 days after the end of each quarter. Additionally, the Company shall apply for capital change registration at least once per quarter to the competent authority in charge of company registration.

## **XV. Treatment of fractional shares with monetary value in conversion**

In the event of fractional shares with monetary value in the conversion of the Company's common stock, creditors may not combine the fractional shares to form a whole share, and the Company will not provide any compensation for the fractional shares.

## **XVI. Rights and obligations after conversion**

The rights and obligations of the common shares obtained by creditors upon the effectiveness of conversion are the same as those of common shares previously issued by the Company. Nevertheless, common shares after conversion remain as privately placed securities and shall be subject to the transfer restrictions under the Securities and Exchange Act and related laws. Moreover, the converted common shares will need to undergo review and approval by the TWSE or TPEX (depending on the circumstances), and they can only be listed for trading after the competent securities authority has completed the review procedure for retroactive public offering.

## **XVII. This Company's redemption right for the Private Convertible Bonds**

- (I) From the day following three months (MM DD, YYYY) after the issuance date of the Private Convertible Bonds until 40 days before (MM DD, YYYY) the maturity of the issuance period, if the closing price of the Company's common share on the TPEX exceeds the Convertible Bonds conversion price by 30% or more for 30 consecutive business days, the Company may, within 30 business days thereafter, send the creditors the "Bond Redemption Notice" by registered mail (those indicated in the list of creditors ahead of the

fifth business day prior the mailing date of "Bond Redemption Notice." Creditors who subsequently acquire the Bonds through trading or other reasons shall be notified through public announcement) with the expiration period of one-month (the said period starts from the Company's mailing date, and the expiration date of the said period shall be the record date of bond redemption). Within five business days after the bond redemption record date, the Private Convertible Bonds held by the creditors shall be redeemed in cash at the par value of the bond, and the record date of bond redemption shall not fall within the suspension period of converting the Private Convertible Bonds.

- (II) From the day following three months (MM DD, YYYY) after the issuance date of the Private Convertible Bonds until 40 days before (MM DD, YYYY) the maturity of the issuance period, if the outstanding balance of the Convertible Bonds is less than 10% of the original total issuance amount, the Company may send the creditors the "Bond Redemption Notice" by registered mail (those indicated in the list of creditors on the fifth business day before the mailing date of "Bond Redemption Notice." Creditors who subsequently acquire the Bonds through trading or other reasons shall be notified through public announcement) with the expiration period of one-month (the said period starts from the Company's mailing date, and the expiration date of the said period shall be the record date of bond redemption). Within five business days after the bond redemption record date, the Private Convertible Bonds held by the creditor shall be redeemed in cash at the par value of the bond, and the record date of bond redemption shall not fall within the suspension period of converting the Private Convertible Bonds.
- (III) If the creditor fails to respond in writing to the Company's stock affairs agency (effective upon delivery, or postmark date if sent by mail) before the bond redemption record date specified in the "Bond Redemption Notice," agreeing to the bond redemption or requesting conversion into the Company's common shares in accordance with the Procedures, the Company may convert the Private Convertible Bonds held by the creditor into the Company's common share based on the conversion price at that time, with the expiration date of the notice period as the conversion record date.
- (IV) The Company shall redeem the Private Convertible Bonds in cash within five business days after the redemption record date (exclusive).

#### **XVIII. The disposition of cash dividends and stock dividends in the year of conversion.**

- (I) Creditors who submit a conversion request from Jan. 1 of the current year to 15 business days (exclusive) prior to the Company's book closure date for cash dividends (book closure date for stock dividends), may use the common shares obtained through the conversion to participate in the cash dividends (stock dividends) distribution for the previous year, as resolved by the Shareholders' Meeting in the current year.
- (II) The conversion of the Private Convertible Bonds shall be suspended from 15 business days (inclusive) prior to the Company's book closure date for cash dividends (book closure date for stock dividends) in the current year until the ex-dividend (ex-right) record date (inclusive).
- (III) Creditors, who submit a conversion request from the day following the ex-dividend record date (ex-right record date) of the current year's cash dividend to Dec. 31 of the same year

(inclusive), may not claim the cash dividends (stock dividends) distribution for the previous year, as resolved by the Shareholders' Meeting in the current year. However, the common shares obtained through the conversion may participate in the cash dividends (stock dividends) distribution for the current year, as resolved by the Shareholders' Meeting in the following year.

- XIX.** Any Private Convertible Bonds that have been redeemed (including buying back from the TPEX), repaid, or converted by the Company will be canceled and will no longer be sold or issued. In addition, the attached conversion rights thereto will also be extinguished.
- XX.** The Private Convertible Bond and its common shares obtained through conversion are both registered forms, and any transfer of ownership, registration of changes, pledge, loss of shares, etc., will be processed according to the “Regulations Governing the Administration of Shareholder Services of Public Companies” and relevant provisions of the Company Act. Additionally, tax matters shall be conducted in compliance with the Tax Act provisions at the time.
- XXI.** The Convertible Bonds are issued through private placement, and the name of the trustee and its agreed-upon matters comply with the provisions of the Company Act, which do not require compulsory trust provisions.
- XXII.** The Company has entrusted the Private Convertible Bonds to its stock affairs agency for handling matters related to principal repayment, interest payment, and conversion.
- XXIII.** The issuance of the Private Convertible Bonds is delivered by book-entry transfer under Article 8 of the Securities and Exchange Act. Thus, no physical bonds are printed.
- XXIV.** Matters not specified in the procedures of issuance and conversion for the Private Convertible Bonds shall be addressed in accordance with the relevant laws and regulations.

