



Stock Code: 2373

# Aurora Corporation

## 2022 Annual Shareholders' Meeting Meeting Handbook (Translation)

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

Venue: 3F., No. 2, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

(Physical shareholders meeting)

(Multi-functional Conference Room, Aurora Plaza)

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# Aurora Corporation

## Procedure for the 2022 Annual Shareholders' Meeting

- I. Reporting the Number of Shares Represented at the Meeting
- II. Meeting Called to Order
- III. Chairman's Remarks
- IV. Announcements
- V. Proposed Resolutions
- VI. Election Matters
- VII. Approval Matters
- VIII. Extempore Motions
- IX. Adjournment

## 【Announcements】

### I. 2021 Business Report

## Aurora Corporation 2021 Business Report

Dear shareholders,

Looking back to the year of 2021, due to the intensification of the local COVID-19 pandemic in Taiwan since May, and the fact that the global supply chains did not resumed their normal operations due to the continued pandemic, the supply of key production factors such as raw materials and chips was under strain, which left an impact on the general economy, and also affected Aurora's operation. Despite this, Aurora continued to improve its business operation and reduced the impact of external shocks; the overall profit in 2021 decreased slightly. We hereby present the 2021 Business Results and the 2022 Business Plan:

#### I. 2021 Business Results

##### (I) Business Results

For the fiscal year of 2021, the consolidated net revenue was NT\$13,577,257 thousand and the net profit after tax attributed to the parent company was NT\$1,391,539 thousand. The earnings per share after tax was NT\$6.19. The comparison of profit or loss for the two fiscal years is as follows:

(In Thousands of New Taiwan Dollars)

Item/Year		2021	2020	Increase (Decrease)	Growth Rate
Operating Revenue	Consolidated	13,577,257	12,950,974	626,283	5%
	Parent company only	3,285,129	3,174,613	110,516	3%
Net Profit after Tax (Attributable to Owners of the Parent)		1,391,539	1,438,309	(46,770)	-3%
Earnings per Share after Tax (NT\$)		6.19	6.40	(0.21)	-

In terms of the consolidated financial structure, the current ratio was 152% and the liability ratio (as a proportion of assets) was 51%. Both ratios were financially sound.

##### (II) Review of Operating Performance

Aurora's main operation performance in 2021 included:

- Both OA and furniture businesses in Taiwan and mainland China have seen profitable growth.

- Aurora Cloud Taiwan and National Taiwan Normal University jointly established the "Aurora Cloud AI Human Resources Laboratory" to assist companies in accurately recruiting talents.
- The OA company in mainland China succeeded in expanding the A4 machine market and successfully grasped the trend of working from home, as the number of machine sold has seen continuous growth.
- Aurora Furniture's "Activa lab" smart office laboratory opened in Shanghai, providing space solutions and smart experiences in five office operation modes, namely, concentration, collaboration, learning, social interaction, and relaxing.

## **II. Overview of the 2022 Business Plan and Future Development Strategies**

### **(I) Prediction of Impact from External Competition and Overall Business Environment and Countermeasures**

Major institutions, including the Directorate General of Budget, Accounting and Statistics, have all predicted that the overall domestic economy will maintain growth in 2022, but still, there are many uncertainties in the world. For example, in response to inflationary pressures, the monetary policies of numerous countries will enter a cycle of interest rate hikes and tightening, and concerns of regional military conflicts will also greatly increase political risks, which will affect the overall economic environment. Regardless of the performance of the external economy, Aurora will continue to improve its business operations and respond to every single challenge ahead. In addition, the COVID-19 pandemic has prompted enterprises to accelerate digital transformation, and the wave of ESG sustainability has also pushed enterprises to accelerate low-carbon transformation, which are both opportunities for Aurora in terms of future development. To this end, we focus on the office space market, which is where we started, and combine tools and technologies such as big data, AI, and IoT to strengthen the digitalization and intelligence of our products, services, and solutions. We also integrate ESG concepts into our business processes and business models to help customers save energy and reduce carbon emissions, and create an environment-friendly, healthy, smart, and highly efficient office environment, thereby creating a difference between Aurora and its competitors within the industry, and continuously strengthening our overall competitiveness.

### **(II) Development Strategies for Each Segment**

1. OA: Committed to becoming a leader in general solutions for office space, providing our customers with an efficient, innovative and smart office environment.
  - (1) Create an efficient office scene with a combination of printing equipment (A3/A4/PP machine, etc.) and solutions as the core.

- (2) Create innovative service capabilities with IoT, cloud, and remote service platforms as the core.
  - (3) Create a smart conference solution with smart screen, cloud video conferencing, and conference central control system as the core.
  - (4) Create a zero-contact smart management platform centered on cloud human resources, body temperature measurement, face recognition, and AI interviews.
2. Furniture: Adhering to the belief of "Better work, better life" we strive to become the leader in high-end office space solutions.
- (1) Combining Activa's smart office concept with the guidance of customer demands, Aurora develops trendy products and smart space solutions to provide customers with healthy and wonderful office experiences.
  - (2) Focus on our brand advantages, strengthen the competitiveness of direct sales, distribution sales, and e-commerce channels, accelerate the development of new products of medical and educational furniture, optimize the product mix, and expand the scale of operation, and eventually widen the gap with competitors.
  - (3) From product design and development, manufacturing, distribution, and assembly, the process integrates smart and environmentally friendly techniques and procedures. Aurora also cooperates with quality suppliers to exert synergy and create an industrial green ecological chain.

### **III. Conclusion**

Despite the fact that Aurora is still in the adverse environment of the COVID-19 pandemic in 2021, we have still seen stable profit and accumulated an even more solid operating foundation, thanks to the support of our shareholders and the efforts of our colleagues. In recent years, ESG sustainability has become the standard of corporate management. Aurora's business philosophy is "Customer Satisfaction, Associate Contentment, Giving Back to Society, and Pursuing Sustainable Business." The philosophy has already included the comprehensive spirit of ESG sustainability. Looking forward to the year of 2022, Aurora will continue to engage in ESG forward-looking planning, formulate specific action plans and implement them, excel in creating higher value for our shareholders, customers, colleagues, and the society. We will fulfill our corporate social responsibilities, play a positive role of influence, and implement Aurora's business philosophy and ESG sustainability.

## 【Announcements】

### II. Audit Committee Review Report on Aurora's 2021 Financial Statements

#### Audit Committee's Review Report

The Audit Committee hereby presents Aurora's 2021 Business Report, financial statements and proposal for earnings distribution, among which the financial statements have been audited by Deloitte & Touche Taiwan, by whom an audit report has been issued accordingly.

The said business report, financial statements, and the proposal for earnings distribution have been audited by the Audit Committee and determined to be in compliance with the Company Act and other relevant laws and regulations. The Audit Committee's Report is hereby prepared in accordance with Article 219 of the Company Act.

Hereby presented for review

To:

2022 Annual Shareholders' Meeting of Aurora Corporation

Convener of the Audit Committee

Liao Kuo-Jung

March 16, 2022

## 【Announcements】

### III. Distribution of Employees' Compensation of 2021

Explanatory Notes:

The amount of employees' compensation of Aurora for 2021 is NT\$16,370,000, and is proposed to be distributed in the form of cash, which matches the estimated amount of recognized expenses for the year.



## 【Proposed Resolutions】

### [Proposal 1]

Proposal: Proposal for the Ratification of the 2021 Business Report and Financial Statements.

[Proposed by the board of directors]

#### Explanatory Notes:

- (I) Aurora's 2021 Business Report and financial statements have been audited and certified by independent Certified Public Accountants Chi Rui-Chuan and Hsieh Chien-Hsin of Deloitte & Touche Taiwan, and have been submitted to the Audit Committee for review. The review is now completed, and an Audit Committee's Review Report is issued.
- (II) The Business Report and all financial statements are provided in the following pages for ratification.
  1. Business Report  
【Please refer to #page 2-4#】
  2. Parent Company Only Balance Sheet  
【Please refer to #page 12#】
  3. Parent Company Only Statement of Comprehensive Income  
【Please refer to #page 13-14#】
  4. Parent Company Only Statement of Changes in Equity  
【Please refer to #page 15#】
  5. Parent Company Only Statement of Cash Flows  
【Please refer to #page 16-17#】
  6. Consolidated Balance Sheet  
【Please refer to #page 21#】
  7. Consolidated Statement of Comprehensive Income  
【Please refer to #page 22-24#】

8. Consolidated Statement of Changes in Equity  
【Please refer to #page 25#】

9. Consolidated Statement of Cash Flows  
【Please refer to #page 26-27#】

Attachment:

1. Audit Committee's Review Report  
【Please refer to #page 5#】

2. Independent Auditors' Report - Parent Company Only  
【Please refer to #page 9-11#】

3. Independent Auditors' Report – Consolidated  
【Please refer to #page18-20#】

Resolution:

## Independent Auditors' Report

To Aurora Corporation:

### Opinions

Aurora Corporation's Parent Company Only Balance Sheets as of December 31, 2021 and 2020, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2021 and 2020, have been audited by the CPAs.

In our opinion, the Parent Company Only Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of Aurora Corporation as of December 31, 2021 and 2020, as well as the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2021 and 2020.

### Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Aurora Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

Key audit matters for the Parent Company Only Financial Statements of Aurora Corporation for the year ended December 31, 2021 are stated as follows:

#### Sales revenue and sales revenue of key subsidiaries accounted for using the equity method.

The main businesses of Aurora Corporation and its key subsidiaries accounted for using the equity method include the trade and lease of Multi-Functional Photocopiers (MFPs) and sales of system furniture. In particular, sales revenue from sales of system furniture in Taiwan and mainland China increased significantly in 2021 as compared to that in 2020; such increase in the overall impact to the financial statements is material. The main risk lies in whether revenue actually occurs. Accordingly, we identify the risk of revenue recognition arising from fraud as a

key audit matter in accordance with the Statements on Auditing Standards in relation to significant risk.

For the accounting policies related to revenue recognition, please refer to Note IV (XIV).

We understood and tested the effectiveness of the design and implementation of internal controls in the recognition of sales revenue. We have also selected appropriate samples from the sales details, reviewed the original contracts, documents and customs declaration forms from external forwarders or signed by customers to check whether the recipients are the trading parties, and reviewed whether there is a significant amount of return and allowance subsequent to the balance sheet date to confirm whether there is any material misstatement of sales revenue.

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

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

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

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Aurora Corporation.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the 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 Aurora Corporation's ability to operate 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 Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Aurora Corporation to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Aurora Corporation to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements of Aurora Corporation.

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 the key audit matters of Aurora Corporation's Parent Company Only Financial Statements for the year ended December 31, 2021. 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.

Deloitte & Touche

Chi Rui-Chuan, CPA

Hsieh Chien-Hsin, CPA

Financial Supervisory Commission Approval

No. Jin-Guan-Zheng-Shen No. 1060023872

March 16, 2022

Securities and Futures Commission Approval

No. Tai-Cai-Zheng-6 No. 0920123784

**Aurora Corporation**  
**Parent Company Only Balance Sheets**  
**For the Years Ended December 31, 2021 and 2020**

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash (Note VI)	\$ 167,091	1	\$ 173,009	1
1150	Notes receivable (Notes IV and VII)	74,211	1	83,048	1
1170	Accounts receivable (Notes IV and VII)	134,406	1	154,015	1
1180	Accounts receivable - related parties (Notes IV, VII, and XXVII)	67,966	-	72,492	1
1200	Other receivables (Notes IV, VII, and XXVII)	66,985	-	64,483	-
130X	Inventories (Notes IV and VIII)	634,381	5	503,546	4
1479	Other current assets (Note XIV)	<u>77,620</u>	<u>1</u>	<u>44,024</u>	<u>-</u>
11XX	Total current assets	<u>1,222,660</u>	<u>9</u>	<u>1,094,617</u>	<u>8</u>
	<b>Non-current assets</b>				
1550	Investments accounted for using the equity method (Notes IV and IX)	10,780,872	82	10,576,456	82
1600	Property, plant, and equipment (Notes IV, X, XXVII, and XXVIII)	776,296	6	803,052	6
1755	Right-of-use assets (Notes IV, XI, and XXVII)	156,847	1	158,776	1
1760	Investment properties (Notes IV, XII, and XXVIII)	71,018	1	71,493	1
1805	Goodwill (Notes IV and XIII)	38,147	-	38,147	-
1821	Other intangible assets (Notes IV and XIII)	10,560	-	10,468	-
1840	Deferred tax assets (Notes IV and XXII)	81,158	1	78,942	1
1920	Refundable deposits (Note XXVII)	<u>47,979</u>	<u>-</u>	<u>40,298</u>	<u>1</u>
15XX	Total non-current assets	<u>11,962,877</u>	<u>91</u>	<u>11,777,632</u>	<u>92</u>
1XXX	Total assets	<u>\$ 13,185,537</u>	<u>100</u>	<u>\$ 12,872,249</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current Liabilities</b>				
2100	Short-term loans (Note XV)	\$ 3,125,822	24	\$ 2,283,652	18
2110	Short-term notes and bills payable (Note XV)	-	-	299,655	2
2130	Contract liabilities - current (Notes IV and XX)	179,273	1	137,276	1
2170	Accounts payable (Notes XVI and XXVII)	341,786	2	332,640	3
2200	Other payables (Notes XVII and XXVII)	265,792	2	269,697	2
2230	Current tax liabilities (Notes IV and XXII)	93,739	1	42,340	-
2280	Lease liabilities - current (Notes IV, XI and XXVII)	78,661	1	73,819	1
2300	Other current liabilities (Note XVII)	<u>63,044</u>	<u>-</u>	<u>48,949</u>	<u>-</u>
21XX	Total current liabilities	<u>4,148,117</u>	<u>31</u>	<u>3,488,028</u>	<u>27</u>
	<b>Non-current liabilities</b>				
2540	Long-term loans (Note XV)	650,000	5	1,000,000	8
2570	Deferred income tax liabilities (Notes IV and XXII)	298,724	2	258,436	2
2580	Lease liabilities - non-current (Notes IV, XI and XXVII)	79,269	1	86,217	1
2640	Net defined benefit liabilities - non-current (Notes IV and XVIII)	412,894	3	410,001	3
2645	Guarantee deposits received (Note XXVII)	<u>1,018</u>	<u>-</u>	<u>878</u>	<u>-</u>
25XX	Total non-current liabilities	<u>1,441,905</u>	<u>11</u>	<u>1,755,532</u>	<u>14</u>
2XXX	Total liabilities	<u>5,590,022</u>	<u>42</u>	<u>5,243,560</u>	<u>41</u>
	<b>Equity (Note XIX)</b>				
	<b>Capital Stock</b>				
3110	Capital stock - common shares	<u>2,362,025</u>	<u>18</u>	<u>2,362,025</u>	<u>18</u>
3200	Capital surplus	<u>1,939,269</u>	<u>15</u>	<u>1,941,799</u>	<u>15</u>
	<b>Retained earnings</b>				
3310	Legal reserve	1,880,146	14	1,731,715	13
3320	Special reserve	852,220	6	852,220	7
3350	Unappropriated earnings	<u>1,379,923</u>	<u>11</u>	<u>1,504,059</u>	<u>12</u>
3300	Total retained earnings	<u>4,112,289</u>	<u>31</u>	<u>4,087,994</u>	<u>32</u>
3400	Other equity	( <u>26,242</u> )	<u>-</u>	<u>28,697</u>	<u>-</u>
3500	Treasury shares	( <u>791,826</u> )	( <u>6</u> )	( <u>791,826</u> )	( <u>6</u> )
3XXX	Total equity	<u>7,595,515</u>	<u>58</u>	<u>7,628,689</u>	<u>59</u>
	Total liabilities and equity	<u>\$ 13,185,537</u>	<u>100</u>	<u>\$ 12,872,249</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

**Aurora Corporation**  
**Parent Company Only Statement of Comprehensive Income**  
**For the Years Ended December 31, 2021 and 2020**

