

Advanced Optoelectronic Technology Inc.
Ethical Corporate Management Best Practice Principles

Article 1 (Purpose and Scope of Application)

In order to foster the company's corporate culture of honest management and sound development, and to establish a reference framework for good business operations, these Principles have been formulated.

The company and all its subsidiaries, consortiums with more than 50% direct or indirect donation funds, and other institutions or legal persons with substantial control capabilities and other group companies and organizations (hereinafter referred to as group companies and organizations) must abide by these Principles.

Article 2 (Prohibition of dishonest conduct)

The Company's directors, managers, employees, appointees or persons with substantial control capabilities (hereinafter referred to as "substantial controllers") shall not directly or indirectly provide, promise, request or accept any improper interests, or engage in other dishonest acts that violate integrity, illegality, or breach of fiduciary duties in order to obtain or maintain interests (hereinafter referred to as "dishonest acts").

The objects of the behavior in the preceding paragraph include public officials, political candidates, political parties or party officials, as well as any public or private enterprises or institutions and their directors, supervisors, managers, employees, and substantial controllers or other interested parties.

Article 3 (Form of interests)

The term "interest" in these Principles refers to anything of value, including money, gifts, commissions, positions, services, preferential treatment, kickbacks, etc. in any form or name. However, this does not apply when it is normal social etiquette and is incidental without any risk of affecting specific rights and obligations.

Article 4 (Compliance with laws)

The company shall abide by the Company Law, Securities and Exchange Law, Commercial Accounting Law, Political Contribution Law, Corruption Crime Regulations, Government Procurement Law, Public Officials' Conflict of Interest Avoidance Law, listing and over-the-counter regulations or other laws and regulations related to business conduct, as a way to implement Integrity management.

Article 5 (Policy)

Based on the business philosophy of integrity, transparency and responsibility, the

company should formulate policies based on integrity, which should be approved by the board of directors, and establish good corporate governance and risk control mechanisms to create a business environment for sustainable development.

Article 6 (Prevention Plan)

The integrity management policy formulated by the company should clearly and detailedly stipulate specific honest management practices and a plan to prevent dishonest behavior (hereinafter referred to as the prevention plan), including operating procedures, behavioral guidelines, education and training, etc. The company's prevention plans should comply with the relevant laws and regulations of the places where the company and group companies and organizations operate.

Article 7 (Scope of Preventive Plan)

The company should establish a risk assessment mechanism for dishonest conduct, regularly analyze and evaluate business activities with higher risks of dishonest conduct within the business scope, formulate prevention plans accordingly, and regularly review the appropriateness and effectiveness of the prevention plans.

The prevention plan referred to in the preceding paragraph should refer to common standards or guidelines at home and abroad, and should at least cover preventive measures for the following behaviors:

1. Giving and receiving bribes.
2. Providing illegal political donations.
3. Improper charitable donations or sponsorships.
4. Providing or accepting unreasonable gifts, entertainment or other improper benefits.
5. Infringement of business secrets, trademark rights, patent rights, copyrights and other intellectual property rights.
6. Engage in acts of unfair competition.
7. Products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders during the development, procurement, manufacturing, provision or sale.

Article 8 (Commitment and Implementation)

The company should require directors and senior management to issue a statement of compliance with the integrity management policy, and require employees to comply with the integrity management policy as a condition of employment.

The company and group companies and organizations should clearly state the policy of honest management in internal regulations, external documents and the company website, and the commitment of the board of directors and senior management to

actively implement the policy of honest management, and implement it in internal management and business activities.

The company should prepare documented information regarding the integrity management policies, statements, commitments and implementation of items 1 and 2 and properly preserve them.

Article 9 (Business activities conducted with integrity)

The company should conduct business activities in a fair and transparent manner based on the principle of good faith management.

Before doing business, the company should consider the legality of agents, suppliers, customers or other business transaction partners and whether they involve dishonest behavior, and avoid transactions with those who have a record of dishonest behavior. Contracts signed between the company and its agents, suppliers, customers or other business partners should include clauses that comply with the integrity management policy and that the contract can be terminated at any time if the counterparty engages in dishonest behavior.

Article 10 (Prohibition of Offering and Receiving Bribery)

The Company and its directors, managers, employees, assignees and substantial controllers shall not, directly or indirectly, provide, promise, request or accept any form of illegitimate benefits to customers, agents, contractors, suppliers, public officials or other interested parties when performing business.