**Lang Inc.**  
**Securities underwriter evaluation opinion**  
**on the necessity and reasonableness**  
**of conducting private placements in 2023**

**I. Preface**

Lang Inc. (hereinafter referred to as “Lang Inc.” or “the Company”) plans to conduct private placement of commons shares and domestic secured convertible bonds (hereinafter referred to as “this private placement”) on April 25, 2023 upon the resolution of the Board of Directors. Within the limit of 20,000,000 privately placed shares, the price per share shall not be less than 80% of the higher of the following two calculations: ①the simple average closing price of the common shares for either the 1, 3, or 5 business days before the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights, ②or the simple average closing price of the common shares for the 30 business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights; And the private placement of domestic secured convertible bonds with warrants shall not exceed 3,000 units and the issue price shall be set at no less than 80% of the theoretical price of the company. The conversion price is determined by calculating the simple average closing price of the common shares for either one, three, or five business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights. The higher of the two calculated benchmark prices shall be applied, with the pricing basis set at no less than 80% of the reference price. The aforementioned two private placements of marketable securities will be conducted in two separate rounds within one year from the date when a resolution is passed in the shareholders' meeting. The list of placees, the selection method and purpose, and the relationship between the placees and the Company shall be submitted. The placees of this private placement of common shares shall meet the specific persons requirement stated in Article 43-6 of the Securities and Exchange Act and the ruling issued by the Financial Securities Commissions Letter Per Letter Jin-Guan-Zheng-Fa-Zi-0990046878 dated September 1, 2010.

In addition, according to the "Directions for Public Companies Conducting Private Placements of Securities" issued by the Financial Supervisory Commission, if there is a significant change in managerial control within the 1 year period immediately preceding the day on which the board of directors resolves on the private placement, or if there will be a significant change in managerial control after the introduction of specific investor through private placement, the company shall engage a securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement. And shall state the opinion in the notice to convene the shareholders' meeting to serve as a reference for the shareholders to decide whether to agree. Therefore, the company appointed us to be the securities underwriter to express opinions on the necessity and reasonableness of the Company's private placement.

The contents of this opinion shall only be used as a reference for the private placement of marketable securities at the board of directors' meeting on April 25, 2023 and the resolution of this private placement proposal in the 2023 shareholders' meeting. This opinion is based on the financial information provided by Lang Inc. and the information disclosed in MOPS. It is declared that this opinion held liable for any liability for any changes to the private placement plan or other matters that may affect the content of this opinion in the future.

## **II. Assessment of significant change in managerial control**

- (I) Review of significant changes in managerial control within the 1 year period prior to the private placement of securities resolved by the board of directors and within one year from the delivery date of the private placement of securities

In the most recent year (from April 25, 2022 to April 24, 2023) of Lang Inc.'s board of directors, its Chairman Chiu, Chien-Cheng ( Corporate Director Yungmei Investment Co., Ltd. Representative) resigned from the position of Chairman and Director on November, 10, 2022 due to his busy schedule. In this regard, the Company's Chairman position was vacated. In accordance with Article 208 of the Company Act, the directors of the Company elected a Chairman from among themselves. Therefore, on November 11, 2022, the board of directors adopted the resolution to have Wang, Guan-Jung to be the newly elected Chairman. The Company's change of director did not exceed one-third of the total number of directors, therefore a significant change in managerial control within the 1 year period prior to the private placement of securities resolved by the board of directors stated in Paragraph 3, Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities" did not occur. In addition, there was no significant changes to the Company's business items and management hierarchy, so there was no significant impact on the Company's business, finance and shareholders' equity.

- (II) Review of whether there were significant managerial changes after the private placement was conducted.

Lang Inc. will conduct the private placement after the shareholders' meeting on June 7, 2023. As of now, the placees have not yet been determined, therefore the conclusion cannot be drawn yet whether the specific investor that will be introduced in the future when the private placement of common shares is conducted in the future will have seats in the board of directors and be involved in the Company's operation and as a result, causing significant changes to the managerial control. However, considering that the Company's current paid-in capital is NTD 532,424,030 (the same currency is used below), and the number of issued common shares is 53,242,403 (including 3,560,000 shares from private placement), and number of shares planned for this private placement is 20,000,000 shares (excluding domestic secured convertible bonds), which totals up to 73,242,403 shares after the private placement where the number of shares for this private placement is expected to be 27.31% of the share capital after the private placement. Considering the certain percentage of shareholding held by the placees due to the private placement, it is not ruled out that the members of the board of directors may undergo changes due to the changed shareholding structure in the future.

If there is a change in the number of directors or in the managerial control, the Company will also disclose information in accordance with relevant regulations to protect shareholders' interests.