		(In Thousands of New Taiwan Dollars, Except Earnings Per Share)			
		2021		2020	
Code		Amount	%	Amount	%
	Operating revenue (Notes IV, XX, and XXVII)				
4110	Sales revenue	\$ 3,307,517	101	\$ 3,199,689	101
4170	Sales returns	( 13,753 )	( 1 )	( 15,836 )	( 1 )
4190	Sales discounts and allowances	( 8,635 )	-	( 9,240 )	-
4000	Total operating revenue	3,285,129	100	3,174,613	100
5000	Operating costs (Notes IV, XXI, and XXVII)	1,798,923	55	1,692,644	53
5900	Gross profit	1,486,206	45	1,481,969	47
5910	Unrealized gains from sales of associates	( 61,580 )	( 2 )	( 61,664 )	( 2 )
5920	Realized gains from sales of associates	63,900	2	65,300	2
5950	Realized gross profit	1,488,526	45	1,485,605	47
	Operating expenses (Notes XXI and XXVII)				
6100	Selling and marketing expenses	677,783	20	660,298	21
6200	General and administrative expenses	393,309	12	411,772	13
6450	Expected credit losses (Notes IV and VII)	1,546	-	12	-
6000	Total operating expenses	1,072,638	32	1,072,082	34
6900	Net operating income	415,888	13	413,523	13
	Non-operating income and expenses (Notes IV, IX, XXI, and XXVII)				
7100	Interest income	134	-	113	-
7190	Other income	86,929	2	84,225	3
7020	Other gains and losses	( 1,689 )	-	( 1,527 )	-
7050	Finance costs	( 26,023 )	( 1 )	( 26,190 )	( 1 )
7070	Share of profit or loss of subsidiaries and associates accounted for using the equity method	1,140,198	35	1,179,744	37
7000	Total non-operating income and expenses	1,199,549	36	1,236,365	39

(Continued on the next page)

(Continued from the previous page)

Code		2021		2020	
		Amount	%	Amount	%
7900	Net income before tax	1,615,437	49	1,649,888	52
7950	Tax expenses (Notes IV and XXII)	( 223,898 )	( 7 )	( 211,579 )	( 7 )
8200	Net income	<u>1,391,539</u>	<u>42</u>	<u>1,438,309</u>	<u>45</u>
	Other comprehensive income (Notes IV, X, and XIX)				
8310	Components that will not be reclassified to profit or loss				
8311	Gains (losses) on re-measurements of defined benefit plans (Note XVIII)	( 21,375 )	-	( 27,549 )	( 1 )
8330	Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	( 3,789 )	-	( 1,351 )	-
8349	Income tax related to components that will not be reclassified to profit or loss (Note XXII)	<u>4,275</u>	<u>-</u>	<u>5,510</u>	<u>1</u>
		( <u>20,889</u> )	<u>-</u>	( <u>23,390</u> )	<u>-</u>
8360	Components that may be reclassified to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	( 58,615 )	( 2 )	123,736	4
8370	Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	<u>3,676</u>	<u>-</u>	<u>227,287</u>	<u>7</u>
		( <u>54,939</u> )	( <u>2</u> )	<u>351,023</u>	<u>11</u>
8300	Other comprehensive income, net	( <u>75,828</u> )	( <u>2</u> )	<u>327,633</u>	<u>11</u>
8500	Total comprehensive income	<u>\$ 1,315,711</u>	<u>40</u>	<u>\$ 1,765,942</u>	<u>56</u>
	Earnings per share (Note XXIII)				
9710	Basic	<u>\$ 6.19</u>		<u>\$ 6.40</u>	
9810	Diluted	<u>\$ 6.18</u>		<u>\$ 6.39</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling



**Aurora Corporation**  
**Parent Company Only Statements of Changes in Equity**  
**For the Years Ended December 31, 2021 and 2020**

(In Thousands of New Taiwan Dollars)

Code		Capital Stock	Capital surplus	Retained earnings			Other equity		Treasury shares	Total Equity
				Legal Reserve	Special Reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income		
A1	Balance as of January 1, 2020	\$ 2,362,025	\$ 1,920,710	\$ 1,597,471	\$ 852,220	\$ 1,523,968	(\$ 758,072)	\$ 505,137	(\$ 791,826)	\$ 7,211,633
	Appropriation and distribution of earnings for 2019:									
B1	Legal reserve	-	-	134,244	-	( 134,244)	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	( 1,369,975)	-	-	-	( 1,369,975)
C15	Cash dividends appropriated from capital surplus	-	( 47,241)	-	-	-	-	-	-	( 47,241)
D1	Net income in 2020	-	-	-	-	1,438,309	-	-	-	1,438,309
D3	Other comprehensive income after tax in 2020	-	-	-	-	( 23,390)	143,439	207,584	-	327,633
D5	Total comprehensive income in 2020	-	-	-	-	1,414,919	143,439	207,584	-	1,765,942
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	69,391	-	( 69,391)	-	-
Z1	Balance as of December 31, 2020	2,362,025	1,941,799	1,731,715	852,220	1,504,059	( 614,633)	643,330	( 791,826)	7,628,689
	Appropriation and distribution of earnings for 2020									
B1	Legal reserve	-	-	148,431	-	( 148,431)	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	( 1,346,355)	-	-	-	( 1,346,355)
C15	Cash dividends appropriated from capital surplus	-	( 70,860)	-	-	-	-	-	-	( 70,860)
D1	Net income in 2021	-	-	-	-	1,391,539	-	-	-	1,391,539
D3	Other comprehensive income after tax in 2021	-	-	-	-	( 20,889)	( 67,542)	12,603	-	( 75,828)
D5	Total comprehensive income in 2021	-	-	-	-	1,370,650	( 67,542)	12,603	-	1,315,711
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330
Z1	Balance as of December 31, 2021	\$ 2,362,025	\$ 1,939,269	\$ 1,880,146	\$ 852,220	\$ 1,379,923	(\$ 682,175)	\$ 655,933	(\$ 791,826)	\$ 7,595,515

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

**Aurora Corporation**  
**Parent Company Only Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

(In Thousands of New Taiwan Dollars)

Code		2021	2020
	Cash flows from operating activities		
A00010	Net income before tax	\$ 1,615,437	\$ 1,649,888
A20010	Adjustments:		
A20100	Depreciation expenses	247,177	247,248
A20200	Amortization expenses	6,507	7,490
A20300	Expected credit loss	1,546	12
A20900	Finance costs	26,023	26,183
A21200	Interest income	( 134)	( 113)
A22500	Loss on disposal of property, plant, and equipment	323	358
A22300	Share of profit or loss of subsidiaries and associates accounted for using the equity method	( 1,140,198)	( 1,179,744)
A23900	Unrealized gains from associates	61,580	61,664
A24000	Realized gains from associates	( 63,900)	( 65,300)
A29900	Gains on lease modifications	( 601)	( 138)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	8,837	( 2,285)
A31150	Accounts receivable	18,063	3,732
A31160	Accounts receivable - related parties	4,526	2,073
A31180	Other receivables	( 2,502)	( 263)
A31200	Inventories	( 251,707)	( 153,599)
A31240	Other current assets	( 33,596)	( 21,749)
A32125	Contract liabilities	41,997	73,498
A32150	Accounts payable	9,146	68,020
A32180	Other payables	( 4,102)	15,761
A32230	Other current liabilities	14,095	907
A32240	Net defined benefit liabilities	( 18,482)	( 32,552)
A33000	Cash generated from operations	540,035	701,091
A33100	Interest received	134	113
A33300	Interest paid	( 25,826)	( 26,051)
A33500	Income tax paid	( 130,152)	( 87,455)
AAAA	Net cash flows generated from operating activities	<u>384,191</u>	<u>587,698</u>
	Cash flows from investing activities		
B02700	Acquisition of property, plant, and equipment	( 11,583)	( 17,135)

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Code		2021	2020
B02800	Proceeds from disposal of property, plant, and equipment	58	1
B03700	Increase in refundable deposits	( 7,681 )	( 6,135 )
B04500	Acquisition of intangible assets	( 6,599 )	( 5,832 )
B07600	Dividends received from subsidiaries and associates	<u>947,704</u>	<u>491,341</u>
BBBB	Net cash flows from investing activities	<u>921,899</u>	<u>462,240</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	842,170	232,766
C00500	Increase in short-term notes and bills payable	-	299,655
C00600	Decrease in short-term notes and bills payable	( 299,655 )	-
C01700	Repayments of long-term loans	( 350,000 )	-
C03000	Proceeds from guarantee deposits received	140	62
C04500	Cash dividends paid	( 1,417,215 )	( 1,417,216 )
C04020	Repayment of the principal portion of lease liabilities	( <u>87,448</u> )	( <u>82,454</u> )
CCCC	Net cash flows used in financing activities	( <u>1,312,008</u> )	( <u>967,187</u> )
EEEE	Net increase(decrease) in cash	( 5,918 )	82,751
E00100	Cash at beginning of period	<u>173,009</u>	<u>90,258</u>
E00200	Cash at end of period	<u>\$ 167,091</u>	<u>\$ 173,009</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

## Independent Auditors' Report

To Aurora Corporation:

### Opinions

Aurora Corporation and its subsidiaries' Consolidated Balance Sheets as of December 31, 2021 and 2020, in addition to the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2021 and 2020, have been audited by the CPAs.

In our opinion, the Consolidated Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have reasonably expressed the consolidated financial conditions of Aurora Corporation and its subsidiaries as of December 31, 2021 and 2020, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2021 and 2020.

### Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS). 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 Aurora Corporation and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

Key audit matters for the Consolidated Financial Statements of Aurora Corporation and its subsidiaries for the year ended December 31, 2021 are stated as follows:

#### Sales revenue

The main businesses of Aurora Corporation and its subsidiaries include the trade and lease of Multi-Functional Photocopiers (MFPs) and sales of system furniture. In particular, sales revenue from sales of system furniture in Taiwan and mainland China increased significantly in 2021 as compared to that in 2020; such increase in the overall impact to the financial statements is material.

The main risk lies in whether revenue actually occurs. Accordingly, we identify the risk of

revenue recognition arising from fraud as a key audit matter in accordance with the Statements on Auditing Standards in relation to significant risk.

For the accounting policies related to revenue recognition, please refer to Note IV (XV).

We understood and tested the effectiveness of the design and implementation of internal controls in the recognition of sales revenue. We have also selected appropriate samples from the sales details, reviewed the original contracts, documents and customs declaration forms from external forwarders or signed by customers to check whether the recipients are the trading parties, and reviewed whether there is a significant amount of return and allowance subsequent to the balance sheet date to confirm whether there is any material misstatement of sales revenue.

### **Other Matters**

We have also audited the Parent Company Only Financial Statements of Aurora Corporation for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing Aurora Corporation and its subsidiaries' 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Aurora Corporation and its subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the 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 Aurora Corporation and its subsidiaries' ability to operate 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 Aurora Corporation and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Aurora Corporation and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of Aurora Corporation and its subsidiaries.

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 the key audit matters of Aurora Corporation and its subsidiaries' Consolidated Financial Statements for the year ended December 31, 2021. 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.

Deloitte & Touche  
Chi Rui-Chuan, CPA

Hsieh Chien-Hsin, CPA

Financial Supervisory Commission Approval  
No. Jin-Guan-Zheng-Shen No. 1060023872

Securities and Futures Commission Approval  
No. Tai-Cai-Zheng-6 No. 0920123784

March 16, 2022

**Aurora Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2021 and 2020**

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 2,693,853	15	\$ 5,444,125	30
1110	Financial assets at fair value through profit or loss - current (Notes IV and VII)	76,650	-	77,420	-
1136	Financial assets at amortized cost - current (Notes IV and IX)	4,298,602	24	1,873,326	10
1150	Notes receivable (Notes IV, XI, and XXVI)	197,317	1	190,720	1
1170	Accounts receivable (Notes IV, XI, and XXVI)	1,167,628	6	1,303,845	7
1180	Accounts receivable - related parties (Notes IV, XI, XXVI, and XXXIII)	97,786	1	102,688	1
1200	Other receivables (Notes IV, XI, and XXXIII)	143,379	1	109,530	1
1220	Current tax assets (Notes IV and XXVIII)	48,537	-	49,332	-
130X	Inventories (Notes IV and XII)	1,654,021	9	1,463,649	8
1479	Other current assets (Note XIX)	279,688	1	281,074	2
11XX	Total current assets	<u>10,657,461</u>	<u>58</u>	<u>10,895,709</u>	<u>60</u>
	<b>Non-current assets</b>				
1550	Investments accounted for using the equity method (Notes IV and XIV)	3,188,820	18	3,156,926	17
1560	Contract assets - non-current (Note XXVI)	83,476	1	19,590	-
1600	Property, plant, and equipment (Notes IV, XV, XXXIII, and XXXIV)	2,543,920	14	2,315,741	13
1755	Right-of-use assets (Notes III, IV, XVI, and XXXIII)	681,621	4	641,237	4
1760	Investment properties (Notes IV, XVII, and XXXIV)	443,412	2	450,870	3
1805	Goodwill (Notes IV and XVIII)	132,874	1	132,801	1
1821	Other intangible assets (Notes IV and XVIII)	62,214	-	44,208	-
1840	Deferred tax assets (Notes IV and XXVIII)	185,154	1	179,114	1
1920	Refundable deposits (Note XXXIII)	152,365	1	150,569	1
1980	Other financial assets - non-current (Notes X and XXXIV)	44,407	-	60,665	-
1990	Other non-current assets (Note XIX)	75,370	-	15,479	-
15XX	Total non-current assets	<u>7,593,633</u>	<u>42</u>	<u>7,167,200</u>	<u>40</u>
1XXX	Total assets	<u>\$ 18,251,094</u>	<u>100</u>	<u>\$ 18,062,909</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current Liabilities</b>				
2100	Short-term loans (Note XX)	\$ 3,356,812	18	\$ 2,621,620	14
2110	Short-term notes and bills payable (Note XX)	-	-	319,651	2
2130	Contract liabilities - current (Note XXVI)	463,585	3	467,117	3
2170	Accounts payable (Note XXI)	1,350,326	7	1,391,425	8
2180	Accounts payable - related parties (Notes XXI and XXXIII)	1,539	-	1,955	-
2200	Other payables (Notes XXII and XXXIII)	1,248,433	7	1,221,392	7
2230	Current tax liabilities (Notes IV and XXIII)	247,253	1	194,294	1
2280	Lease liabilities - current (Notes IV, XVI, and XXXIII)	237,755	1	310,468	2
2300	Other current liabilities (Note XXII)	94,760	1	91,711	-
21XX	Total current liabilities	<u>7,000,463</u>	<u>38</u>	<u>6,619,633</u>	<u>37</u>
	<b>Non-current liabilities</b>				
2540	Long-term loans (Note XX)	1,130,000	6	1,340,000	7
2570	Deferred income tax liabilities (Notes IV and XXVIII)	299,379	2	258,460	1
2580	Lease liabilities - non-current (Notes IV, XVI, and XXXIII)	332,112	2	346,260	2
2640	Net defined benefit liabilities - non-current (Notes IV and XXIV)	487,419	3	481,453	3
2645	Guarantee deposits received (Note XXXIII)	75,087	-	92,956	1
25XX	Total non-current liabilities	<u>2,323,997</u>	<u>13</u>	<u>2,519,129</u>	<u>14</u>
2XXX	Total liabilities	<u>9,324,460</u>	<u>51</u>	<u>9,138,762</u>	<u>51</u>
	<b>Equity attributable to owners of the Company (Note XXV)</b>				
	<b>Capital Stock</b>				
3110	Capital stock - common shares	2,362,025	13	2,362,025	13
3200	Capital surplus	1,939,269	11	1,941,799	11
	<b>Retained earnings</b>				
3310	Legal reserve	1,880,146	10	1,731,715	10
3320	Special reserve	852,220	5	852,220	5
3350	Unappropriated earnings	1,379,923	7	1,504,059	8
3300	Total retained earnings	<u>4,112,289</u>	<u>22</u>	<u>4,087,994</u>	<u>23</u>
3400	Other equity	(26,242)	-	28,697	-
3500	Treasury shares	(791,826)	(4)	(791,826)	(5)
31XX	Total equity attributable to owners of the Company	<u>7,595,515</u>	<u>42</u>	<u>7,628,689</u>	<u>42</u>
36XX	Non-controlling Interests	1,331,119	7	1,295,458	7
3XXX	Total equity	<u>8,926,634</u>	<u>49</u>	<u>8,924,147</u>	<u>49</u>
	Total liabilities and equity	<u>\$ 18,251,094</u>	<u>100</u>	<u>\$ 18,062,909</u>	<u>100</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