Article 11 (Prohibition of illegal political donations)

The Company and its directors, managers, employees, assignees and substantial controllers shall comply with the Political Contribution Law and relevant internal operating procedures of the Company and should not seek commercial interests or trading advantages, while making direct or indirect contributions to political parties or organizations or individuals participating in political activities.

Article 12 (Prohibition of Improper Charitable Donations or Sponsorships)

The Company and its directors, managers, employees, assignees and substantial controllers shall comply with relevant laws and internal operating procedures for charitable donations or sponsorships, and shall not engage in disguised bribery.

Article 13 (Prohibition of unreasonable gifts, entertainment or other improper benefits)

The Company and its directors, managers, employees, assignees and substantial controllers shall not directly or indirectly provide or accept any unreasonable gifts,

entertainment or other improper benefits to establish business relationships or influence business transactions.

Article 14 (Prohibition of infringement of intellectual property rights)

The company and its directors, managers, employees, assignees and substantial controllers shall abide by laws and regulations related to intellectual property, the company's internal operating procedures and contract provisions. Without the consent of the owner of the intellectual property rights, they shall not use, leak, dispose, or damage or otherwise infringe upon intellectual property rights.

Article 15 (Prohibition of unfair competition)

The Company shall engage in business activities in accordance with relevant competition laws and shall not fix prices, manipulate bids, limit output and quotas, or share or divide the market by allocating customers, suppliers, operating areas or business types, etc.

Article 16 (Preventing products or services from harming interested parties)

The company and its directors, managers, employees, assignees and substantial controllers shall abide by relevant laws and regulations and international standards during the research and development, procurement, manufacturing, provision or sales of products and services to ensure the information transparency and safety of products and services, formulating and disclosing policies to protect the rights and interests of consumers or other stakeholders, implementing them in operational activities to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other stakeholders. When there are sufficient facts to confirm that its products and services pose a risk to the safety and health of consumers or other interested parties, the products should be recalled immediately or its services should be discontinued in principle.

Article 17 (Organization and Responsibilities)

The company's directors, managers, employees, assignees and substantial controllers should fulfill the duty of care of good managers, urge the company to prevent dishonest behavior, and review its implementation effectiveness and continuous improvement at any time to ensure the implementation of the honest management policy.

In order to improve the management of integrity management, the company should set up a dedicated unit under the board of directors, allocate sufficient resources and qualified personnel, be responsible for the formulation and supervision of the implementation of integrity management policies and prevention plans, be mainly responsible for the following matters, and regularly (at least once) report to the Board of

Directors.

1. Assist in integrating integrity and moral values into the company's business strategy, and cooperate with the legal system to formulate relevant anti-fraud measures to ensure honest management.
2. Regularly analyze and evaluate the risks of dishonest behavior within the business scope, formulate plans to prevent dishonest behavior accordingly, and formulate business-related standard operating procedures and behavioral guidelines within each plan.
3. Plan the internal organization, structure and responsibilities, and establish a mutual supervision and check-and-balance mechanism for business activities with higher risks of dishonest conduct within the business scope.
4. Promotion and coordination of integrity policy publicity and training.
5. Plan the whistle-blowing system to ensure its effectiveness.
6. Assist the board of directors and management to check and evaluate whether the preventive measures established for the implementation of honest operations are operating effectively, and regularly evaluate the compliance status of relevant business processes and prepare reports.

Article 18 (Compliance with laws and regulations in business execution)

The Company's directors, managers, employees, assignees and substantial controllers shall comply with legal requirements and prevention plans when performing business.

Article 19 (Avoidance of Interests)

The company should formulate a policy to prevent conflicts of interest to identify, supervise and manage the risks of dishonest behavior that may result from conflicts of interest, and provide appropriate channels for directors, managers and other interested parties attending the board of directors to proactively explain if there is any potential conflicts of interest with the company.

If the company's directors, managers and other interested parties attending the board of directors are interested parties in the resolutions listed by the board meeting whether themselves or the legal persons they represent, they should explain the important content of their interests to the board meeting at that time. If they are harmful to the interests of the company, they are not allowed to participate in discussions and voting, and they should recuse themselves from discussions and voting, and they are not allowed to exercise their voting rights on behalf of other directors. Directors should also exercise self-discipline and can't support each other inappropriately.

The directors, managers, employees, assignees and substantial controllers of the Company shall not use their positions or influence in the Company to obtain improper

benefits for themselves, their spouses, parents, children or any other person.

Article 20 (Accounting and Internal Control)

The company should establish an effective accounting system and internal control system for business activities with higher risks of dishonest conduct. It should not have external accounts or keep secret accounts, and should review them at any time to ensure that the design and implementation of the system continue to be effective.