(III) Company profile and financial position

The Company was formerly known as Jye Tai Precision Industry Co., Ltd., and changed to its current name in December 2020. It was founded on April 18, 1973. Its initial business was mainly engaged in the manufacturing, processing and sales of wireless remote controls and cables along with various audio, video, multimedia systems, and other electrical connectors. Due to the rise of the supply chain in Mainland China, connector manufacturers faced competitive pressure in the market. In order to improve its competitiveness and respond to the drastic changes in the market, the Company began its transformation into a network technology company mainly focusing on live broadcasting after merging 100% of the equity of its subsidiary, ShineRay Co., Ltd. in 2020. Its main product is an application that integrates real-time video broadcasting and social interaction. It is currently one of the largest live-streaming social platforms in Taiwan, and has enabled the Company to successfully enter the field of network technology, which then triggered significant growth in its operating revenue in 2020 and 2021 where its operating income and net income before tax also increased. The condensed financial information of the Company in the most recent five fiscal years is hereby presented as follows:

**Condensed consolidated balance sheet**

Unit: NTD thousands

Item/Year	End of 2018	End of 2019	End of 2020	End of 2021	End of 2022
Current asset	223,110	210,446	537,889	833,517	1,120,729
non-current assets	228,253	212,182	668,296	712,416	645,499
Total assets	451,363	422,628	1,206,185	1,545,933	1,766,228
Current liabilities	20,302	20,737	419,234	614,456	933,330
non-current liabilities	1,676	1,420	243,172	258,596	123,026
Total liabilities	21,978	22,157	662,406	873,052	1,056,356
Share capital	496,824	496,824	532,424	532,424	532,424
Additional paid-in capital	-	-	44,914	44,914	44,914
Statutory reserves	-	-	-	-	10,611
Retained earnings	(63,306)	(90,313)	(30,408)	106,114	117,941
Other equity	(4,133)	(6,040)	(5,334)	(9,000)	(568)
Total equity attributable to owners of parent company	429,385	400,471	541,596	674,452	708,987
Non-controlling interests	-	-	2,183	(1,571)	885
Total equity	429,385	400,471	543,779	672,881	709,872
Book value per share (NT\$) (Note)	8.64	8.06	10.17	12.67	13.32

Note: Book value per share = (equity - non-controlling interests) / (number of common shares + number of preferred shares (under equity) + equivalent issue shares of advance receipts (under equity) - parent company's treasury stock owned by the parent company and subsidiaries - capital stock pending cancellation).

Source: Consolidated financial statements of Lang Inc. in each year that have been audited and certified by CPAs.

### Condensed statement of comprehensive income

Unit: NTD thousands

Item/Year	2018	2019	2020	2021	2022
Operating revenue	7,102	2,265	845,362	2,716,193	3,011,423
Gross profit	2017	191	189,677	706,961	843,334
Operating profit (loss)	(16,407)	(27,123)	(11,799)	116,859	93,276
Non-operating income and expenses	11,840	116	83,114	74,475	22,535
Net income (loss) before tax	(4,567)	(27,007)	71,315	191,334	115,811
Tax expense (tax income)	-	-	8,923	61,135	84,252
Net income (net loss) from continuing operations	(4,567)	(27,007)	61,103	128,552	31,559
Net income (loss)	(4,567)	(27,007)	62,392	130,199	31,559
Other comprehensive income (net amount)	(563)	(1,907)	706	(3,666)	8,432
Total comprehensive income for this period	(5,130)	(28,914)	63,098	126,533	39,991
Net income (net loss) attributable to owners of parent company	(4,567)	(27,007)	59,905	138,688	33,209
Net income (net loss) attributable to non-controlling interests	-	-	2,487	(8,489)	(1,650)
Total comprehensive income attributable to owners of parent company	(5,130)	(28,914)	60,611	135,022	41,641
Total comprehensive income attributable to non-controlling interests	-	-	2,487	(8,489)	(1,650)
Basic earnings per share (NT\$)	(0.09)	(0.54)	1.16	2.60	0.62

Source: Consolidated financial statements of Lang Inc. in each year that have been audited and certified by CPAs.

#### IV. Evaluation of the necessity and reasonableness of conducting this private placement

##### (I) Legality assessment

The company has net profit after tax and no accumulated loss in the most recent year. However, the places of this private placement shall meet the requirements of specific persons stated in Article 43-6 of the "Securities and Exchange Act" and Article 3 of "Directions for Public Companies Conducting Private Placements of Securities". In addition, the Company plans to set the private placement price at no less than 80% of the reference price upon resolution of its board of directors on April 25, 2023, and will list the relevant matters in the reasons for convening the shareholders' meeting. After assessment, the procedures for conducting this private placement should be in accordance with the law.

##### (II) Necessity assessment

With the rapid improvement and development of the Internet era, its related products and services are easy to imitate, resulting in a high level of competition in the industry. Therefore, the Company expects

an increase in its working capital as well in response to the development trend of its operation in the future. The introduction of placees who can be directly or indirectly beneficial to the Company's future operations can not only improve and strengthen the company's financial structure, increase the proprietary capital ratio, but also help improve its future operating performance. If bank borrowings are used to pay for capital needs, the debt ratio will increase and interest expenses will increase, thereby increasing financial risks. The capital cost is relatively low and it is fast and simple to, for example, raise funds via the private placement of common shares and domestic secured convertible corporate bonds. In addition, the transfer restrictions of securities within three years of private placement will ensure the long-term cooperative relationship between the Company and specific investors. Therefore, the private placement of new shares and domestic secured convertible corporate bonds for cash capital increase is indeed necessary.

### (III) Reasonableness assessment

#### 1. Reasonableness of the issuance procedures for the private placement

The private placement of the Company is planned to be approved by the Board of Directors on April 25, 2023 and conducted upon the approval of the shareholders' meeting in 2023. The price per share of this private placement shall be set at no less than 80% of the reference price, and shall be no less than 80% of the higher of the following two calculations: ①the simple average closing price of the common shares for either the 1, 3, or 5 business days before the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights, ②or the simple average closing price of the common shares for the 30 business days prior to the pricing date, subtracting the ex-rights and dividends of bonus shares issued and adding back the stock price after reverse capital reduction and ex-rights. After reviewing the Board of Directors agenda of the private placement, the content of the motions discussed, the basis for price setting, etc., the procedures were assessed to be appropriate.