**Aurora Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2021 and 2020**

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

Code		2021		2020	
		Amount	%	Amount	%
	Operating revenue (Notes IV, XXV, and XXXIII)				
4110	Sales revenue	\$ 13,607,432	100	\$ 12,985,917	100
4170	Sales returns	21,270	-	25,470	-
4190	Sales discounts and allowances	<u>8,905</u>	<u>-</u>	<u>9,473</u>	<u>-</u>
4000	Total operating revenue	13,577,257	100	12,950,974	100
5000	Operating costs (Notes IV, XII, XXVI, and XXXIII)	<u>7,567,572</u>	<u>55</u>	<u>7,152,644</u>	<u>55</u>
5900	Gross profit	6,009,685	45	5,798,330	45
5910	Realized gains from sales of associates	<u>29,006</u>	<u>-</u>	<u>76,297</u>	<u>1</u>
5950	Realized gross profit	<u>6,038,691</u>	<u>45</u>	<u>5,874,627</u>	<u>46</u>
	Operating expenses (Notes IV, XI, XXVI, and XXXIII)				
6100	Selling and marketing expenses	2,731,571	20	2,439,433	19
6200	General and administrative expenses	1,845,053	14	1,905,205	15
6450	Expected credit losses (gains)	( <u>6,626</u> )	<u>-</u>	<u>12,609</u>	<u>-</u>
6000	Total operating expenses	<u>4,569,998</u>	<u>34</u>	<u>4,357,247</u>	<u>34</u>
6900	Net operating income	<u>1,468,693</u>	<u>11</u>	<u>1,517,380</u>	<u>12</u>
	Non-operating income and expenses (Notes IV, VII, IX, XIV, XXVI, and XXXIII)				
7100	Interest income	146,093	1	63,933	-
7190	Other income	156,703	1	127,087	1

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Code		2021		2020	
		Amount	%	Amount	%
7590	Other gains and losses	58,640	-	124,854	1
7050	Finance costs	( 45,385 )	-	( 57,471 )	-
7060	Share of profit or loss associates accounted for using the equity method	<u>235,655</u>	<u>2</u>	<u>249,645</u>	<u>2</u>
7000	Total non-operating income and expenses	<u>551,706</u>	<u>4</u>	<u>508,048</u>	<u>4</u>
7900	Net income before tax	2,020,399	15	2,025,428	16
7950	Income tax expense (Notes IV and XXVII)	<u>494,168</u>	<u>4</u>	<u>466,693</u>	<u>4</u>
8200	Net income	<u>1,526,231</u>	<u>11</u>	<u>1,558,735</u>	<u>12</u>
	Other comprehensive income				
8310	Components that will not be reclassified to profit or loss (Notes IV, XXIV, and XXVII)				
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	-	232,144	2
8311	Gains (losses) on re-measurements of defined benefit plans	( 27,020 )	-	( 28,086 )	-
8320	Share of other comprehensive income of associates accounted for using the equity method	13,121	-	( 5,194 )	-
8349	Income tax related to components that will not be reclassified to profit or loss	<u>5,404</u>	<u>-</u>	<u>5,617</u>	<u>-</u>
		( <u>8,495</u> )	<u>-</u>	<u>204,481</u>	<u>2</u>
8360	Components that may be reclassified to profit or loss (Notes IV and XV)				
8361	Exchange differences on translation of financial statements of foreign operations	( 71,528 )	-	151,624	1
8370	Share of other comprehensive income of associates accounted for using the equity method	( <u>4,533</u> )	<u>-</u>	<u>10,038</u>	<u>-</u>
		( <u>76,061</u> )	<u>-</u>	<u>161,662</u>	<u>1</u>

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<u>Code</u>		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
8300	Other comprehensive income, net	( <u>84,556</u> )	<u>-</u>	<u>366,143</u>	<u>3</u>
8500	Total comprehensive income	<u>\$ 1,441,675</u>	<u>11</u>	<u>\$ 1,924,878</u>	<u>15</u>
	Net Income Attributable to:				
8610	Owners of the Company	<u>\$ 1,391,539</u>	<u>10</u>	<u>\$ 1,438,309</u>	<u>11</u>
8620	Non-controlling Interests	<u>134,692</u>	<u>1</u>	<u>120,426</u>	<u>1</u>
8600		<u>\$ 1,526,231</u>	<u>11</u>	<u>\$ 1,558,735</u>	<u>12</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	<u>\$ 1,315,711</u>	<u>10</u>	<u>\$ 1,765,942</u>	<u>14</u>
8720	Non-controlling Interests	<u>125,964</u>	<u>1</u>	<u>158,936</u>	<u>1</u>
8700		<u>\$ 1,441,675</u>	<u>11</u>	<u>\$ 1,924,878</u>	<u>15</u>
	Earnings per share (Note XXVIII)				
9710	Basic	<u>\$ 6.19</u>		<u>\$ 6.40</u>	
9810	Diluted	<u>\$ 6.18</u>		<u>\$ 6.39</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

**Aurora Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Years Ended December 31, 2021 and 2020**

(In Thousands of New Taiwan Dollars)

Code		Retained earnings					Other equity		Treasury shares	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
		Capital Stock	Capital surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income				
A1	Balance as of January 1, 2020	\$ 2,362,025	\$ 1,920,710	\$ 1,597,471	\$ 852,220	\$ 1,523,968	(\$ 758,072)	\$ 505,137	(\$ 791,826)	\$ 7,211,633	\$ 1,162,100	\$ 8,373,733
	Appropriation and distribution of earnings for 2019:											
B1	Legal reserve	-	-	134,244	-	( 134,244 )	-	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	( 1,369,975 )	-	-	-	( 1,369,975 )	-	( 1,369,975 )
C15	Cash dividends appropriated from capital surplus	-	( 47,241 )	-	-	-	-	-	-	( 47,241 )	-	( 47,241 )
D1	Net income in 2020	-	-	-	-	1,438,309	-	-	-	1,438,309	120,426	1,558,735
D3	Other comprehensive income after tax in 2020	-	-	-	-	( 23,390 )	143,439	207,584	-	327,633	38,510	366,143
D5	Total comprehensive income in 2020	-	-	-	-	1,414,919	143,439	207,584	-	1,765,942	158,936	1,924,878
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330	6,651	74,981
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	6,297	6,297
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	( 38,526 )	( 38,526 )
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	69,391	-	( 69,391 )	-	-	-	-
Z1	Balance as of December 31, 2020	2,362,025	1,941,799	1,731,715	852,220	1,504,059	( 614,633 )	643,330	( 791,826 )	7,628,689	1,295,458	8,924,147
	Appropriation and distribution of earnings for 2020											
B1	Legal reserve	-	-	148,431	-	( 148,431 )	-	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	( 1,346,355 )	-	-	-	( 1,346,355 )	-	( 1,346,355 )
C15	Cash dividends appropriated from capital surplus	-	( 70,860 )	-	-	-	-	-	-	( 70,860 )	-	( 70,860 )
D1	Net income in 2021	-	-	-	-	1,391,539	-	-	-	1,391,539	134,692	1,526,231
D3	Other comprehensive income after tax in 2021	-	-	-	-	( 20,889 )	( 67,542 )	12,603	-	( 75,828 )	( 8,728 )	( 84,556 )
D5	Total comprehensive income in 2021	-	-	-	-	1,370,650	( 67,542 )	12,603	-	1,315,711	125,964	1,441,675
M1	Changes in capital reserve from dividends paid to subsidiaries	-	68,330	-	-	-	-	-	-	68,330	6,651	74,981
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	( 96,954 )	( 96,954 )
Z1	Balance as of December 31, 2021	\$ 2,362,025	\$ 1,939,269	\$ 1,880,146	\$ 852,220	\$ 1,379,923	(\$ 682,175)	\$ 655,933	(\$ 791,826)	\$ 7,595,515	\$ 1,331,119	\$ 8,926,634

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

**Aurora Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

(In Thousands of New Taiwan Dollars)

Code	2021	2020
Cash flows from operating activities		
A00010	\$ 2,020,399	\$ 2,025,428
A20010	Adjustments:	
A20100	839,990	842,956
A20200	21,443	16,940
A20300	( 6,626)	12,609
A20400	( 71,093)	( 156,023)
A20900	45,385	57,437
A21200	( 146,093)	( 63,916)
A22300	( 235,655)	( 249,645)
A22500	753	5,184
A22700	( 13,124)	( 8,653)
A23900	( 29,006)	( 76,297)
A29900	( 880)	( 204)
A30000	Changes in operating assets and liabilities	
A31130	( 6,597)	( 4,004)
A31150	143,178	( 300,489)
A31160	4,902	5,187
A31180	( 32,935)	8,034
A31200	( 442,571)	( 97,504)
A31240	1,386	( 103,075)
A31125	( 63,886)	( 19,590)
A32150	( 41,099)	209,942
A32160	( 416)	( 10,814)
A32180	41,295	162,541
A32230	( 483)	31,254
A32240	( 21,054)	( 32,246)
A33000	2,007,213	2,255,052
A33300	( 59,639)	( 77,920)
A33500	( 373,647)	( 301,705)
AAAA	<u>1,573,927</u>	<u>1,875,427</u>
Cash flows from investing activities		

(Continued on the next page)

(Continued from the previous page)

Code		2021	2020
B00020	Disposal of financial assets at fair value through other comprehensive income	-	339,967
B00040	Acquisition of financial assets at amortized cost	( 2,425,276 )	( 644,259 )
B00100	Acquisition of financial assets at fair value through profit or loss	( 14,026,702 )	( 18,515,874 )
B00200	Disposal of financial assets at fair value through profit or loss	14,098,565	18,752,483
B02700	Acquisition of property, plant, and equipment	( 603,874 )	( 641,062 )
B02800	Proceeds from disposal of property, plant, and equipment	1,737	12,106
B03700	Increase in refundable deposits	( 1,796 )	-
B03800	Decrease in refundable deposits	-	16,957
B04500	Acquisition of intangible assets	( 37,807 )	( 24,657 )
B05500	Disposal of investment property	15,664	18,333
B06700	Increase in other non-current assets	-	( 12,040 )
B06800	Decrease in other non-current assets	9,553	-
B07500	Interest received	145,179	64,059
B07600	Dividends received	<u>236,424</u>	<u>224,336</u>
BBBB	Net cash flows used in investing activities	<u>( 2,588,333 )</u>	<u>( 409,651 )</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	735,192	-
C00200	Decrease in short-term loans	-	( 192,648 )
C00500	Increase in short-term notes and bills payable	-	219,659
C00600	Decrease in short-term notes and bills payable	( 319,651 )	-
C01700	Repayments of long-term loans	( 210,000 )	( 140,000 )
C03100	Decrease in guarantee deposits received	( 17,869 )	( 15,242 )
C04020	Repayment of the principal portion of lease liabilities	( 398,767 )	( 405,237 )
C04500	Cash dividends paid	( 1,439,188 )	( 1,380,761 )
C05800	Changes in non-controlling interests	<u>-</u>	<u>6,297</u>
CCCC	Net cash flows used in financing activities	<u>( 1,650,283 )</u>	<u>( 1,907,932 )</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>( 85,583 )</u>	<u>121,620</u>
EEEE	Net decrease in cash and cash equivalents	( 2,750,272 )	( 320,536 )
E00100	Cash and cash equivalents at beginning of period	<u>5,444,125</u>	<u>5,764,661</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 2,693,853</u>	<u>\$ 5,444,125</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Yuan Hui-Hua

General Manager: Chou Ming-Chung

Principal Accounting Officer: Lin Ya-Ling

## 【Proposed Resolutions】

### Proposal 2

Proposal: Ratification of the 2021 Profit Distribution Plan.

[Proposed by the board of directors]

#### Explanatory Notes:

- (I) Aurora's profit or loss after tax for 2021 has been compiled in accordance with Article 228 of the Company Act. The distributable unappropriated retained earnings (including amount of undistributed unappropriated retained earnings of previous years) amounts to NT\$1,242,857,902. An earnings distribution table has been prepared for the distribution of the earnings (please refer to #page29#). The proposed dividend distributed for shareholders is NT\$1,228,253,094 and the accumulated unappropriated retained earnings at the end of period is NT\$14,604,808.
- (II) Aurora proposes to distribute cash dividends of NT\$1,228,253,094 to shareholders, and NT\$5.2 of dividend per share is planned to be distributed for 2021. The proposal is subject to the approval of this annual shareholders' meeting, and the board of directors is authorized to decide the record date of dividend distribution once the plan is approved.
- (III) The cash dividend is rounded off to the nearest New Taiwan Dollar, with the decimal places removed, and is calculated based on the number of shares held by the shareholders. The total rounded off amounts are accounted as other income in Aurora's financial statements.
- (IV) Proposed for ratification.

#### Resolution:

# Aurora Corporation

## Earnings Distribution Table

2021

(Unit: NT\$)

Item	Amount
Beginning balance of retained earnings	9,272,617
Remeasurement of defined benefit obligation	(20,888,736)
Unappropriated retained earnings after adjustment	(11,616,119)
Add: Net income after tax of 2021	1,391,539,053
Less: Legal reserve	(137,065,032)
Earnings available for distribution for the period	1,242,857,902
Less: Distribution item	
Shareholders' dividend – cash 236,202,518 shares * NT\$5.2 per share	(1,228,253,094)
Unappropriated retained earnings at the end of period	14,604,808

Note:

1. The net profit of 2021 is distributed first.
2. The 5% tax imposed on unappropriated retained earnings is NT\$266,610.

Chairman: Yuan Hui-Hua

General Manager:

Chou Ming-Chung

Principal Accounting Officer:

Lin Ya-Ling

## Proposed Resolutions

### [Proposal 3]

Proposal: Deliberation of the Distribution of Cash Dividends from Capital Reserve

[Proposed by the board of directors]

#### Explanatory Notes:

- (I) Aurora plans to distribute a capital reserve of NT\$188,962,014 arising from the excess of the issuance of shares over the par value to the shareholders, with cash distribution of NT\$0.8 per share. The cash dividend is calculated based on the number of shares held by the shareholders, rounded off to the nearest New Taiwan Dollar, with the decimal places removed. The total rounded off amounts are accounted as other income in Aurora's financial statements.
- (II) After the proposal is adopted by this annual shareholders' meeting, the board of directors is authorized to stipulate the dividend record date and arrange distribution procedures.
- (III) Please deliberate.

#### Resolution:



## Proposed Resolutions

### [Proposal 4]

Proposal: Deliberation of the Amendment to the Articles of Incorporation

[Proposed by the board of directors]

#### Explanatory Notes:

- (I) In line with the competent authority's policy of promoting shareholders' meetings held by means of visual communication, it is stipulated that Aurora's shareholders' meeting may be held by means of visual communication network or other methods promulgated by the central competent authority. Thus, it is proposed to amend some provisions of the Articles of Incorporation.
- (II) The table of comparison between current provisions and proposed amendment is as follows:

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
I.	<p>Article 12</p> <p>I. ...(Omitted)</p> <p>II. <u>When Aurora convenes a shareholders' meeting, it may be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>Article 12</p> <p>I. ...(Omitted)</p> <p>II. <u>Newly added</u></p>	<p>I. This paragraph is newly added.</p> <p>II. This paragraph is proposed to be added in accordance with the provisions of the Company Act and in cooperation with the competent authority's policy to promote shareholders' meetings held by means of visual communication network in order to meet the demands of the digital age and provide a channel for shareholders to facilitate their</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
			participation in shareholders' meetings.
II.	<p>Article 29 I.-III. (Omitted) IV. <u>Aurora authorizes the board of directors to distribute all or part of the dividends and bonuses which shall be distributed, capital reserves, or legal reserves in cash, with the presence of at least two-thirds of the directors and the resolution of more than half of the directors present, and then report to the shareholders' meeting.</u></p>	<p>Article 29 I.-III. (Omitted) V. <u>Newly added</u></p>	<p>I. This paragraph is newly added. II. In response to the amendment to Article 240 of the Company Act, this article is proposed to be added.</p>
III.	<p>Article 32 The Articles of Incorporation were established on July 12, 1963. ...(Omitted) The forty-fourth amendment was made on June 10, 2020. <u>The forty-fifth amendment was made on June 9, 2022.</u></p>	<p>Article 32 The Articles of Incorporation were established on July 12, 1963. ...(Omitted) The forty-fourth amendment was made on June 10, 2020.</p>	<p>The article is proposed to be amended to include the last amendment date.</p>

(III) Please deliberate.