The company's internal audit unit should formulate relevant audit plans based on the assessment results of dishonest behavior risks, including audit objects, scope, projects, frequency, etc., and use them to check the compliance with the prevention plan, and may appoint certified public accountants to perform audits if necessary. When necessary, professionals may be hired for assistance.

The results of the preceding inspection shall be reported to senior management and the unit responsible for integrity management, and an audit report shall be prepared and submitted to the board meeting.

Article 21 (Operating Procedures and Conduct Guidelines)

The company shall formulate a prevention plan in accordance with the provisions of Article 6 to specifically regulate the matters that directors, managers, employees and substantial controllers should pay attention to when performing business, and its content shall at least cover the following matters:

1. Criteria for identifying providing or accepting improper benefits.
2. Procedures for handling legal political donations.
3. Procedures and amount standards for providing legitimate charitable donations or sponsorships.
4. Provisions on avoiding conflicts of interest related to duties, and procedures for reporting and handling them.
5. Confidentiality requirements for confidential and commercially sensitive information obtained in business.
6. Standards and procedures for dealing with suppliers, customers and business transaction partners involved in dishonest behavior.
7. Procedures for handling violations of these Principles.
8. Disciplinary measures taken against violators.

Article 22 (Education, Training and evaluation)

The company's chairman, general manager or senior management should regularly communicate the importance of integrity to directors, employees and appointees.

The company should regularly conduct education, training and promotion for directors,

managers, employees, assignees and substantial controllers, so that they can fully understand the company's determination, policies, prevention plans and consequences for dishonest behavior.

The company should integrate the integrity management policy with employee performance appraisal and human resources policies, and establish a clear and effective reward and punishment system.

Article 23 (Reporting System)

The company should establish a specific reporting system and implement it effectively. Its content should at least cover the following matters:

1. Establish and announce an internal independent reporting mailbox and direct line, or entrust other external independent organizations to provide reporting mailboxes and direct lines for use by internal and external personnel of the company.
2. Designate a dedicated person or unit to handle reports. Reports involving directors or senior management should be reported to independent directors, and the categories of reports and standard operating procedures for investigation should be formulated.
3. After the investigation of the reported case is completed, the follow-up measures to be taken according to the seriousness of the case shall be stipulated. If necessary, the case shall be reported to the competent authority or transferred to the judicial authority for investigation.
4. Recording and preservation of report case acceptance, investigation process, investigation results and production of relevant documents.
5. The identity of the whistleblower and the content of the report shall be kept confidential, and anonymous reporting shall be allowed.
6. Measures to protect whistleblowers from being improperly dealt with due to whistleblowing.
7. Incentive measures for whistleblowers.

If the company's dedicated personnel or units that accept reports discover major violations or the company is in danger of suffering major damage, they should immediately make a report and notify the independent directors in writing.

Article 24 (Disciplinary and Complaint System)

The company should clearly define and publish a disciplinary and complaint system for violations of integrity management regulations, and promptly disclose information such as the title, name, date of violation, content of the violation, and handling of violations on the company's internal website.

Article 25 (Information Disclosure)

The company should establish quantitative data to promote honest management, continuously analyze and evaluate the effectiveness of the integrity policy, disclose the measures taken by the company, implementation status, and previous quantitative data and promotion results on the company's website, annual report, and public prospectus, and publicly disclose and discloses the contents of Ethical Corporate Management Best Practice Principles on Market Information Post System.

Article 26 (Review and Amendment of Integrity Management Policies and Measures)

The company should always pay attention to the development of domestic and foreign regulations related to integrity management, and encourage directors, managers and employees to make suggestions, review and improve the company's integrity management policies and promotion measures to enhance the company's implementation effectiveness of integrity management.

Article 27 (Implementation)

These Principles will be implemented after being approved by the Audit Committee and the board meeting, and will be sent to each Audit Committee and reported to the Shareholders' Meeting. The same shall apply to any amendments.

When the Ethical Corporate Management Best Practice Principles is submitted to the board of directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of each independent director shall be fully considered, and their objections or reservations shall be recorded in the minutes of the board meeting; if the independent directors are unable to attend the board meeting in person to express their objections or reservations, unless they have legitimate reasons, should issue written opinions in advance and record them in the minutes of the board meeting.

This Code was established on August 6, 2013.

The first revision was on April 25, 2014.

The second revision was on December 26, 2014.

The third revision was on August 8, 2019.