#### 2. Reasonableness for private placement

This private placement conducted by the Company is a type of marketable securities commonly issued in the market and is highly accepted by investors. Therefore, the type of private placement of securities to be conducted should be reasonable. In addition, this private placement of marketable securities is prohibited from being freely transferred for three years, which will further ensure the long-term cooperative relationship between the Company and the placees.

#### 3. The reasonableness of the expected benefits from this private placement

The stable and long-term capital obtained by the Company after the private placement may be used to strengthen its working capital, repay borrowings, reinvestment, or meet other funding needs for the long-term development of the company. In addition, the placees' experience, skills, knowledge, brands, or channels, etc. may also help the Company enhance its overall competitiveness, improve operating efficiency, and in turn increase the Company's revenue and profits which is beneficial for the Company's long-term operational development and sound financial structure, thus the benefits should be reasonable.

Overall, upon assessment of the Company's private placement procedures, types of marketable securities, uses of funds and its effectiveness, the private placement should be reasonable.



(IV) Assessment on the feasibility and necessity of the selection of placees

The placees of this private placement conducted by the Company shall meet the requirements of specific persons stated in Article 43-6 of the "Securities and Exchange Act" and Article 3 of "Directions for Public Companies Conducting Private Placements of Securities". Although the specific placees are not determined yet, the Company will select individuals or corporates who will be able to provide the financial resources needed for current operations, operational management skills, enhance the financial cost management, assist with new product and business development training, and channel expansion, etc., to help the Company improve its overall competitive advantage and further increase the Company's revenue and profits. Therefore, its method of placees selection should be appropriate; In addition, by authorizing the Chairman to conduct private placements depending on market conditions and in line with the company's actual needs, the flexibility and efficiency of fund-raising can also be increased. The 3-year non-transferrable rule of privately placed marketable securities can also ensure long-term cooperative relationship between the Company and the placees who can directly or indirectly benefit the Company's future operations, which helps stabilize the Company's operations. Therefore, if the managerial control is indeed transferred in the future because of this, it should be of positive benefit to the business, finance and shareholders' equity of the company. In addition, the price of this private placement will not be less than 80% of the reference price, which is also in compliance with relevant laws and regulations, making limited impact on the shareholders' equity. In conclusion, approaching and selecting placees for this private placement should be feasible and is necessary.

(V) Impacts of the transfer of managerial control on the business, finance, and shareholders' equity of the Company

Under the influence of the increasing competition in the Internet service market, in order to achieve corporate sustainability, the Company intends to recruit placees who can directly or indirectly benefit the Company's future operations, with a view to jointly developing technologies, knowledge, brands, or channels, and help the Company strengthen its market competitiveness, improve operational efficiency, and increase the Company's revenue and profitability; at the same time, the immediate and effective injection of private placement capital can not only increase the long-term and stable capital and meet future operational and development needs, but also improve its financial structure, strengthen its management structure, and thereby improve its operating competitiveness, which is beneficial to the Company's medium- and long-term development in the future. Therefore, it should have a positive impact on the Company's business and finance.

In terms of shareholders' equity, although the Company's earnings per share may be diluted in the short run, in the long run, considering the sustainable operation and development of the Company, the resources and funds introduced by the Company from this private placement are used to strengthen the working capital or meet the capital needs of the Company's future diversified development of operations, in hope to strengthen the company's operating structure and competitiveness, contribute to the company's future operational development and profit growth, and enhance overall shareholders' equity. Therefore, this private placement should bring positive benefits to the shareholders' equity of the company.

## V. Summarized opinion

The purpose of this private placement is to ensure the sustainable operation and development of the company, and to use the funds obtained to strengthen the working capital or to meet the capital needs for the Company's diversified development of future operations to improve operating efficiency. After considering its business performance, the timeliness and feasibility of raising funds along with other factors, the Company's plan to issue common shares and domestic secured convertible corporate bonds for cash capital increase through private placement is indeed necessary and reasonable. In addition, we have reviewed the related information of this private placement on the agenda of the board of directors meeting to be convened on April 25, 2023. After a comprehensive assessment on its procedure of issuance, the selection method of places, the reasons for conducting this private placement and the expected benefits to be generated, we found no material violations or unreasonable occurrences. In conclusion, we the securities underwriter, after evaluating in accordance with the "Directions for Public Companies Conducting Private Placements of Securities", believe that the Company's private placement is necessary and reasonable.

**Assessor**

**President Securities Corporation**

**Responsible person's  
signature**

**Lin, Kuan-Chen**

**April 25, 2023**

(This impression sheet is only applicable to the underwriters' evaluation opinion on the private placement of common shares and private placement of domestic secured convertible corporate bonds in 2023 by Lang Inc.)