Resolution:

## 【Proposed Resolutions】

### [Proposal 5]

Proposal: Deliberation of the Amendment to the "Rules of Procedure for Shareholders' Meetings"

[Proposed by the board of directors]

Explanatory Notes:

- (I) In line with the competent authority's policy of promoting shareholders' meetings held by means of visual communication, it is proposed to amend some provisions of Aurora's "Rules of Procedure for Shareholders' Meetings"
- (II) The table of comparison between current provisions and proposed amendment is as follows:

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
I.	<p>Article 2 Convening Shareholders' Meetings and Meeting Notices</p> <p>I. Unless otherwise provided by law or regulation, Aurora's shareholders' meetings shall be convened by the board of directors. <u>Changes to how Aurora convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.</u></p> <p>...(Omitted)</p>	<p>Article 2 Convening Shareholders' Meetings and Meeting Notices</p> <p>I. Unless otherwise provided by law or regulation, Aurora's shareholders' meetings shall be convened by the board of directors.</p> <p>...(Omitted)</p>	<p>In order to make shareholders become aware that changes to how Aurora convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice, it is proposed that the relevant regulation be added.</p>
II.	<p>Article 4 Check-in of Shareholders I.-III. (Omitted)</p> <p>IV. <u>If, after a proxy form is delivered to Aurora, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to Aurora two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Article 4 Check-in of Shareholders I.-III. (Omitted)</p> <p>IV. <u>Newly added</u></p>	<p>If a shareholder entrusts a proxy to attend the shareholders' meeting, after a proxy form is delivered to Aurora, and then a shareholder plans to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
			to Aurora two business days before the meeting date. It is proposed that the relevant regulation be added.
III.	<p>Article 5 Principles Determining the Time and Place of a Shareholders' Meeting</p> <p>I. The venue for a shareholders' meeting shall be the premises of Aurora, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.</p> <p>II. <u>The restrictions on the place of the meeting shall not apply when Aurora convenes a virtual-only shareholders' meeting.</u></p>	<p>Article 5 Principles Determining the Time and Place of a Shareholders' Meeting</p> <p>I. The venue for a shareholders' meeting shall be the premises of Aurora, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.</p> <p>II. <u>Newly added</u></p>	The paragraph stipulates that restrictions on the place of the meeting shall not apply when Aurora convenes a virtual-only shareholders' meeting. It is proposed that the relevant regulation be added.
IV.	<p>Article 6 Preparation of Documents Such as the Attendance Book</p> <p>I. Aurora shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> the place to register for attendance, and other matters for attention. <u>If the shareholders' meeting is held by means of visual communication network, the method for shareholders to participate and exercise their rights shall be recorded, the method of handling the failure to access the virtual meeting platform or participate by means of visual communication network due to force majeure, as well as the date and matters needing attention when the meeting needs to be postponed or resumed. If the shareholders' meeting is held by means of visual communication network, appropriate alternative measures for shareholders who have difficulty participating by means</u></p>	<p>Article 6 Preparation of Documents Such as the Attendance Book</p> <p>I. Aurora shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences.</p>	When Aurora convenes a shareholders' meeting by means of visual communication network, in order to enable shareholders to learn the operating procedures and related matters of the virtual meeting platform, Aurora shall record it in the meeting notice. If the shareholders' meeting is convened by means of visual communication network, since there is only one method to participate in the meeting, i.e., by means of visual communication network, for some shareholders who are affected by the

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<p><u>of visual communication network shall be recorded. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</u></p> <p>II~V...(Omitted)</p> <p><u>VI. In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with Aurora two days before the meeting date.</u></p> <p><u>VII. In the event of a virtual shareholders' meeting, Aurora shall upload the meeting handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>II~V...(Omitted) Newly added</p> <p>Newly added</p>	<p>digital divide, it is very unlikely to expect them to participate in the shareholders' meeting by means of visual communication network. Appropriate alternative measures shall be provided for these shareholders, such as exercising their voting rights in writing or providing the said shareholders with the necessary equipment for them to rent or borrow to attend the meeting online. If the space or the length of the meeting notice is limited, it shall also record the gist of each operation period and method, and specify the time and procedure for the registration of shareholders who attend the meeting online. It is proposed that paragraph 1 be amended.</p> <p>Shareholders wishing to attend the meeting online shall register with Aurora two days before the meeting date. It is proposed that paragraph 6 be added.</p> <p>In order to enable shareholders who attend the meeting online to read relevant materials</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
			such as the meeting handbook and annual report, etc., Aurora shall upload them to the virtual meeting platform. It is proposed that paragraph 7 be added.
V.	<p>Article 8 Documentation of a Shareholders' Meeting by Audio or Video</p> <p><u>I. Aurora shall make an uninterrupted audio and video recording of the entire proceedings of the shareholders meeting, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u></p> <p><u>II. Where a shareholders' meeting is held online, Aurora shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by Aurora, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>III. The information and audio and video recording in the preceding paragraph shall be properly kept by Aurora during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>	<p>Article 8 Documentation of a Shareholders' Meeting by Audio or Video</p> <p>Aurora shall make an uninterrupted audio and video recording of the entire proceedings of the shareholders meeting, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p> <p><u>Newly added</u></p> <p><u>Newly added</u></p>	<p>With reference to Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, it is stipulated that Aurora shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by Aurora, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end, and the said information and audio and video recording shall be properly kept by Aurora during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
			meeting. It is proposed that the relevant regulation be added.
VI.	<p>Article 9 Calculation of the Number of Shares and Calling the Meeting to Order</p> <p>I. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>II. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned; <u>in the event of a virtual shareholders' meeting, Aurora shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>III. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders</p>	<p>Article 9 Calculation of the Number of Shares and Calling the Meeting to Order</p> <p>I. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>II. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>III. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of</p>	<p>In order to specify that when Aurora's shareholders' meeting is held virtually, the shares checked in on the virtual meeting platform shall be added to the total number of shares attended by shareholders. It is proposed that this paragraph be amended. When Aurora's shareholders' meeting is held virtually, if the chair announces the adjournment of the meeting, Aurora shall also announce the meeting adjourned at the virtual meeting platform so as to inform the shareholders immediately. It is proposed that this paragraph be amended. When Aurora has adopted a tentative resolution that another shareholders' meeting shall be convened, and shareholders intending to attend the meeting online shall register to</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<p>represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. <u>In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to Aurora in accordance with Article 6.</u></p> <p>IV. ...(Omitted)</p>	<p>the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p> <p>...(Omitted)</p>	<p>Aurora. It is proposed that this paragraph be amended.</p>
VII.	<p>Article 11 Shareholder's Speech I~VI...(Omitted)</p> <p><u>VII. Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p> <p><u>VIII. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>	<p>Article 11 Shareholder's Speech I~VI...(Omitted)</p> <p><u>Newly added</u></p> <p><u>Newly added</u></p>	<p>In order to specify the methods, procedures and restrictions for shareholders who participate in the shareholders' meeting virtually, it is proposed that the paragraph be added.</p> <p>In order to help other shareholders understand the content of the questions raised by the shareholders, Aurora may eliminate the questions unrelated to the issues of the shareholders' meeting, and the remaining questions asked by shareholders sh be disclosed at the virtual meeting platform. It is proposed that the paragraph be added.</p>



No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
VIII.	<p>Article 13 Voting on Agenda Items I.-III. (Omitted)</p> <p><u>IX.</u> After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or <u>online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to Aurora, by the same means by which the voting rights were exercised, at least two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p>	<p>Article 13 Voting on Agenda Items I~III...(Omitted)</p> <p>IX. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to Aurora, by the same means by which the voting rights were exercised, at least two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p>	<p>In order to specify that after a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to change the method of attending the shareholders meeting into online attendance, the retraction shall be done by the same means by which the voting rights were exercised. It is proposed that this paragraph be amended.</p> <p>In the event of a virtual shareholders' meeting, in order to allow shareholders participating virtually to have sufficient time to vote, from the time when the chair calls the meeting to order to the time when the chair announces the voting session ends, all original proposals may be voted, and the votes shall be counted at once in order to match the voting duration of shareholders participating virtually. It is proposed that this paragraph be added.</p> <p>If the shareholders who participate in a hybrid</p>
	<p>V~VIII...(Omitted)</p> <p><u>IX.</u> <u>In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>X.</u> <u>When Aurora convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the</u></p>	<p>V~VIII...(Omitted)</p> <p><u>Newly added</u></p> <p><u>Newly added</u></p>	

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<p><u>shareholders' meeting online.</u></p> <p><u>XI. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extempore motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>	<p><u>Newly added</u></p>	<p>shareholders' meeting have registered to attend the meeting online, and then decide to make changes into attending the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online. It is proposed that this paragraph be added.</p> <p>Considering that both paper voting and electronic voting are both valid methods for shareholders to exercise their rights, based on the principle of fair treatment, paper voting shall also follow the normative spirit of the aforementioned electronic voting to protect the rights and interests of shareholders. It is proposed that this paragraph be added.</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
IX.	<p>Article 15 Meeting minutes and Signatures I~III...(Omitted) IX. <u>Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p>	<p>Article 15 Meeting minutes and Signatures I~III...(Omitted) <u>Newly added</u></p>	<p>In order to facilitate shareholders to learn the results of the virtual meeting, alternative measures for shareholders affected by digital divide, and the handling methods and circumstances in case of disconnection, it is proposed that this paragraph be added.</p>
X.	<p>Article 16 Public Disclosure I. On the day of a shareholders' meeting, Aurora shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies <u>and the number of shares represented by shareholders attending the meeting by correspondence or electronic means,</u> and shall make an express disclosure of the same at the place of the shareholders' meeting. <u>In the event a virtual shareholders' meeting, Aurora shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During Aurora's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total</u></p>	<p>Article 16 Public Disclosure I. On the day of a shareholders' meeting, Aurora shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</p>	<p>In order to let the shareholders know the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and that shareholders participating in the virtual shareholders' meeting can simultaneously know whether the number of attending shares has reached the threshold of calling the shareholders' meeting to order, it</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<u>number of shares represented at the meeting is released during the meeting.</u> II. ...(Omitted)	II. ...(Omitted)	is proposed that this paragraph be amended.
XI.	<u>Article 19 Disclosure of information at virtual meetings</u> <u>In the event of a virtual shareholders' meeting, Aurora 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, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	<u>Newly added</u>	In order to allow shareholders participating in the virtual shareholders' meeting to know the voting status and election results of the proposals in real time, and to regulate sufficient information disclosure time, it is proposed that this paragraph be added.
XII.	<u>Article 20 Location of the chair and secretary of virtual-only shareholders meeting /</u> <u>When Aurora convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	<u>Newly added</u>	When the shareholders' meeting is held virtually and there is no physical meeting place, the chair shall preside over the meeting domestically. Also, in order to let shareholders know the location of the chair, he or she shall declare the address of their location when the meeting is called to order. It is proposed that this paragraph be added.

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
XIII.	<p><u>Article 21 Handling of communication obstruction and shareholders impacted by digital divide</u></p> <p>I. <u>In the event of a virtual shareholders' meeting, Aurora may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u></p> <p>II. <u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.</u></p> <p>III. <u>During a postponed or resumed session of a shareholders' meeting held under the preceding paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p>IV. <u>When postponing or resuming a meeting according to the second paragraph, Aurora shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 4 of the</u></p>	<p><u>Newly added</u></p>	<p>In order to reduce the communication problems of virtual meetings, referring to foreign practices, Aurora may offer a connection test prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. It is proposed that paragraph 1 be added.</p> <p>Considering that when Aurora holds a virtual shareholders' meeting, in order to protect the rights and interests of shareholders, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform, i.e., the main venue of Aurora's shareholders' meeting, is disconnected, not including the disconnection caused by individual shareholders due to reasons</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<p><u>Regulations Governing the Administration of Shareholder Services of Public Companies, and shareholders who are listed on the register of shareholders whose transfer of books was originally scheduled to be closed are entitled to attend the shareholders' meeting.</u></p> <p>V. <u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, Aurora shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.</u></p> <p>VI. <u>When Aurora convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second 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 adopting resolutions in a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p>VII. <u>When convening a virtual-only shareholders' meeting, Aurora shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.</u></p>		<p>attributable to themselves, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply. Therefore, it is stipulated that the chair shall take relevant measures during the meeting. It is proposed that paragraph 2 be added.</p> <p>When a shareholders' meeting must be postponed or resumed due to communication obstructions, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors in the last meeting and it is regarded that resolutions have been adopted, so that the time and cost of the resumed meeting may be saved. It is proposed that paragraph 3 be added.</p> <p>Considering the sameness between the postponed or resumed meeting</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
			<p>and the original shareholders' meeting affected by the aforementioned disconnection, it is not necessary to handle the preparatory work based on the date of the postponed or resumed shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shareholders who are listed on the register of shareholders whose transfer of books was originally scheduled to be closed are entitled to attend the shareholders' meeting, since the shareholders are precisely the ones who are entitled to attend the postponed or resumed meeting. It is proposed that paragraph 4 be added.</p> <p>When the virtual shareholders' meeting has been postponed, the matters that must be announced and disclosed on the day of the shareholders' meeting set forth under Article 12,</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
			second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, they still need to be disclosed to shareholders on the day of the postponed or continued meeting. It is proposed that paragraph 5 be added.
			Considering that the hybrid shareholders' meeting refers to a meeting in which the physical and the virtual meeting are conducted simultaneously, if there is a communication obstruction taking place on the virtual meeting platform or the virtual participation of shareholders due to force majeure, the physical shareholders' meeting is still ongoing. If after deducting those represented by



No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
			<p>shareholders attending the virtual shareholders' meeting online still meets the minimum legal requirement for adopting resolutions in a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. It is proposed that paragraph 6 be added.</p> <p>When Aurora convenes a virtual-only shareholders' meeting, considering the shareholders affected by the digital divide, who may be difficult participate in the shareholders' meeting by video, appropriate alternative measures shall be provided for shareholders, such as exercising voting rights in writing or providing them with the necessary equipment to participate in the meeting, etc. It is proposed that paragraph 7 be added.</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
XIV.	<u>Article 22</u> The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner. The Rules were established on June 8, 2016. ...(Omitted) The third amendment was made on July 15, 2021. <u>The fourth amendment was made on June 9, 2022.</u>	<u>Article 19</u> The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner. The Rules were established on June 8, 2016. ...(Omitted) The third amendment was made on July 15, 2021.	It is proposed that the numbering of the articles be amended and the latest amendment date be added.

(III) Please deliberate.