### Directors and Independent Directors Candidates List

Classification	Name	Education	Work experience	Number of shares held
Director	Chanyeh Investment Co., Ltd. Representative: Wang, Guan-jung	Department of Finance, University of Southern California	Co-founder of London Asia Capital plc Managing Director of London Asian Infrastructure Investment Bank Director, VHQ Media Holdings Ltd. Supervisor, 1 Production Film Co.	12,000 shares
Director	Yungmei Investment Co., Ltd. Representative: Ma, Yung-ru	Graduate Institute of Graphic Arts & Communications, National Taiwan Normal University	CEO, Business Management Department, Eastern Media International Corporation Vice Chairman, ET New Media Holding Co., Ltd. Chairman, Chairman, Chairman, Consultant of Eastern Media International Co., Ltd.	26,000 shares
Director	Yungmei Investment Co., Ltd. Representative: Li, Wan-yu	Soochow University	Manager, TIFC Futures Manager, Yuanta Futures Manager, TCSC Futures Manager of FUTURE LEADING INVESTMENT PTE. LTD.	26,000 shares
Independent Director	Liu, Yu-wen	Department of Management, Chungyu Junior College of Business Management	Sales Director, David's English Center/Taoyuan Director-in-charge, David's English Center/Taichung Vice President of Finance, Li Guang Technology International Corp.	0 shares
Independent Director	Shih, Ching-hui	Ph. D., Graduate Institute of International Business Administration, Chinese Culture University MBA, Graduate Institute of International Business Administration, Chinese Culture University MBA, Graduate Institute of International Business Administration, Chinese Culture University	Adjunct Associate Professor, Department of Accounting, Chinese Culture University Associate Professor, Department of Computer Science & Information Engineering, Asia University Supervisor, Hwa Kang Arts School Associate Professor, Asia University Public employee 1. National Open University (2005-2008) 2. Fair Trade Commission (1992-2005) 3. Ministry of Economic Affairs (1985-1992)	0 shares

			4. Taipei City Government (1980-1985)	
Independent Director	Yen, Chi-Chin	Department of General Biology, Fu Jen Catholic University Ph. D., Department of Conservation Biology, University of California, Berkeley	Goldstein and Munger Professional financial consultant	0 shares
Independent Director	Tang, Tsung-Lin	Graduated from Soochow University, Department of Chinese	Producer, Golden Star Entertainment Co., Ltd. Producer, WildFire Entertainment Co., Ltd. Producer, How Kan Entertainment Production Co., Ltd. President, How Kan Entertainment Production Co., Ltd.	8,000 shares

## Four. Appendices

### Appendix I

#### Lang Inc.

#### Rules of Procedure for Shareholders' Meetings (Before Amendment)

- Article 1 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be as provided in these Rules.
- Article 2 The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.  
The number of shareholders in attendance shall be determined based on the submitted sign-in cards or the sign-in book.
- Article 3 Attendance and votes cast at shareholders' meetings shall be calculated based on numbers of shares.
- Article 4 The venue for the shareholders' meetings of the Company shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers for any reason, the Chairman shall appoint one director to act as chair. Where the Chairman fails to make such a designation, the directors shall elect a chair from among themselves.  
Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 6 The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.  
Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband
- Article 7 The chair of a shareholders' meeting, may direct the proctors (or security personnel) to help maintain order at the meeting place. Such disciplinary officers (or security personnel) shall wear badges marked "Disciplinary Officers" for identification purposes.
- Article 8 The minutes of the Company's shareholders' meeting are recorded or filmed and kept for at least 1 year.
- Article 9 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 of the Company Act. When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the

tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting; If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders shall elect a new chair, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

Shareholders may not elect another chair to continue the meeting at the original meeting place or at another place after the meeting was adjourned.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail. Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

Article 12 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 13 When a juridical person is appointed to attend as a proxy, the juridical person may designate only one representative to attend the meeting. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 14 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 15 When the chair deems that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

Article 16 Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.

The outcome of a vote at the audit committee meeting shall be announced on-site and recorded accordingly.

A ballot is invalid under any of the circumstances on the left, and the number of weights for

the ballot shall not be counted.

1. Ballots prepared by the Company were not used.
2. The ballots were not placed in the ballot box.
3. In addition to the items that should be filled in, the ballots have other words written on them.
4. Blank ballots without expressing opinions on the proposals.
5. The writing is unclear and indecipherable or has been altered.

- Article 17 When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 18 For the resolution of proposals, unless otherwise provided in the Company Act and the Articles of Incorporation, the consent of a majority vote of the attending shareholders shall prevail. During voting, if the chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote. If there are any dissenting votes, the chair may order the dissenting people or those who abstain from voting to raise their hands or to stand, and the voting rights shall be counted. If the number of the dissenting or abstained voting rights do not reach the number stated in the regulations or the Articles of Incorporation, then the motion is deemed passed. A resolution by vote is prohibited.
- Article 19 In the event of an air raid alert, an earthquake, or other force majeure event occurring during the meeting, the chair shall announce the suspension of the meeting immediately, and each person shall be evacuated. The chair may decide whether to resume the meeting once the cause for the suspension is eliminated.
- Article 20 Any matters that are not properly addressed in these Rules are to be handled in accordance with the Company Act and other applicable laws as well as the Company's Articles of Incorporation.
- Article 21 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

## Lang Inc.

### Regulations Governing the Election of Directors and Independent Directors

- Article 1      The election of the Company’s board directors shall be conducted in accordance with the “Rules Governing the Election of Directors.”
- Article 2      The election of the Company’s board directors shall be implemented in accordance with the name recording cumulative voting method. Elections of directors (including independent directors) shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- Article 2-1     Except where the Competent Authority has granted approval, the following relationships may not exist among more than half of a Company’s directors:
- (1) A spousal relationship.
- (2) A familial relationship within the second degree of kinship.
- The election of the Company’s independent directors shall comply with the relevant requirements of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and shall be conducted in accordance with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”
- Article 2-2     When the originally selected directors do not meet the conditions of Article 2-1 of the “Rules Governing the Election of Directors,” in the event there are multiple directors who do not meet the conditions, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.
- Article 3      The number of directors will be as specified in the Company’s Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 4      The chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel before the election started. The monitoring personnel shall be shareholders.
- The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 5      The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the



shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

- Article 6 If the candidate is a shareholder, the voter must fill in the name of the candidate and the shareholder account number in the “Candidate” column of the ballot paper. If the candidate is not a shareholder, the name of the candidate and the ID Card No. should be filled in the said column, but when a government or juristic person is the candidate, the full title, uniform number, and name of the representative of the government or juristic person should be filled in. If there are several representatives delegated, the names of the representatives should be filled in separately.
- Article 7 A ballot is invalid under any of the following circumstances:
- (1) The ballot was not prepared in accordance with the “Rules Governing the Election of Directors.”
  - (2) A blank ballot is placed in the ballot box.
  - (3) The writing is unclear and indecipherable.
  - (4) Other words or marks are entered in addition to the candidate’s account name (full name) and shareholder account number (ID Card No. or Corporate Tax ID No.).
  - (5) If the elected candidate is a shareholder and the account name and account number are incorrect, or, if the candidate is not a shareholder and their name and ID Card No. or Corporate Tax ID No. is confirmed to be inconsistent or wrong.
  - (6) The number of candidates filled in the ballot exceeds the quorum.
- Article 8 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on the site.
- Article 9 Matters not stipulated in the “Rules Governing the Election of Directors” shall be handled in accordance with the Company Act and relevant laws and regulations.
- Article 10 The “Rules Governing the Election of Directors” shall be implemented after being approved by the shareholders meeting, and the same shall apply when amended.
- Article 11 Approval and amendment time: Enacted on June 18, 2002.
- The 1<sup>st</sup> amendment was made on June 14, 2006.
- The 2<sup>nd</sup> amendment was made on June 27, 2017.
- The 3<sup>rd</sup> amendment was made on June 29, 2018.
- The 4<sup>th</sup> amendment was made on June 15, 2020.



## Lang Inc. – Articles of Incorporation

### Chapter 1 General provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act and named Lang Inc.

Article 2: The Company's business operation is as follows:

4. CA01130 Copper Rolling, Drawing and Extruding.
5. C805020 Manufacture of Plastic Films and Bags.
6. C805050 Industrial Plastic Products Manufacturing.
7. C805990 Other Plastic Products Manufacturing.
8. CB01010 Mechanical Equipment Manufacturing.
9. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
10. CC01080 Electronics Components Manufacturing.
11. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
12. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
13. F213010 Retail Sale of Electrical Appliances.
14. F219010 Retail Sale of Electronic Materials.
15. JA02010 Electric Appliance and Electronic Products Repair.
16. I301010 Information Software Services.
17. I301020 Data Processing Services.
18. I301030 Electronic Information Supply Services.
19. I301040 The Third Party Payment.
20. F108031 Wholesale of Medical Devices.
21. F118010 Wholesale of Computer Software.
22. F218010 Retail Sale of Computer Software.
23. F208031 Retail Sale of Medical Apparatus.
24. F213080 Retail Sale of Machinery and Tools.
25. F401010 International Trade.
26. I401010 General Advertising Services.
27. J404010 Animated Motion Picture Production.
28. J601010 Arts and Literature Service.
29. J602010 Performing Arts Activities Industry.
30. H701010 Housing and Building Development and Rental.
31. H701020 Industrial Factory Development and Rental.
32. H703100 Real Estate Leasing.
33. H703090 Real Estate Business.

34. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company for business needs may make an external endorsement guarantee in accordance with the relevant regulations of the security competent authority.

Article 2-2: The Company's reinvestment amount is not subject to the restriction that the transferred investments shall not exceed 40% of the paid-in capital as stated in Article 13 of the Company Act.

Article 2-3: (Deleted)

Article 3: The Company's headquarters is located in Taipei City; also, branches may be setup in Taiwan and abroad with the resolution of the board of directors.

Article 4: (Deleted)

#### Chapter 2 Shares

Article 5: The Company has a capital stock of NT\$1.8 billion with 180 million shares authorized at NT\$10 par. An amount of NT\$80,000,000 is reserved from the aforementioned capital stock in the preceding paragraph for the issuance of employee stock warrants, a total of 8 million shares at NT\$10 par. The board of directors is authorized to have the unissued shares issued in installments.

Article 5-1: To issue employee stock warrants that are not subject to the exercise price restriction set out in the relevant laws and regulations, an issuer is required to obtain 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. The issuer is allowed to register multiple issues over a period of 1 year from the date of the shareholders resolution.

Article 5-2: The Company may have the treasury stock transferred to employees at less than the average actual share repurchase price; however, it must be with 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 in accordance with the relevant laws and regulations.

Article 5-3: When the Company issues new shares, the employees who subscribe to the shares include the employees of the parent company or subsidiaries meeting certain specific requirements to be entitled to receive shares; also, the board of directors is authorized to resolve the conditions and subscription methods.

When the Company issues new restricted employee shares, the employees who subscribe the shares include the employees of the parent company or subsidiaries meeting certain specific requirements; also, the board of directors is authorized to resolve the conditions and distribution methods.

When the Company issues employee stock options, the employees who subscribe to the stock options include the employees of the parent company or subsidiaries meeting certain specific requirements; also, the board of directors is authorized to resolve the conditions and distribution methods.

When the Company buys back treasury stock and transfers it to employees, the employees who receive treasury stock include the employees of the parent company or subsidiaries meeting certain specific requirements; also, the board of directors is authorized to resolve the conditions and distribution methods.