Resolution:

Proposed Resolutions  
[Proposal 6]

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

[Proposed by the board of directors]

Explanatory Notes:

- (I) In accordance with the regulation from the official letter of Financial Supervisory Commission Jin-Guan-Zheng-Fa No. 1110380465 issued on January 28, 2022, it is proposed that some provisions of Aurora's "Procedures for Acquisition and Disposal of Assets" be amended.
- (II) The table of comparison between current provisions and proposed amendment is as follows:

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
I.	<p>Article 5</p> <p>I. ...(Omitted)</p> <p>II. Procedure of Evaluation</p> <p>(I) ...(Omitted)</p> <p>1. ...(Omitted)</p> <p>2. ...(Omitted)</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal reports, unless all the appraisal reports for the assets to be acquired are higher than the transaction price, or all the appraisal reports for the assets to be disposed of are lower than the transaction price, a CPA shall be engaged to render a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>4. ...(Omitted)</p>	<p>Article 5</p> <p>I. ...(Omitted)</p> <p>II. Procedure of Evaluation</p> <p>(I) ...(Omitted)</p> <p>1. ...(Omitted)</p> <p>2. ...(Omitted)</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal reports, unless all the appraisal reports for the assets to be acquired are higher than the transaction price, or all the appraisal reports for the assets to be disposed of are lower than the transaction price, a CPA shall be engaged to <u>perform the appraisal in accordance with the provisions of No. 20 of the Statement of Auditing Standards published by the Accounting Research and Development Foundation and</u> render a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>4. ...(Omitted)</p>	<p>Considering that the requirement for external experts to issue opinions shall follow the self-discipline of their own trade associations, and the procedures for issuing opinions have been amended and added, it is proposed that the wording of "the certified public accountant shall handle relevant matters in accordance with the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation if he or she must adopt a report of an expert" be deleted.</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
I.	<p>(II) Before Aurora acquires or disposes of securities, the most recent financial statements of the target company which have been audited, certified or reviewed by CPAs shall be obtained before the date of the actual transaction as a reference for evaluating the transaction price. In addition, if the dollar amount of the transaction is 20 percent of Aurora's paid-in capital or NT\$300 million or more, Aurora shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement shall not apply to publicly quoted prices of an active market or is otherwise regulated by FSC.</p>	<p>(II) Before Aurora acquires or disposes of securities, the most recent financial statements of the target company which have been audited, certified or reviewed by CPAs shall be obtained before the date of the actual transaction as a reference for evaluating the transaction price. When Aurora's acquisition or disposal of intangible assets or the right-of-use thereof, or membership exceeds 20% of Aurora's paid-in-capital or NT\$ 3 billion, unless the transaction is conducted with domestic government bodies, Aurora shall engage a certified public accountant to render an opinion on the reasonableness of the transaction price prior to the date of event. <u>The certified public accountant shall handle relevant matters in accordance with the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation if he or she must adopt a report of</u></p>	

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
		<u>an expert</u> . This requirement shall not apply to publicly quoted prices of an active market or is otherwise regulated by FSC.	
II.	<p>Article 6 I-II,(Omitted) II-1. <u>When conducting the following transactions between a public company and its parent or subsidiaries, or between its subsidiaries in which it holds 100% of the issued shares or total capital directly or indirectly, the board of directors may, pursuant to Article 5, paragraph 4, subparagraph 3, authorize the Chairman to decide such matters and subsequently report to the most recent board of directors for ratification if the transaction is within a certain amount:</u></p> <p>(I) <u>Acquisition or disposal of equipment for business use or right-of-use assets thereto.</u></p> <p>(II) <u>Acquisition or disposal of real estate for business use or right-of-use assets thereto.</u></p> <p>II-2. <u>Where independent directors have been established in accordance with the Procedures, the opinions of each independent director shall be taken into full consideration when a matter is submitted to the board of directors for discussion in accordance with Paragraph 2.</u></p>	<p>Article 6 I-II,(Omitted) <u>Newly added</u></p>	In line with the amendments to the regulations, it is proposed that relevant provisions be added.

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<p><u>If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.</u></p> <p>II-3. <u>Where the Audit Committee has been established in accordance with the Procedures, the matters that are to be submitted to the board of directors for approval shall be approved by at least half of all Audit Committee members and then submitted to the board of directors for a resolution. The provisions of paragraphs 2 and 3 of Article 14 are applicable mutatis mutandis.</u></p> <p>II-4. <u>If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p>		

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
II.	<p>III. The calculation of the transaction amount in <u>paragraph 1</u> and the preceding paragraph shall be compliant with paragraph 2 of Article 9, and the "within a year" mentioned refers to a period of one year calculated retroactively from the date of event of the transaction.</p> <p>Items that have been submitted to and approved by the Audit Committee and then passed by the board of directors in accordance with the Procedures are exempted from inclusion in the calculation.</p>	<p>III. The calculation of the transaction amount in the preceding paragraph shall be compliant with paragraph 2 of Article 9, and the "within a year" mentioned refers to a period of one year calculated retroactively from the date of event of the transaction. Items that have been submitted to and approved by the Audit Committee and then passed by the board of directors in accordance with the Procedures are exempted from inclusion in the calculation.</p>	
III.	<p>Article 9 I~IV...(Omitted)</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. However, the following circumstances are not subject to the restrictions:</p> <p>1. Trading of domestic government bonds <u>or foreign government bonds with the credit rating not lower than the sovereign credit rating of Republic of China</u> .....(Omitted)</p>	<p>Article 9 I~IV...(Omitted)</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. However, the following circumstances are not subject to the restrictions:</p> <p>1. Trading of domestic government bonds.... ...(Omitted)</p>	<p>The competent authority considers that the public companies have been exempted from public announcements and declarations for their trading of domestic government bonds, it has thus amended and liberalized the regulations, so that trading of foreign government bonds with the credit rating not lower than the sovereign credit rating of Taiwan is also exempted from public announcements and declarations. It is proposed that the paragraph be amended.</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
IV.	<p>Article 12</p> <p>I...(Omitted)</p> <p>II. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the industry codes of their respective trade associations of which they are members as well as the following:</u></p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>executing</u> audit assignments, they shall plan and implement appropriate operating procedures to draw a conclusion as the basis of producing a report or expressing an opinion; and maintain a full record of the implementation procedures, gathered data, and conclusions in the worksheet.</p> <p>(III) They shall assess the <u>appropriateness</u> and reasonableness of the data sources, parameters and information used on a case-by-case basis as the basis for issuing appraisal reports or written opinions.</p> <p>(IV) The declaration shall include the professionalism and independence of the relevant personnel, the</p>	<p>Article 12</p> <p>I. ...(Omitted)</p> <p>II. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>reviewing</u> audit assignments, they shall plan and implement appropriate operating procedures to draw a conclusion as the basis of producing a report or expressing an opinion; and maintain a full record of the implementation procedures, gathered data, and conclusions in the worksheet.</p> <p>(III) They shall assess <u>the integrity, correctness</u> and reasonableness of the data sources, parameters and information used on a case-by-case basis as the basis for issuing appraisal reports or written opinions.</p> <p>(IV) The declaration shall include the professionalism and independence of the relevant personnel, the assessment of the reasonableness and</p>	<p>I. Based on the relevant regulations set by the respective trade associations to which the external experts belong to concerning the relevant cases they undertake, it is proposed that the paragraph be amended and the relevant self-disciplinary regulations on the opinions issued by the experts or personnel in respective trades be incorporated.</p> <p>II. In view of the fact that the aforementioned external experts undertake and execute the cases of issuing valuation reports or reasonableness opinions in accordance with the provisions of the Procedures and not referring to the audit work of financial reports, it is proposed that relevant wording</p>



No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<p>assessment of the <u>appropriateness and reasonableness</u> of the information used and the compliance with the relevant laws and regulations.</p> <p>...(Omitted)</p>	<p><u>correctness</u> of the information used and the compliance with the relevant laws and regulations.</p> <p>...(Omitted)</p>	<p>be amended.</p> <p>III. Considering the actual evaluation of the data sources, parameters and information used by external experts, as well as the appropriateness and reasonableness of the relevant information sources and parameters, it is proposed that relevant wording be amended.</p>
V.	<p>Article 14 The Procedures shall be implemented after having been approved by <u>at least half of the members of the Audit Committee</u> and reported to the shareholders' meeting for approval. Subsequent amendments thereto shall be effected in the same manner. Where a director has an adverse opinion on record or in a written declaration, Aurora shall submit such an opinion to the Audit Committee and shareholders' meeting for discussion.</p> <p><u>If approval of at least half of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedures may be implemented if approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the</u></p>	<p>Article 14 The Procedures shall be implemented after having been approved by the Audit Committee and reported to the shareholders' meeting for approval. Subsequent amendments thereto shall be effected in the same manner. Where a director has an adverse opinion on record or in a written declaration, Aurora shall submit such an opinion to the Audit Committee and shareholders' meeting for discussion.</p> <p><u>Newly added</u></p>	<p>In line with the amendments to the regulations, it is proposed that relevant provisions be added.</p>

No.	Summary		Explanation
	Proposed Amendment	Current Provisions	
	<p><u>minutes of the board meeting. "All audit committee members" mentioned in this article and "all directors" mentioned in the preceding paragraph refer to the actual number of persons currently holding those positions. For any transaction involving major assets or derivatives, the matters that are to be submitted to the board of directors for approval shall be approved by at least half of all Audit Committee members and then submitted to the board of directors for a resolution. The provisions of Paragraphs 2 and 3 of this article are applicable mutatis mutandis.</u></p>		
VI.	<p>Article 15</p> <p>I. The Procedures was established on November 27, 1989. .... ...(Omitted)</p> <p>XI. The tenth amendment was made on June 12, 2019.</p> <p>XII. <u>The eleventh amendment was made on June 9, 2022.</u></p>	<p>Article 15</p> <p>I. The Procedures was established on November 27, 1989. .... ...(Omitted)</p> <p>XI. The tenth amendment was made on June 12, 2019.</p>	<p>The article is proposed to be amended to include the last amendment date.</p>

(III) Please deliberate.

Resolution:

## 【Election Matters】

Proposal: The Election of Directors of Aurora.

[Proposed by the board of directors]

### Explanatory Notes:

- (I) The term of office of the directors of Aurora will expire on June 11, 2022, and all seats of the directors are going into election in line with the date of this shareholders' meeting.
- (II) In accordance with Article 18 of Aurora's Articles of Incorporation, 7 directors (including 3 independent directors) are to be elected in the election, and the shareholders will elect them from among the list of director candidates for a term of 3 years, that is, from June 9, 2022 to June 8, 2025.
- (III) Aurora's director election adopts the candidate nomination system, and their qualifications have been reviewed and approved at the 16th meeting of the 11th board of directors held on April 28, 2022, and are announced in accordance with the regulations.

The list of candidates for directors (including independent directors) and relevant information are as follows:

Type of Candidate	Name of Candidate	Education	Work Experience	Current Position	Number of Shares Held (Unit: Share)
Director	Chen Yung-Tai	Bachelor of Economics, National Chung Hsing University	Director, Aurora Corporation	Chairman, Aurora Holdings Incorporated	21,269,000
Director	Yuan Hui-Hua	EMBA, National Taiwan University; EMBA, Fudan University	Director, Aurora Holdings Incorporated	Chairman, Aurora Corporation	1,184,000
Director	Aurora Holdings Incorporated Representative: Rai Hau-Min	Bachelor of Laws, National Taiwan University LLM, University of Tokyo	Chairperson, Central Election Commission Chief Justice and President, Judicial Yuan	Director, Aurora Corporation	101,856,312
Director	Ma Chih-Hsien	Bachelor of Finance, National Taiwan University EMBA, Fudan University	Director, Aurora Corporation	Chairman, KM Developing	3,000
Independent Director	Liao Kuo-Jung	Master of Management, University of Tennessee	Chairman, Gintech Energy Corporation	Director, TSEC Corporation	0
Independent Director	Hwa Yueh-Juan	Master of Psychology, National Taiwan University	Manager, E-TEN Information Systems Co., Ltd.	General Manager, Waters Consulting Inc.	0
Independent Director	Hsu Wen-Chung	Associate degree, Ming Hsin Engineering College	Chairman and General Manager, Huxen Corporation	Director, Aurora Corporation	0

- (IV) This election is conducted in accordance with Aurora's "Rules for Director Elections." Please refer to Appendix IV for more details (#pages 101 to 104#).

(V) Please proceed with the election.  
Election result:

## 【Approval Matters】

Proposal: Approval to lift the non-compete restrictions on newly elected directors.

[Proposed by the board of directors]

Explanatory Notes:

- (I) According to Article 209 of the Company Act, directors' engagement in competing behaviors against Aurora shall be approved by the shareholders' meeting.

The directors of Aurora do serve as directors of other companies with the same or similar business scope of that of Aurora, but it is beneficial to the development of Aurora for them to participate in the operation. In order to meet the requirements of operational strategies, Aurora requests the shareholders' meeting to approve Aurora's newly elected directors and their representatives' in engaging in competing behaviors against Aurora.

- (II) The scope and content of competing behaviors will be explained on the spot before the shareholders' meeting discusses the case.

Resolution:

**【Extempore Motions】**

## 【Appendix I】

# Articles of Incorporation of Aurora Corporation

### Chapter 1 General Principles

- Article 1 The Company shall be incorporated under the Company Act, and its name shall be Aurora Corporation (hereinafter referred to as Aurora).
- Article 2 The business to be operated by Aurora is as follows:
- I. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
  - II. F108031 Wholesale of Medical Devices.
  - III. F208231 Retail Sale of Medical Devices.
  - IV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 Aurora may provide endorsements or guarantees to other parties.
- Article 4 Aurora's total amount of investments is not subject to the limit of 40% of its paid-in capital as imposed by Article 13 of the Company Act.
- Article 5 Aurora shall have its head office in Taipei City, and may, pursuant to a resolution adopted at the meeting of the board of directors, establish, change, or abolish branch offices domestically and internationally when deemed necessary.
- Article 6 Public announcements of Aurora shall be made pursuant to relevant articles of the Company Act.

### Chapter 2 Shareholding

- Article 7 The total capital of Aurora shall be in the amount of five billion New Taiwan Dollars (NT\$5,000,000,000), divided into five hundred million (500,000,000) shares, with a par value of ten New Taiwan Dollars (NT\$10) each, and the board of directors is authorized to issue the shares in installments. For the total capital, NT\$100 million was reserved, and the shares were divided into 10 million shares with a par value of NT\$10 per share, which is for the issuance of employee

stock warrants. The board of directors is authorized to issue the said employee stock warrants in installments pursuant to the Company Act and relevant laws.

If the price of Aurora's issuance of employee stock warrants is lower than the closing price of Aurora's common stock as of the issuing date, they can only be issued after obtaining the consent from more than two thirds of voting shares of the attending shares at a shareholders' meeting to be attended by more than half shareholders representing the total number of issued shares.

Article 7-1 The board of directors is authorized to repurchase shares of Aurora pursuant to relevant laws when the situation warrants it.

Article 8 The share certificates of Aurora shall be in registered form, signed by or affixed with seals by at least three directors and numbered, and then duly authenticated by the competent authority or the issuance registry institution accredited by the competent authority before issuance. Aurora may issue shares without physical certificates, and such shares shall be registered with a central securities depository.

Article 9 When shareholders who engage in stock affairs with Aurora or exercise their rights as shareholders in writing, they shall stamp their seals which correspond to the ones provided to Aurora before.

Article 10 The transfer, inheritance, bestowal, pledge, loss, damage, and other stock affairs of shares shall be handled in accordance with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies. In order to manage the stocks reasonably, Aurora may reissue large-denomination securities at the request of the securities custodian institutions approved by the competent authority and cooperate with the securities renewal procedures.

Article 11 Share transfer shall be suspended within 60 days before the date of each annual shareholders' meeting, within 30 days before the date of each extraordinary shareholders' meeting, or within five days before the record date on which dividends, bonus, or any other distributions will be paid or made by Aurora.



### Chapter 3 Shareholders' Meeting

- Article 12 Shareholders' meetings of Aurora are of two types: annual meeting and extraordinary meeting. Annual meetings shall be convened once a year within six months after the end of each fiscal year. Extraordinary meetings may be duly convened according to relevant laws whenever Aurora deems necessary.
- Article 13 A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by Aurora stating therein the scope of power authorized to the proxy. The power of attorney shall be delivered to Aurora five days before the meeting. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, a declaration made to cancel the previous proxy appointment is not subject to the aforementioned rule. The appointment of a proxy from a shareholder shall comply with Article 177 of the Company Act and the regulations of the competent authority.
- Article 14 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as the chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 15 A shareholder shall be entitled to one vote for each share held, except when the shares are deemed to be non-voting shares pursuant to the Company Act and other relevant laws.
- Article 16 Except as otherwise provided in the Company Act or in this Articles of Incorporation, the adoption of a proposal in a shareholders' meeting shall require an affirmative vote of a majority of the voting

rights represented by the attending shareholders, and the attending shareholders require the representation of a majority of the all shares issued by Aurora.

Article 17 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be distributed by means of a public announcement. The meeting minutes shall include the date and venue of the meeting, the name of the chair of the meeting, and summary and results of the proceedings. The meeting minutes, along with the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies, shall be kept at the premise of Aurora.

#### Chapter 4 Directors and the Audit Committee

Article 18 Aurora shall have seven to nine directors. Elections of directors at Aurora shall be conducted in accordance with the candidate nomination system and procedures, who shall be elected from legally competent persons with cumulative voting at the shareholders' meeting and hold office for three years; re-elected directors may serve consecutive terms. The total number of shares held by all directors shall be processed in accordance with the relevant laws and regulations of the competent authority in charge of securities affairs.

The minimum number of independent directors shall be three and one fifth of the seats in the board. The method and announcement of candidate nomination shall be processed in accordance with the Company Act and relevant laws and regulations of the competent authority in charge of securities affairs.