Article 6: The Company has the administration of shareholder service handled in accordance with the “Regulations Governing the Administration of Shareholder Service of Public Companies” promulgated by the competent authority.

Article 7: (Deleted)

Article 8: The Company’s share certificate must be registered and signed or sealed by the director representing the Company, which shall be issued after being legally attested. The Company may be exempted from printing any share certificate for the registered shares issued, but the Company shall register the issued shares with a centralized securities depository enterprise.

### Chapter 3 Shareholders Meetings

Article 9: The Company shall not handle any requests for the transfers of shares within 60 days prior to a shareholders meeting, 30 days prior to a special shareholders meeting, or 5 days prior to the record date for the distribution of dividends, bonuses, or other interests.

The Company may have the shareholders meeting held by means of virtual communication network or other methods promulgated by the Ministry of Economic Affairs.

Article 10: Shareholders meetings include regular shareholders meetings and special shareholders meetings. Regular shareholders meeting are held at least once every year within 6 months after the end of the fiscal year. A special shareholders meeting is held when necessary. The shareholders meeting notice may be issued electronically, and the convening procedure shall be handled in accordance with Article 172 of the Company Act.

Article 11: The Company shall have all shareholders informed 30 days before the commencement date of a regular shareholder meeting or 15 days before the date of a special shareholder meeting. The reasons for convening the shareholders meeting shall be state in the meeting notice.

Article 12: The shareholders meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave, the chairperson shall appoint one of the directors to act as chair, or, when the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If the shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 13: A shareholder may appoint a proxy to attend each shareholder meeting by providing the proxy form issued by the Company and stating the scope of the proxy’s authorization. The use of the proxy shall be handled in accordance with the Company Act and the “Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies” promulgated by the competent authority.

Article 14: A shareholder shall be entitled to one vote for each share held, unless otherwise provided for

in the Company Act.

Article 15: Resolutions at a shareholder meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. When the Company holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, which shall be handled in accordance with the laws and regulations.

Article 15-1: Matters relating to the resolutions of a shareholder meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The aforementioned meeting minutes in the preceding paragraph may be produced and distributed in electronic form. The Company may distribute the meeting minutes as stated in the preceding paragraph by means of a public announcement.

#### Chapter 4 Directors and Audit Committee

Article 16: The Company has seven to nine directors, including at least three independent directors that account for not less than one-fifth of the board of directors. The quorum of the board of directors shall be determined by a resolution of the board of directors. The board directors are elected in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act and they are elected from the candidate list in the shareholders meeting for a 3-year term and are eligible for re-election. The name recording cumulative voting method shall be used for election of the Company's directors. In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The total stock shares owned by the directors of the Company as stated in the preceding paragraph shall not be less than the percentage of total issued shares specified by the competent authority. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.

Article 16-1: The following relationships may not exist among more than half of the Company's directors:

- (I) A spousal relationship.
- (II) A familial relationship within the second degree of kinship.

Article 16-2: The Company may obtain a liability insurance for the board directors with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 17: The board of directors is organized by the directors. The board of directors shall elect a chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors; also, the elected chairman shall externally represent the company.

- Article 18: A board of directors shall meet at least quarterly. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effective in writing, fax, or by means of electronic transmission. Board meetings shall be convened and chaired by the chairperson of the board. If the chairman is on leave for reasons, the chairman shall designate a director to chair the meeting; if no such designation is made, the directors shall elect among themselves one director to chair the meeting.
- Article 19: The functions and powers of the board of directors shall be handled in accordance with Article 202 of the Company Act.
- Article 20: Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.
- Article 21: A director may authorize in writing other directors of the Company to attend the board meeting and vote on all matters proposed at the meeting by proxy, but each director can only represent one other director.
- Article 22: The Company shall set up an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, which shall be composed of all independent directors, which shall not be less than three members, one of whom shall serve as the convener, and at least one of them shall have accounting or financial expertise. The Audit Committee and its members are responsible for performing the duties and powers of supervisors in accordance with the Company Act, Securities and Exchange Act, and other laws and regulations. .
- Article 23: (Deleted)
- Article 24: The board of directors is authorized to determine the remuneration of directors for their duty performance based on the evaluation of the Remuneration Committee, the degree of participation in the Company's operations, and the value of their contributions; also, by referring to domestic and foreign industry standards.
- Chapter 5 Managerial Officers
- Article 25: The Company may have managerial officers appointed. The appointment, dismissal, and remuneration of the managerial officers shall be handled in accordance with Article 29 of the Company Act.
- Chapter 6 Accounting
- Article 26: The Company's board of directors shall prepare the following forms at the end of each fiscal year and submit them to the shareholders meeting for approval in accordance with statutory procedures:
1. Business report
  2. Financial statements
  3. Proposal for the earnings distribution or deficit compensation
- Article 27: Appropriate 2% ~ 10% of the earnings, if any, as remuneration to employees, including the employees of the parent company or subsidiaries of the company meeting certain specific

requirements; also, the board of directors is authorized to resolve the conditions and distribution methods. At the same time, the board of directors may appropriate an amount not more than 3% of the aforementioned earnings as director remuneration. The board of directors shall determine whether to have the aforementioned remuneration distributed in the form of stock or cash before reporting it to the shareholders meeting. However, directors' remuneration can only be paid in cash. The Company shall reserve an amount equivalent to the accumulated losses, if any, for compensation in advance, and then appropriate employee remuneration and director remuneration according to the proportion stated in the preceding paragraph.