Article 19 If the directors' tenure has expired and an election fails to take place, their tenure shall be extended until the newly elected directors assume office. However, the competent authority may order Aurora to elect new directors within a given time limit. If such an election fails to take place by the given time limit, the current directors shall be discharged on the date of the said time limit.

Article 20 Directors shall organize the board of directors, and a chairman of the

board shall be elected among the directors with the majority consent from the attending directors at a board meeting with over two thirds of directors attending. The chairman of the board shall be the chair of shareholders' meetings and the board meeting internally, and represent Aurora externally. The chairman of the board shall execute all activities of Aurora according to laws and regulations, Articles of Incorporation, as well as the resolutions of shareholders' meetings and the board meetings. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as the chair. The board of directors shall be convened by the chairman of the board. If the chairman of the board is unable to convene the board of directors for any reason, the provisions of the preceding paragraph shall apply mutatis mutandis. The meeting of the board of directors shall be convened by delivery a notice to each director via mail, e-mail, or fax. The board of directors of Aurora shall establish various functional committees, each of which shall establish rules and regulations for exercising their powers, and shall be implemented after being approved by the board of directors.

Article 21 The directors shall attend the board meetings in person. If a director is unable to attend in person, unless the director resides in another country and designate a shareholder who resides domestically to serve as his/her proxy to regularly attend board meetings, he/she may execute a power of attorney and state therein the scope of authority with reference to the subjects to be discussed at the meeting, by delegating other directors to attend on his/her behalf, but the proxy shall accept only one director's delegation. If a board meeting is conducted by means of video conferencing, directors who participate in the meeting by such means shall be deemed to have attended the meeting in person.

Article 22 Unless otherwise provided for in the Company Act or in the Article of Incorporation, decisions at the board of directors meeting shall be resolved by a majority vote in the meeting which is attended by directors who represent a majority of the total number of directors.

Article 23 Matters relating to the resolutions of a board of directors 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 director within 20 days after the conclusion of the meeting. The meeting minutes shall include the date and venue of the meeting, the name of the chair of the meeting, and summary and results of the proceedings. The meeting minutes, along with the attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies, shall be kept at the premise of Aurora.

Article 24 Aurora establishes an Audit Committee in compliance with relevant laws. The Audit Committee shall consist of all independent directors and is responsible to carry out duties of supervisors stipulated in the Company Act, Securities and Exchange Act, and other laws and regulations. The position of supervisors was abolished on the same date the Audit Committee was established in compliance with relevant laws.

The number of Audit Committee members, their term, duties, meeting procedures and the resources to be provided when exercising their duties shall be regulated by the organizational rules of the Audit Committee enacted by the board of directors.

Article 25 Regardless of whether Aurora operates at a profit or loss, it shall provide remuneration to the directors for conducting company business, except for those directors who receive compensation based on internal rules for holding positions of Aurora. The board of directors is authorized to determine the remuneration based on the directors' involvement in Aurora's business operation and their contributions to Aurora with reference to the remuneration standard of the industry.

#### Chapter 5 Corporate Bonds

Article 26 Aurora may, by a resolution adopted by the board of directors, invite subscription for corporate bonds pursuant to the provisions of the Company Act.

#### Chapter 6 General Manager:

Article 27 Aurora may have a number of managerial personnel. Appointment

and discharge and the remuneration of the managerial personnel shall be decided in accordance with the Company Act.

## Chapter 7 Accounting

Article 28 The fiscal year of Aurora starts and ends on the same dates of a calendar year. At the end of each fiscal year, the board of directors shall prepare the following statements and records and propose them to the annual shareholders' meeting for ratification in accordance with the legal procedures:

- I. Business report.
- II. Financial statements.
- III. Surplus earning distribution or loss off-setting proposals.

Article 29 If Aurora makes a profit (i.e., net profit before tax after deduction of the portion set aside for employees' compensation) within a fiscal year, 1% to 10% of the profit shall be reserved as the employee remuneration; in case of accumulated loss, however, a portion of the profit shall first be reserved to cover the loss.

The counterparties to whom compensation shall be distributed in cash or stock as stated in the preceding paragraph includes the employees of Aurora's subordinate companies that meet certain criteria.

A resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors for the preceding two paragraphs shall be submitted to the shareholders' meeting.

For the net income in the annual accounts, if any, its allocation shall be prioritized by the following order:

- I. Covering accumulated losses (including the adjusted amount of unappropriated retained earnings).
- II. Setting aside ten percent of the net income as legal reserve.  
Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
- III. Appropriating or reversing special reserves in accordance with the laws or the direction of the competent authority.

IV. The balance, along with the unappropriated retained earnings as of the beginning of the fiscal year concerned (including the adjusted amount of unappropriated retained earnings) shall be proposed to the shareholders' meeting for a resolution on its distribution.

Article 29-1 As the industry into which Aurora falls is currently in a stage of steady growth, demand for capital has lowered. In the future, operating results will be returned to shareholders as many as possible. In consideration of business development, finances, capital expansion, and shareholders' equity, Aurora distributes dividends in the combination of cash and stock, where cash dividends distributed are not lower than ten percent of the dividends distributed for the year.

#### Chapter 8 Miscellaneous

Article 30 Aurora's organizational charter and by-laws shall be separately enacted by the board of directors.

Article 31 Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act and relevant laws and regulations.

Article 32 The Articles of Incorporation were established on July 12, 1963.  
The first amendment was made on October 26, 1966.  
The second amendment was made on August 23, 1969.  
The third amendment was made on April 10, 1972.  
The fourth amendment was made on February 10, 1973.  
The fifth amendment was made on November 19, 1974.  
The sixth amendment was made on June 15, 1977.  
The seventh amendment was made on July 5, 1979.  
The eighth amendment was made on July 5, 1980.  
The ninth amendment was made on April 30, 1982.  
The tenth amendment was made on July 16, 1984.  
The eleventh amendment was made on September 7, 1985.  
The twelfth amendment was made on March 10, 1986.  
The thirteenth amendment was made on March 20, 1988.  
The fourteenth amendment was made on November 13, 1988.

The fifteenth amendment was made on December 11, 1988.  
The sixteenth amendment was made on June 3, 1989.  
The seventeenth amendment was made on November 27, 1989.  
The eighteenth amendment was made on December 15, 1989.  
The nineteenth amendment was made on February 20, 1990.  
The twentieth amendment was made on April 27, 1990.  
The twenty-first amendment was made on February 23, 1991.  
The twenty-second amendment was made on November 20, 1991.  
The twenty-third amendment was made on June 13, 1992.  
The twenty-fourth amendment was made on December 9, 1992.  
The twenty-fifth amendment was made on May 19, 1993.  
The twenty-sixth amendment was made on May 27, 1994.  
The twenty-seventh amendment was made on May 15, 1995.  
The twenty-eighth amendment was made on May 27, 1996.  
The twenty-ninth amendment was made on May 8, 1997.  
The thirtieth amendment was made on May 6, 1998.  
The thirty-first amendment was made on May 18, 1999.  
The thirty-second amendment was made on April 29, 2000.  
The thirty-third amendment was made on April 24, 2001.  
The thirty-fourth amendment was made on May 28, 2002.  
The thirty-fifth amendment was made on May 28, 2003.  
The thirty-sixth amendment was made on June 15, 2006.  
The thirty-seventh amendment was made on June 10, 2009.  
The thirty-eighth amendment was made on June 25, 2010.  
The thirty-ninth amendment was made on June 6, 2012.  
The fortieth amendment was made on June 10, 2015.  
The forty-first amendment was made on June 8, 2016.  
The forty-second amendment was made on June 8, 2017.  
The forty-third amendment was made on June 12, 2018.  
The forty-fourth amendment was made on June 10, 2020.

Aurora Corporation  
Chairman: Yuan Hui-Hua

## 【Appendix II】

# Aurora Corporation

## Rules of Procedure for Shareholders' Meetings

### Article 1. Principle of Application of Rules

- I. To establish a strong governance system and sound supervisory capabilities for Aurora's shareholders' meetings, and to strengthen management capabilities, the Rules are therefore adopted.
- II. The rules of procedures for Aurora's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in the Rules.

### Article 2. Convening Shareholders' Meetings and Meeting Notices

- I. Unless otherwise provided by law or regulation, Aurora's shareholders' meetings shall be convened by the board of directors.
- II. Aurora shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. Aurora shall prepare electronic versions of the shareholders' meeting agenda and supplementary meeting materials and upload them to the MOPS at least 21 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. In addition, at least 15 days before the date of the shareholders' meeting, Aurora shall also have prepared the shareholders' meeting agenda and supplementary meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplementary materials shall also be displayed at Aurora and the professional shareholder services agent designated thereby as well as being distributed on site at the venue of the meeting.
- III. 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.
- IV. Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing Aurora's status as a public company, approval of



competing with Aurora by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter stipulated in all subparagraphs of Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or 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 reasons for convening the shareholders' meeting. None of the aforementioned matters may be raised by an extempore motion.

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

### Article 3. Submission and Handling of Proposals before Shareholders' Meeting

- I. A shareholder holding one percent or more of the total number of issued shares may submit a written proposal for discussion to Aurora at an annual shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may submit a suggestive proposal which urge Aurora to promote the public interest or fulfill its social responsibilities. The said proposal shall be limited to one proposal in terms of the procedure in accordance with the Article 172-1 of the Company Act. Any proposal in excess shall be excluded from the agenda.
- II. Prior to the book closure date before an annual shareholders' meeting is held, Aurora shall publicly announce that it will receive shareholder proposals, in written or electronic method, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- III. When the proposal of a shareholder is approved by the board of directors and that it is not involved in any following circumstances, it shall be listed in the meeting notice of the annual shareholders'

meeting:

- (I) Where the subject of the said proposal cannot be settled or resolved by a resolution to be adopted at a shareholders' meeting.
  - (II) Where the number of shares of held by shareholders making the said proposal is less than one percent of the total number of outstanding shares at the time when the share transfer registration is suspended for the annual shareholders' meeting.
  - (III) Where the said proposal is submitted on the day beyond the deadline fixed and announced in accordance with the provision of the preceding paragraph.
  - (IV) Where the said proposal submitted by the proposing shareholders exceeds one item, or more than 300 words (including punctuation), or is not submitted in writing.
- IV. Prior to the date for issuance of notice of a shareholders' meeting, Aurora shall inform the shareholders who submitted proposals of the proposal screening results, and shall list the proposals that conform to the provisions of this article in the meeting notice. At the shareholders' meeting, the board of directors shall specify the reasons for excluding any shareholders' proposals from the meeting agenda.
  - V. Shareholders' proposals listed in the agenda in accordance with Paragraph 3 may be handled together if these proposals are of the same type.
  - VI. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in the discussion of the proposal.

#### Article 4. Check-in of Shareholders

- I. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by Aurora and stating the scope of the proxy's authorization.
- II. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to Aurora at least five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, a declaration made to cancel the previous proxy appointment is not subject to the aforementioned rule.

- III. After a proxy form has been delivered to Aurora, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to Aurora at least two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5. Principles Determining the Time and Place of a Shareholders' Meeting

The venue for a shareholders' meeting shall be the premises of Aurora, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.

#### Article 6. Preparation of Documents Such as the Attendance Book

- I. Aurora shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences.
- II. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Aurora may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- III. Aurora shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- IV. Aurora shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
- V. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### Article 7. The Chair and Non-Voting Participants of a Shareholders' Meeting

- I. If a shareholders' meeting is convened by the board of directors,

the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as the chair.

- II. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- III. Aurora may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

#### Article 8. Documentation of a Shareholders' Meeting by Audio or Video

Aurora shall make an uninterrupted audio and video recording of the entire proceedings of the shareholders meeting, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 9. Calculation of the Number of Shares and Calling the Meeting to Order

- I. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- II. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
- III. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175

of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

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

#### Article 10. Discussion of Proposals

- I. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
- II. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.
- III. 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 of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- IV. The chair shall allow ample opportunity during the meeting for explanation and 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.

#### Article 11. Shareholder's Speech

- I. 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.

- II. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- III. 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.
- IV. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder who has the floor; the chair shall stop any violation.
- V. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- VI. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

#### Article 12. Calculation of Voting Shares and Recusal System

- I. Voting at a shareholders' meeting shall be calculated based the number of shares.
- II. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
- III. 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 Aurora, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
- IV. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- V. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total

number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13. Voting on Agenda Items

- I. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed to be non-voting shares pursuant to Paragraph 2 of Article 179 of the Company Act.
- II. When Aurora holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with respect to the extempore motions and revisions to the original proposals of that meeting, the said shareholder will be considered to have waived his/her rights. Aurora is therefore advised to avoid submission of extempore motions and revision to the original proposals.
- III. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to Aurora at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.
- IV. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to Aurora, by the same means by which the voting rights were exercised, at least two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

- V. Except as otherwise provided in the Company Act and in Aurora's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- VI. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- VII. 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 Aurora.
- VIII. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on site at the meeting, and a record made of the vote.

#### Article 14. Election Matters

- I. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by Aurora, 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 were elected.
- II. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a



shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15. Meeting Minutes and Signatures

- I. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- II. Aurora may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- III. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of Aurora.

Article 16. Public Disclosure

- I. On the day of a shareholders meeting, Aurora shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.
- II. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, Aurora shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. Maintaining Order at the Meeting Venue

- I. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- II. The chair may direct the proctors or security personnel to help maintain order at the meeting venue. When proctors or security personnel help maintain order at the meeting venue, they shall wear an identification card or armband bearing the word

"Proctor."

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

Article 18. Recess and Resumption of a Shareholders' Meeting

- I. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- II. If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
- III. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19. Implementation

The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

The Rules were established on June 8, 2016.

The first amendment was made on June 8, 2017.

The second amendment was made on June 10, 2020.

The third amendment was made on July 15, 2021.

## 【Appendix III】

# Aurora Corporation

## Procedures for Acquisition and Disposal of Assets

### Article 1. Purpose of Formulation

In order to protect assets and implement information disclosure, when Aurora acquires or disposes of the assets in Article 3, they shall be handled in accordance with the provisions of the Procedures.

### Article 2. Legal Basis

The Procedures are formulated in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and Article 2 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

### Article 3. Scope of Assets

- I. I. Investments in stocks, government bonds, corporate bonds, bank debentures, securities that represent fund entitlements, depository receipts, call/put options, beneficiary securities, and asset-backed securities.
- II. Real estate (including land, building, investment properties, and construction enterprise inventory) and equipment.
- III. Membership.
- IV. Patents, copyrights, trademarks, licenses and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

### Article 3-1. Terminology

- I. "Derivatives" mentioned in the Procedures refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. "Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law" mentioned in the Procedures refers to assets acquired or disposed through mergers, division, or acquisition conducted under the Business Mergers and Acquisitions Act or

other laws, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

- III. "Related party" and "subsidiary" mentioned in the Procedures are as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. "Professional appraiser" mentioned in the Procedures refers to a real property appraiser or other people duly authorized by law to engage in the value appraisal of real estates and equipment.
- V. "Date of event" mentioned in the Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, and dates of boards of directors resolutions, or another date that can confirm the transaction counterpart or monetary amount, whichever date is earlier. For investments that are subject to the approval of the competent authorities, one of the dates of event referred to above or the date of approval by the competent authorities whichever is earlier or sooner shall prevail.
- VI. "Mainland China area investment" mentioned in the Procedures refers to investments conducted according to the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area issued by the Ministry of Economic Affairs Investment Commission.

#### **Article 4. Divisions of Implementation**

- I. The divisions of implementation of real estate, membership, and equipment are the Finance Division and Administration Division.
- II. The division of implementation of patents, copyrights, trademarks, licenses and other intangible assets is the Legal Affairs Division.
- III. The division of implementation of assets not covered in the preceding two paragraphs is the Legal Affairs Division.