After closing of accounts, if there is surplus earning, the Company shall first pay taxes and make up for the cumulative losses, then set aside a legal reserve of 10% of the net profit (except when the accumulated legal reserve equals to the paid-in capital of the company). In addition, the Company may appropriate or reverse the special reserve in accordance with the laws and regulations. The remaining profit, if any, together with the accumulated unappropriated retained earnings are the accumulated distributable amount. The board of directors shall propose the earnings distribution plan, which should be reported to the shareholders meeting for resolution before distribution if it is to be distributed with new shares issued. If the Company distributes dividends and bonuses or all or part of the legal reserve and additional paid-in capital in cash, the board of directors is authorized to handle it with the presence of more than two-thirds of the directors and the consent of more than half of the directors present, which should be reported to the shareholders meeting afterwards. Taking into account the interests of shareholders and the long-term financial planning of the Company, an amount equivalent to 15% or more of the distributable earnings is appropriated and distributed as shareholder dividends every year; however, the accumulated distributable earnings less than 50% of the paid-in capital may not be distributed. Among them, cash dividends shall not be less than 10% of the total dividends. If the cash dividend per share is less than NT\$0.5, stock dividends should be distributed instead.

#### Chapter 7: Supplemental Provisions

Article 28: Matters not stipulated in these Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 29: The Articles of Incorporation was formulated on April 4, 1973.

The 1<sup>st</sup> amendment was made on August 8, 1973.

The 2<sup>nd</sup> amendment was made on October 7, 1975.

The 3<sup>rd</sup> amendment was made on December 15, 1978.

The 4<sup>th</sup> amendment was made on June 5, 1979.

The 5<sup>th</sup> amendment was made on August 12, 1981.

The 6<sup>th</sup> amendment was made on November 29, 1982.

The 7<sup>th</sup> amendment was made on February 21, 1984.

The 8<sup>th</sup> amendment was made on February 18, 1986.

The 9<sup>th</sup> amendment was made on May 25, 1987.  
The 10<sup>th</sup> amendment was made on January 19, 1989.  
The 11<sup>th</sup> amendment was made on October 26, 1993.  
The 12<sup>th</sup> amendment was made on October 5, 1994.  
The 13<sup>th</sup> amendment was made on August 23, 1996.  
The 14<sup>th</sup> amendment was made on October 11, 1997.  
The 15<sup>th</sup> amendment was made on April 21, 1998.  
The 16<sup>th</sup> amendment was made on June 23, 1998.  
The 17<sup>th</sup> amendment was made on June 25, 1999.  
The 18<sup>th</sup> amendment was made on January 15, 2000.  
The 19<sup>th</sup> amendment was made on May 30, 2000.  
The 20<sup>th</sup> amendment was made on May 25, 2001.  
The 21<sup>st</sup> amendment was made on June 18, 2002.  
The 22<sup>nd</sup> amendment was made on May 6, 2003.  
The 23<sup>rd</sup> amendment was made on June 14, 2006.  
The 24<sup>th</sup> amendment was made on June 21, 2007.  
The 25<sup>th</sup> amendment was made on June 25, 2008.  
The 26<sup>th</sup> amendment was made on June 25, 2009.  
The 27<sup>th</sup> amendment was made on June 29, 2010.  
The 28<sup>th</sup> amendment was made on June 24, 2013.  
The 29<sup>th</sup> amendment was made on October 2, 2015.  
The 30<sup>th</sup> amendment was made on June 27, 2016.  
The 31<sup>st</sup> amendment was made on June 27, 2017.  
The 32<sup>nd</sup> amendment was made on June 28, 2019.  
The 33<sup>rd</sup> amendment was made on June 15, 2020.  
The 34<sup>th</sup> amendment was made on December 31, 2020.  
The 35<sup>th</sup> amendment was made on July 13, 2021.  
The 36<sup>th</sup> amendment was made on June 22, 2022.

Lang Inc.



Chairman: Wang, Guan-Zhong



## Lang Inc.

### List of Shareholder's Shareholdings

- I. The Company has set up an Audit Committee in accordance with Article 14-4 of the "Securities and Exchange Act" and replaced the supervisor with all independent directors.
- II. According to Article 26 of the "Securities and Exchange Act" and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if there are more than two independent directors elected, the shareholding ratio of all directors other than independent directors shall be reduced to 80%, which is 4,259,392 shares.
- III. As of the book entry closing date (April 24, 2022) for share transfer before the 2022 regular shareholders meeting, the shareholdings of each director and the board of directors taking as a whole recorded in the Company's shareholder register are as follows:

Job title	Name	Number of shares recorded in the shareholder register	Remarks
Chairman	Chanyeh Investment Co., Ltd. Representative: Wang, Guan-Zhong	12,000	Account No.: 23088
Director	Yungmei Investment Co., Ltd. Representative: Ma, Yong-Rui	26,000	Account No.: 23089
Director	Yungmei Investment Co., Ltd. Representative: Lee, Wan-Yu	26,000	Account No.: 23089
Director	Yungmei Investment Co., Ltd. Representative: Lee, Wan-Yu	26,000	Account No.: 23089
Independent Director	Chang, Chih-chao	0	
Independent Director	Liu, Yu-wen	0	
Independent Director	Shih, Ching-hui	0	
<b>Total number of shares held by all directors other than independent directors</b>		<b>38,000</b>	

Note: The total number of issued shares on April 24, 2023: 53,242,403 shares.