#### **Article 5. Evaluation and Operating Procedures**

- I. The operation related to the acquisition or disposal of assets by Aurora shall be regulated in the Internal Control System, Major Assets Management Procedures and Fixed Assets Management Procedures. If the standards stipulated in the Procedures are met, it shall be handled in accordance with the Procedures.
- II. Procedure of Evaluation
  - (I) In acquiring or disposing of real estate or equipment where the transaction amount reaches 20% of Aurora's paid-in capital or exceeds NT\$300 million, Aurora, unless transacting with a government agency, engaging others to build on Aurora's own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report from professional appraisers prior to the date of event and shall further comply with the following provisions:

1. If the transaction price is determined by referring to an attributive price, a specific price, or a special price for a good cause, the transaction should be presented to the board of directors for resolution. Any changes in trading conditions thereafter should be handled in accordance with the aforementioned procedure.
  2. Where the transaction price exceeds NT\$ 1 billion, appraisal reports from two or more professional appraisers shall be required.
  3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal reports, unless all the appraisal reports for the assets to be acquired are higher than the transaction price, or all the appraisal reports for the assets to be disposed of are lower than the transaction price, a CPA shall be engaged to perform the appraisal in accordance with the provisions of No. 20 of the Statement of Auditing Standards published by the Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:
    - (1) The discrepancy between an appraisal report and the transaction price reaches 20% or more of the transaction price.
    - (2) The discrepancy between the appraisal reports of two or more professional appraisers reaches 10% or more of the transaction price.
  4. No more than three months may elapse between the issuance date of the appraisal report by a professional appraiser and the contract execution date. However, if it is subject to the announced present value of the same period and that is not more than six months away, an opinion can be issued by the original appraiser.
- (II) Before Aurora acquires or disposes of securities, the most recent financial statements of the target company which have been audited, certified or reviewed by CPAs shall be obtained before the date of the actual transaction as a reference for evaluating the transaction price. When Aurora's acquisition or disposal of intangible assets or the right-of-use thereof, or membership exceeds 20% of Aurora's paid-in-capital or NT\$3 billion, unless the transaction is conducted with domestic government bodies, Aurora shall engage a certified public accountant to render an opinion on the reasonableness of the transaction price prior to the date of event. The certified public accountant shall handle relevant matters in accordance with the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation if he or she must adopt a report of an expert.
- This requirement shall not apply to publicly quoted prices of an active market or is otherwise regulated by FSC.
- (III) When Aurora's acquisition or disposal of membership or intangible assets exceeds 20% of Aurora's paid-in capital or NT\$3 billion, unless the transaction is conducted with government bodies, Aurora shall engage a certified public accountant to render an opinion on the

reasonableness of the transaction price prior to the date of event. The certified public accountant shall handle relevant matters in accordance with the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation.

- (IV) The calculation of the transaction amount in the preceding three subparagraphs shall be compliant with Article 9, Paragraph 2, and the "within a year" mentioned refers to a period of one year calculated retroactively from the date of event of the transaction. Items for which a professional appraiser has issued the appraisal report or a certified public accountant has issued an opinion in accordance with the Procedures are exempted from inclusion in the calculation.
- (V) For Aurora's acquisition or disposal of assets through court auction procedures, the evidentiary documentation issued by the court may be used in place of the appraisal report or CPA opinion.

### III. Methods for determining transaction conditions

- (I) To acquire or dispose of real property, the assessed current land value, the appraised value, and the actual transaction price of the adjacent real properties shall be referred to in order to make decisions.
- (II) To acquire or dispose of equipment, it shall be done by one of the following methods: price inquiry, price comparison, price negotiation, or open bid.
- (III) To acquire or dispose of securities which have been traded on the centralized securities exchange market or at the business office of a securities firm shall be based on market functions to determine the trading conditions.
- (IV) To acquire or dispose of equity securities which have not been traded on a centralized securities exchange market or at the business office of a securities firm, their net value per share, profitability, future development potential and the current trading price shall be referred to in order to make decisions.
- (V) To acquire or dispose of fixed income securities which have not been traded on a centralized securities exchange market or at the business office of a securities firm, the market interest rate, the coupon rate of the bond, and the debtor's credit standing shall be referred to in order to make decisions.
- (VI) To acquire or dispose of membership, intangible assets, claims of financial institutions or other major assets, the assessment reports from experts or fair market value shall be referred to in order to make decisions.

### IV. Operating Procedures

- (I) When Aurora acquires or disposes of assets and the case has reached the limit of public announcement and declaration stipulated by the Procedures, the department in charge of executing the acquisition and disposal shall submit the case to the board of directors for approval or ratify it in the first board meeting afterwards. If the case meets the

- requirement of an important matter referred to in Article 185 of the Company Act, it must be submitted to the shareholders' meeting for approval.
- (II) For the acquisition or disposal of assets other than those mentioned in the preceding paragraph, the scope of authorization and approval shall be determined by the board of directors in separate procedures for division of powers and responsibilities.
  - (III) For the acquisition or disposal of assets by Aurora which shall be approved by the board of directors in accordance with the Procedure or other laws and regulations, where a director has an adverse opinion on record or in a written declaration, Aurora shall submit such an opinion to the Audit Committee for discussion.
  - (IV) Aurora has established independent directors. The opinions of each independent director shall be taken into full consideration when a matter regarding the procedure of acquisition and disposal is submitted to the board of directors for discussion in accordance with the preceding paragraph. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting.

## **Article 6. Related Party Transactions**

- I. When Aurora engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the preceding article and this article, if the transaction amount reaches 10 percent or more of Aurora's total assets, Aurora shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of paragraph 2 of the preceding article. The calculation of the aforesaid transaction amount shall be handled in accordance with paragraph 2 of Article 9. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- II. Except for the trading of domestic government bonds or RP/RS bonds, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, in acquiring or disposing the real estate or the right-of-use assets thereof from or to a related party, or acquiring or disposing the assets other than real estate or the right-of-use assets thereof from or to a related party, and the transaction amount exceeds 20 percent of the Aurora's paid-in-capital, 10 percent of Aurora's total assets, or NT\$300 million, Aurora may not proceed with the execution of a transaction contract or making any payment before the following information has been agreed upon by the Audit Committee, and submitted for the approval of board of directors:
  - (I) The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
  - (II) The reasons for selecting the related party as the trading counterpart.

- (III) The appraisal of reasonableness of the preliminary transaction terms and conditions regarding the acquiring of the real estate or the right-of-use assets thereof from a related party in accordance with Paragraphs 5 to 9 of this Article.
  - (IV) The matters of the related party's original acquisition date and price, counter party, and the relationship with Aurora and the related party.
  - (V) The monthly cash income and expense forecast within the year from the month of the contract signed; also, the assessment of the necessity of the trade and the reasonableness of the use of funds.
  - (VI) Appraisal reports from the professional appraisers or opinions of the CPAs acquired in accordance with the preceding paragraph.
  - (VII) The restrictions and other important stipulations of the transaction.
- III. The calculation of the transaction amount in the preceding paragraph shall be compliant with paragraph 2 of Article 9, and the "within a year" mentioned refers to a period of one year calculated retroactively from the date of event of the transaction. Items that have been submitted to and approved by the Audit Committee and then passed by the board of directors in accordance with the Procedures are exempted from inclusion in the calculation.
  - IV. When acquiring or disposing of equipment for business use between Aurora and its parent or subsidiaries, the board of directors may, pursuant to Article 5, paragraph 4, subparagraph 1, authorize the Chairman to decide such matters and subsequently report to the most recent board of directors for ratification if the transaction is within a certain amount:
  - V. When Aurora acquires or disposing of real estate from a related party, Aurora shall evaluate the reasonableness of the transaction costs by the following means:
    - (I) Based upon the related party's transaction price plus necessary interest on funding and buyer's cost by law. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year Aurora purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
    - (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have exceeded 70 percent of the financial institution's appraised total value of the property and the period of the loan shall have exceeded one year. However, it is not applicable if the financial institution and the counterparty are related to one another.
  - VI. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
  - VII. When Aurora acquires or disposing of real estate from a related party, Aurora shall evaluate the cost of the real estate in accordance with the provisions of



the preceding two paragraphs, and engage a certified public accountant for review and opinions:

VIII. In the event any of the following exists when Aurora acquires or disposes of real estate or the right-of-use thereof from a related party, the acquisition shall be conducted in accordance with paragraph 2 of this article and not the preceding three paragraphs:

- (I) The related party acquired the real estate through inheritance or as a gift.
- (II) More than five years have elapsed from the time the related party signed the contract to obtain the real estate to the signing date of the transaction.
- (III) The real estate is acquired through signing a joint development contract with the related party, or through engaging a related party to build real estate, either on Aurora's own land or on rented land.

IX. Paragraph 11 of this article shall be applied by Aurora in the event that the appraisal reports conducted in accordance with paragraphs 5 and 6 of this article are uniformly lower than the transaction price. However, as a result of the following circumstances and with the objective evidence presented and an appraisal report collected from the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:

- (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - 1. Where undeveloped land is appraised in accordance with the means in the aforementioned provisions, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
  - 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
  - 3. Rentals by unrelated parties within the preceding year involving other floors of the same property, which are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- (II) Where Aurora acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of

completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

- X. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- XI. Where Aurora acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding provisions are uniformly lower than the transaction price, the following steps shall be taken:
  - (I) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. If an investor whose investments in the Aurora are valued using the equity method are public companies, the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall also be set aside pro rata in a proportion consistent with the share of Aurora's equity stake in the other company.
  - (II) The Audit Committee shall comply with Article 218 of the Company Act.
  - (III) Actions taken pursuant to the preceding two subparagraphs shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- XII. When Aurora has set aside a special reserve under the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
- XIII. When Aurora obtains real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms' length transaction.

## **Article 7. Trading of Derivatives**

- I. Trading principles and guidelines
  - (I) Types of trading
    - 1. Forward Agreement: A contract that pre-purchases (or pre-sells) the underlying assets and agrees to settle them on a specific date in the

future.

2. Financial Options: The buyer of the options has the right to buy (call) or sell (put) the agreed quantity of the underlying assets from the seller at the exercise price on a specific expiry date, and the seller is obliged to perform the settlement obligation at the exercise price.
  3. Interest Rate Swap: The term refers to a contract signed by both parties, agreeing to exchange different bases of interest calculation on a specific date in the future, and settle the interest receivable and payable according to the specific notional principal and deliver the interest differences. However, the two parties will not exchange the principal from the beginning.
  4. Financial Futures: The term refers to the contract between the two parties, agreeing to buy and sell the underlying assets at a specific time in the future based on the transaction conditions such as specific price and quantity, or to settle the price differences before expiration.
  5. Currency Swap: The term refers to a contract signed by both parties, agreeing to exchange two foreign currencies and pay the interest of the received currency to the other party based on the specific notional principal, and then exchange the original currency at the same exchange rate on the agreed expiry date.
  6. When Aurora engages in bond margin trading, it shall handle it in accordance with the provisions of the Procedures. However, the Procedures do not apply when Aurora engages in the trading of RP/RS bonds.
  7. Other derivatives approved by the board of directors.
- (II) The total amount of contracts which may be engaged in derivatives trading
- The total contract value of Aurora's derivatives trading shall not exceed NT\$1 billion or 30 percent of the paid-in capital, of which the total contract value of non-hedging transactions shall not exceed NT\$400 million.
- (III) Total and individual contract loss cap amounts
1. Hedging transactions: They are conducted for the actual needs of Aurora; thus, the loss amount is limited to 10 percent of the transaction amount of individual contracts and all contracts, respectively.
  2. Non-hedging transactions: The Finance Section is designated by the Chairman of the board to conduct transactions within the authorized limit. After the position is established, a stop loss point should be set up to prevent excessive losses. The stop loss point shall not exceed 3 percent of the amount of the transaction contract.
- (IV) Derivatives trading in business or hedging strategies can be divided into transactions for the purpose of hedging and not for the purpose of hedging (that is, for the purpose of trading). Aurora's strategy shall be

aimed at avoiding operation risks, and the selection of trading commodities should be based on avoiding the risks of foreign exchange income, expenses, assets or liabilities generated by Aurora's business operations. If due to changes in the objective circumstances, Aurora can choose an appropriate time to enter the market to engage in the non-hedging transactions of derivatives. It is expected that such an action helps Aurora generate more non-operating income or reduce non-operating losses. Before any transaction takes place, the transaction type must be clearly defined as hedging or non-hedging as the basis for accounting.

(V) Division of powers and responsibilities

1. Board of directors: It is the highest management level of Aurora to engage in derivatives trading, and it is able to approve the transaction targets and commodity types, the responsible departments for transactions, and the upper limit of transaction amount.
2. Chairman of the Board: As the senior executive authorized by the board of directors to engage in derivatives trading, the Chairman shall pay attention to the supervision and control of derivatives trading risks at all times.
3. Finance Office: It is the executive department of Aurora to engage in derivatives trading, and the personnel executing derivatives trading is designated by the Chairman of the board. The Office is responsible for the collection of relevant information and laws on derivatives, the formulation of operation or hedging strategies, the execution of trading orders, and the disclosure of future trading risks, and provide real-time information to relevant departments for reference.
4. Accounting Department: Confirm the content of the trading orders with the trading counterparties, record the transactions in the account in compliance with the relevant regulations and maintain the trading record data, regularly evaluate the fair market value of the held position, and provide it to the designated transaction department. Relevant matters related to derivatives is to be disclosed in the financial statements, and they are to be announced and declared within the prescribed time limit.
5. Treasury Department: Responsible for the settlement of derivatives trading.
6. Auditing Office: Check the operating procedures related to internal transaction orders and external confirmation orders regularly or engage in ad hoc auditing.

(VI) Authority level

1. If the amount of hedging commodities transactions is within USD 5 million, the supervisor of the Finance Office shall be authorized to handle them; if it exceeds USD 5 million, it shall be submitted to

the Chairman for approval.

2. If the amount of non-hedging commodities transactions is within USD 3 million, the supervisor of the Finance Section shall be authorized to handle them; if it is within USD 10 million, the Chairman shall be authorized to handle them. If the amount of such transactions exceeds USD 10 million, these transactions shall be submitted to and approved by the board of directors before any transaction is able to take place.

(VII) Performance evaluation essentials

1. Hedging transactions are based on the profit and loss between the exchange rate cost on Aurora's book and derivatives transactions; non-risk hedging transactions are based on the actual profit and loss for performance evaluation.
2. The Accounting Department shall compile a statistical table of foreign exchange positions, and summarize the exchange profit and loss of the current month and a detailed table of derivative transactions of open interest, so that the Finance Section is able to regularly review the performance of derivative transactions with the Chairman.

II. Risk management measures

- (I) Credit risk management: Trading partners shall be financial institutions and futures brokers which already have business dealings with Aurora, have a good reputation, and are able to provide professional information.
- (II) Market risk management: The possible losses of derivatives are difficult to predict due to fluctuations of the future market price, so the stop loss points set up beforehand shall be strictly adhered to after the position is established.
- (III) Liquidity risk management: In order to ensure the liquidity of the traded commodities, trading institutions must have sufficient equipment, information and trading capabilities, and can conduct transactions in any market.
- (IV) Cash flow risk management: Authorized traders shall strictly abide by the authorization limit, and shall pay attention to Aurora's cash flow at ordinary times to ensure that there is enough cash for payment at the time of settlement.
- (V) Operational risk management:
  1. Aurora's authorized quota, operating procedures and absorbed internal audit shall be truly followed to avoid operational risks.
  2. Trading personnel engaged in derivatives and operational personnel engaged in confirmation, settlement, etc., shall not serve concurrently.
  3. Risk measurement, monitoring, and control personnel shall be assigned to a different department from that of the personnel in the

preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

(VI) Legal risk management: Documents signed with financial institutions shall be reviewed by professionals in the foreign exchange and legal divisions or legal consultants before official signature, and use internationally standardized documents wherever possible, so as to avoid legal risks.

(VII) Commodity risk management: Internal traders shall have complete and correct professional knowledge of derivatives so as to avoid risks of misusing derivatives.

### III. Supervision and management of the board of directors

(I) The Chairman shall keep the derivatives transaction risk under supervision and control, and take necessary measures in case of any abnormality, and immediately report the incident to the board of directors. In addition, the board of directors shall have independent directors present and express opinions.

(II) Where Aurora authorizes the relevant personnel to deal with the derivatives transactions in accordance with the provisions of the derivatives transaction procedures, it shall report to the latest meeting of the board of directors afterwards.

### IV. Accounting treatment method

(I) Aurora's accounting treatment method concerning the engagement in derivatives transactions shall be handled in accordance with the relevant regulations promulgated by the Financial Supervisory Commission and the Accounting Research and Development Foundation. When preparing periodic financial statements (including annual, semi-annual, quarterly financial statements and consolidated financial statements), relevant information shall be disclosed in accordance with the regulations of the Financial Supervisory Commission.

(II) The information of Aurora's trading of derivatives shall be provided to certified public accountants and fully disclosed in the financial reports.

### V. Periodic evaluation methods

(I) The board of directors shall regularly evaluate whether the performance of derivatives trading conforms to the established business strategies and whether the undertaking risk is within the tolerance of Aurora.

(II) The Chairman of Aurora shall designate specific personnel to regularly evaluate whether the risk management measures currently in use are appropriate and are in accordance with the Procedures and the procedures for dealing with derivatives transactions prescribed by the FSC.

(III) The positions held in a derivatives exchange shall be evaluated at least

once a week; however, if hedging transactions are conducted due to business needs, they shall be evaluated at least twice a month, and the evaluation report shall be sent to the Chairman or his or her substitutes.

VI. Internal audit system

- (I) The internal auditors shall regularly learn about the fairness of internal control of derivative transactions, analyze the trading cycle, make audit reports on the compliance of the monthly audit and trading department with the procedures for dealing with derivative transactions, and shall inform the Audit Committee in writing if any major violation is found.
- (II) Before the end of February of the following year, Aurora shall, together with the implementation of the annual audit plan for the internal audit report, submit all aforementioned documents to the FSC, and no later than the end of May of the following year, report the conditions of improvement of abnormalities to the FSC.

VII. Establishment of a memorandum book

Aurora shall establish a memorandum book for the type, amount, date of approval by the board of directors and the matters which shall be carefully evaluated in accordance with paragraph 5, and the details are set out in the memorandum book for future references.

**Article 8. Merger, Demerger, Acquisition, or Transfer of Shares**

- I. When Aurora conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger of a subsidiary in which Aurora directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which Aurora directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- II. When Aurora participates in a merger, demerger, acquisition, or transfer of shares, it shall prepare a public report to shareholders detailing important contractual contents and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders' meeting notification to the shareholders for reference in deciding whether to approve the merger, demerger, or acquisition. However, this restriction shall not apply in the event that a public company is exempt from convening a shareholders' meeting to approve the merger, demerger, or acquisition under the provision of other laws or regulations.
- III. If any participants of the merger, demerger, or acquisition are unable to convene a shareholder meeting, produce a resolution, or if the motion is voted down by shareholders due to insufficient attendants, minimum votes, or other legal restrictions, the participants of the merger, demerger, or acquisition shall

immediately announce to the public the causes, the subsequent actions, and the proposed date of the next shareholders' meeting.

- IV. A company participating in a merger, demerger, or acquisition shall convene a board meeting and shareholders' meeting on the same day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board meeting on the same day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- V. When Aurora participates in the merger, demerger, acquisition, or the transfer of shares, it shall prepare the following information and retain it for 5 years for reference:
  - (I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
  - (II) Dates of material events: Including the dates of signing of letters of intent or memorandum of understanding, the retaining of a financial or legal advisor, the execution of a contract, and the convening of a board meeting.
  - (III) Important documents and meeting minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board meetings.
- VI. When participating in a merger, demerger, acquisition, and transfer of shares, Aurora shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report the information in Subparagraphs 1 and 2 of the preceding paragraph in the prescribed format via the Internet-based information system to the FSC for recordation.
- VII. In the event where Aurora participating in the merger, demerger, acquisition, or transfer of shares is not a TWSE/TEPx-listed company, Aurora shall sign an agreement with the company and handle relevant matters in accordance with Paragraphs 5 and 6.
- VIII. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written agreement of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity-based securities of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- IX. When Aurora participates in a merger, demerger, acquisition, or transfer of shares, it may not arbitrarily alter the share exchange ratio or acquisition price unless under the following circumstances, and shall stipulate the



circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
  - (II) The action of disposal of major assets that affects a company's financial operations.
  - (III) The occurrence of major disasters and changes in technology that affects a company's shareholders' equity or securities price.
  - (IV) The adjustment of treasury stock repurchased lawfully by any company participating in the merger, demerger, acquisition, or transfer of shares.
  - (V) Changes in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
  - (VI) Other terms or conditions that the contract stipulates may be altered and that have been publicly disclosed.
- X. When participating in a merger, demerger, acquisition, or transfer of shares, Aurora shall specify the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also include the following matters:
- (I) The handling of a breach of contract
  - (II) The principles for the handling of equity-based securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - (III) The principles for the handling of the amount treasury stock that the participating is permitted to buy back lawfully after the base date for the calculation of stock swap.
  - (IV) The handling of the occurrence of changes in the number of participating entities or companies.
  - (V) Preliminary progress schedule for plan execution, and anticipated completion date.
  - (VI) The handling of matters regarding the scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion.
- XI. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

- XII. In the event where a company participating in the merger, demerger, acquisition, or transfer of shares is not a public company, Aurora shall sign an agreement with the said company and handle relevant matters in accordance with Paragraphs 4, 8, and 11 of this article.

## **Article 9. Announcement and Reporting Procedures**

- I. For the acquisition and disposal of assets by Aurora with any of the following situations, relevant data shall be prepared in the prescribed format based on its nature and public announcement and regulatory filing be made on the designated website by the Financial Supervisory Commission within two days from the date of the event:
- (I) Acquisition or disposal of real estate or the right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or the right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of Aurora's paid-in capital, 10% or more of the total assets, or NT\$300 million or more, but not subject to the trading of domestic government bonds or RP/RS bonds, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
  - (II) Merger, demerger, acquisition, or transfer of shares.
  - (III) The loss of engaging in derivatives trading has reached the total or individual contract loss cap amount stipulated in the set processing procedures.
  - (IV) Acquisition or disposal of equipment or right-of-use assets thereof for business use, and the transaction counterpart is not a related party, and the transaction amount exceeds NT\$500 million.
  - (V) When real estate is acquired under an arrangement on engaging others to build on Aurora's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparts are not related parties, and the proposed amount of Aurora's investment exceeds NT\$500 million.
  - (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. However, the following circumstances are not subject to the restrictions:
    - 1. Trading of domestic government bonds.
    - 2. Trading of RP/RS bonds or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. The transaction amounts in the preceding paragraph shall be calculated as follows:

- (I) Amount of each transaction
  - (II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterpart within a year.
  - (III) The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of real estate or the right-of-use assets thereof in the same development project within a year.
  - (IV) The cumulated amount of the acquisition and disposal (cumulative acquisitions and disposals, respectively) of the same securities within a year.
- III. "Within a year" mentioned in the preceding subparagraph refers to a period of one year calculated retroactively from the date of event of the transaction. Amounts already publicly announced in accordance with the Procedures are exempted from inclusion in the calculation.
- IV. Aurora shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by Aurora and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- V. When Aurora at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- VI. When Aurora acquires or disposes of assets, it shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and opinions of CPAs, lawyers, and securities underwriter at Aurora and retain them for 5 years unless as otherwise provided by the law.
- VII. Where any of the following circumstances occurs with respect to a transaction that Aurora has already publicly announced and reported in accordance with the aforementioned regulations, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days counting inclusively from the date of occurrence of the event:
- (I) The originally signed trade contract is modified, terminated, or revoked.
  - (II) Merger, demerger, acquisition, or transfer of shares is not completed by the deadline set forth in the contract.
  - (III) Changes are made to the content of the original public announcement and regulatory filing.

**Article 10. Limit for Acquiring Real Estate for Non-Business Use and Marketable Securities**

- I. The limits for the total amount of real estate for non-business use or marketable securities purchased by Aurora and its subsidiaries within one year and for investment in individual marketable securities are as follows, unless otherwise resolved by the board of directors:
  - (I) The total amount of real estate for non-business use purchased by Aurora and its subsidiaries shall not exceed 20 percent of Aurora's shareholders' equity, respectively.
  - (II) The total amount of marketable securities purchased by Aurora and its subsidiaries shall not exceed 80 percent of Aurora's shareholders' equity, respectively.
  - (III) The limit of the total amount of investment in individual marketable securities made by Aurora and its subsidiaries shall not exceed 50 percent of Aurora's shareholders' equity, respectively.
  
- II. In accordance with the standards stipulated in Article 50-1, paragraph 1, subparagraph 5 of the Operating Rules of the Taiwan Stock Exchange Corporation, in Aurora's most recent annual (semi-annual) consolidated financial report audited (reviewed) by a certified public accountant, the net amount of equity investment shall not account for more than 150 percent of the shareholders' equity. However, the following circumstances are not subject to the restrictions:
  - (I) The equity investment business has a considerable relationship with Aurora's own business operations, and the certification provided by Aurora is deemed to be not containing major abnormality by the competent authority.
  - (II) According to the latest consolidated financial report, there is no increase in equity investment.

#### **Article 11. Control Procedures for Subsidiary's Acquisition and Disposal of Assets**

- I. Subsidiaries of Aurora shall also formulate and implement the "Procedures for Acquisition and Disposal of Assets" in accordance with the relevant provisions of the Procedures, which shall be implemented after the approval of the subsidiary's board of directors and then reviewed and adopted by its shareholders' meeting. The same shall apply to amendments thereafter.
- II. For a subsidiary of Aurora which is not a domestic public company, if the acquisition or disposal of assets meets the announcement and declaration standards set forth in Article 9 of the Procedures, Aurora shall handle the aforementioned matters on behalf of the said subsidiary.
- III. The aforementioned subsidiary that is subject to paragraph 1 of Article 9 and requires announcement and regulatory filing, the paid-in capital or total assets of Aurora shall be the standard applicable paid-in capital or total assets of the subsidiary.

#### **Article 12. Other Matters**

- I. Professional appraisers and their officers, certified public accounts, attorneys,

and securities underwriters that provide Aurora with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.
  - (II) Not a related party or de facto related party of the transaction counterpart.
  - (III) If Aurora is required to obtain appraisal reports from two or more professional appraisers, the professional appraisers or appraisers may not be related parties or de facto related parties of each other.
- II. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:
- (I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
  - (II) When reviewing audit assignments, they shall plan and implement appropriate operating procedures to draw a conclusion as the basis of producing a report or expressing an opinion; and maintain a full record of the implementation procedures, gathered data, and conclusions in the worksheet.
  - (III) They shall assess the integrity, correctness and reasonableness of the data sources, parameters and information used on a case-by-case basis as the basis for issuing appraisal reports or written opinions.
  - (IV) The declaration shall include the professionalism and independence of the relevant personnel, the assessment of the reasonableness and correctness of the information used and the compliance with the relevant laws and regulations.
- III. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations, and Aurora's relevant rules and regulations.

### **Article 13. Penalty**

If the employees of Aurora undertaking the acquisition and disposal of assets violate the provisions of the Procedures, they will be punished and required to compensate for damages caused in accordance with Aurora's personnel management regulations, and penalties will be given depending on the severity of the circumstances.

### **Article 14. Implementation and Amendment**

The Procedures shall be implemented after having been approved by the Audit

Committee and reported to the shareholders' meeting for approval. Subsequent amendments thereto shall be effected in the same manner. Where a director has an adverse opinion on record or in a written declaration, Aurora shall submit such an opinion to the Audit Committee and shareholders' meeting for discussion.

**Article 15. Date of Implementation**

- I. The Procedures was established on November 27, 1989.
- II. The first amendment was made on September 26, 1991.
- III. The second amendment was made on June 12, 1995.
- IV. The Third amendment was made on December 23, 1999.
- V. The fourth amendment was made on December 30, 1999.
- VI. The fifth amendment was made on May 28, 2003.
- VII. The sixth amendment was made on June 13, 2007.
- VIII. The seventh amendment was made on June 6, 2012.
- IX. The eighth amendment was made on June 12, 2014.
- X. The ninth amendment was made on June 8, 2017.
- XI. The tenth amendment was made on June 12, 2019.

## 【Appendix IV】

# Aurora Corporation Rules for Director Elections

- Article 1 Purpose  
The Rules for Director Elections are adopted to ensure a just, fair, and open election of directors.
- Article 2 Principle of Application of Rules  
Except as otherwise provided by law and regulation or by Aurora's Articles of Incorporation, elections of directors shall be conducted in accordance with the Rules.
- Article 3 Selection of Directors
- I. The overall composition of the board of directors shall be taken into consideration in the selection of Aurora's directors. The composition of the board of directors shall be determined by taking diversity into consideration, as well as the directors' basic requirements, values, professional knowledge, and skills.
  - II. Each board member shall have the necessary knowledge, skill, and experience to perform their duties, such as the ability to make judgments about operations, accounting and financial analysis ability, business management ability, crisis management ability, knowledge of the industry, an international market perspective, leadership, and decision-making ability.
  - III. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 4 Selection of Independent Directors  
The election of independent directors of Aurora shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be conducted in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
- Article 5 Nomination and By-Elections
- I. Elections of directors at Aurora shall be conducted in accordance with the candidate nomination system and procedures. Aurora reviews in advance the qualifications, education and professional experience as well as the existence of any other matters set forth in Article 30 of the Company Act with respect to the director candidates. In addition, Aurora may not arbitrarily add

requirements for documentation of other qualifications, and shall provide shareholders with the results of the review for their reference.

- II. When the number of directors falls below seven due to the dismissal of a director for any reason, Aurora shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in Aurora's Articles of Incorporation, Aurora shall convene an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- III. When the number of independent directors falls below that required under the proviso of Paragraph 1 of Article 14-2 of the Securities and Exchange Act and the provisions of Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the independent directors are dismissed en masse, an extraordinary shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

#### Article 6 Voting Method

The cumulative voting method shall be used for election of the directors at Aurora. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately

#### Article 7 Ballots

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

#### Article 8 Principles of Vote Counting

The number of directors will be as specified in Aurora's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots



representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9     Vote Monitoring and Checking

Before the election begins, the chair shall appoint counting personnel and a number of shareholders to perform the respective duties of vote monitoring. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10    Method of Filling out Ballots

In the event that the candidate is a shareholder of Aurora, the voters voting for such candidate shall fill in the said candidate's account name and shareholder account number in the candidate column on the ballot. In the event that the candidate is not a shareholder of Aurora, the voters voting for such candidate shall fill in the said candidate's name and ID number in the candidate column on the ballot. In the event that the candidate is a government or a corporate shareholder, the voters voting for such candidate shall fill in the name of the said government or corporate shareholder in the candidate column on the ballot, or the name of the said government or corporate shareholder together with the name of the said government's or corporate shareholder's representative; when there are multiple representatives, the names of all representatives shall be filled in.

Article 11    Invalid Votes

A ballot is invalid under any of the following circumstances:

1. A ballot was not prepared by a party with the power to convene the meeting.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. Where the candidate's name filled in in the ballot is inconsistent with that on the list of candidates for directors.
5. Any ballot with characters other than the allocated number of voting rights.

Article 12 Vote Counting

- I. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the election, including the list of persons elected as independent and non-independent directors as well as the numbers of voting rights with which they were elected, shall be announced on site by the chair or the person whom the chair designated.
- II. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13 Implementation

The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

The Rules were established on June 8, 2016.

The first amendment was made on June 8, 2017.

The second amendment was made on June 10, 2020.

The third amendment was made on July 15, 2021.

【Appendix V】

**Aurora Corporation**  
**Current Shareholding of Directors**

I. The amount of statutory number of shares held by the current members of the 11th board directors of Aurora Corporation is as follows:

Number of common shares issued by Aurora	236,202,518 shares
Statutory percentage of shares held by all directors	5%
Statutory number of shares held by all directors	11,810,126 shares

II. The shareholding status of the individual and all directors as recorded in the shareholders' meeting on the book closure date of this shareholders' meeting is as follows:

Record date: April 11, 2022

Unit: Shares

Title	Name	Number of shares held recorded in shareholders register on book closure date	Remark
Chairman	Yuan Hui-Hua	1,184,000	
Director	Chen Yung-Tai	21,269,000	
Director	Rai Hau-Min	101,856,312	Representative of Aurora Holdings Incorporated
Director	Ma Chih-Hsien	3,000	
Independent Director	Liao Kuo-Jung	0	
Independent Director	Hwa Yueh-Jiuan	0	
Independent Director	Hsu Wen-Chung	0	
Total shares held by all directors: 124,312,312 shares Percentage of shareholding: 52.63%			

Note:

- As of April 11, 2022, the total number of outstanding shares of Aurora is 236,202,518 shares.
- Aurora has established an Audit Committee. Therefore, the statutory shareholding for supervisors is not applicable.