

ADVANCETEK ENTERPRISE CO., LTD.

2021 Annual Shareholders' Meeting

Meeting Agenda

Date: June 17, 2021

Location: B1, No.16, Ln.189, Sec.1, Chengtai Rd., Wugu
Dist., New Taipei City 248, Taiwan (R.O.C.)

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ADVANCETEK ENTERPRISE CO., LTD.
2021 Annual Shareholders' Meeting
Meeting Agenda

Date : 09:00 Am, Thursday, 17 June 2021

Location: B1, No.16, Ln.189, Sec.1, Chengtai Rd., Wugu Dist., New Taipei City 248, Taiwan.

I. Call Meeting to Order (Report the total number of shares held by those in attendance)

II. Chairman's Address

III. Report Items

1. 2020 Business Report.
2. Audit Committee's Review Report of 2020.
3. The Distribution of Remuneration to Directors and Employees of 2020.

IV. Acknowledgments

1. Acknowledgment of the 2020 Business Report and Financial Statements.
2. Acknowledgment for Distribution of 2020 Profits.

V. Discussions

1. Amendment to partial provisions of the "Procedures for Acquisition or Disposal of Assets."
2. Amendment to partial provisions of the "Shareholders' Meeting Rules of Procedures."

VI. Special Motions

VII. Meeting Adjourned

Report Items

One. 2020 Annual Report

I. Operating Performance in 2020

(i) Business Plan Implementation Results

1. The Company's net revenue for 2020 was NT\$ 2,226,645 thousand, an increase of NT\$ 1,536,459 thousand over NT\$ 690,186 thousand in 2019.
2. The Company's before tax net profit for the year 2020 was NT\$ 90,541 thousand, a decrease of NT\$ 46,794 over NT\$ 137,335 thousand in 2019.
3. There was no significant difference in the operating margin for both years mainly due to the decrease in net income before income tax as a result of other gains and losses including the gain on disposal of construction sites in 2019.

(ii) Budget Implementation

In compliance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to prepare financial forecasts in 2020.

(iii) Analysis of Financial Revenue and Profitability

Units: NT\$ thousand; %

Item			2020	2019
Financial Revenue and Expenditure	Net operating revenue		2,226,645	690,186
	Operating profit margin		330,101	81,175
	Net income after tax		76,808	100,443
Return on Investment Analysis	Return on assets (%)		0.79	0.89
	Return on total stockholder' equity (%)		1.45	1.95
	Capital stock (%)	Operation income to capital	2.90	(1.50)
		Per-tax income to capital	2.47	4.53
	Net income to sale (%)		3.45	14.55
	Earning per share (NT\$)		0.25	0.33

(iv) Research and Development Status

1. Architectural design and plan

The Company plans for affordable houses with exclusive and high quality that encompassed within an artistic environment, with regards to the venue of product, features of the surrounding environment, demands of customers, and applicability of related architectural regulations, to satisfy different age groups with their shared

imagination and expectation for a home.

2. Construction engineering and management

Our professional team devised the most appropriate construction technique and engineering management method for different types of construction sites; and adhere strictly to the control strategy on construction quality, costs, and progress, to ensure the safety of the construction site.

3. Market research and development

We acquired accurate real estate market information, and collect various data to study and analyze as basis for product positioning and marketing strategy, for achieving an objective of 100% sale rate.

II. Summary of Business Plans for 2021

(i) Guideline for Management

We always adhere to our business orientations: "Faithful attitude, prudent operation, exclusive quality, and passionate service" as the basis for planning high quality and safe architectural products, with the mission to improve the aesthetic of urban space; we also pursue customer satisfaction, and the objectives of enhancement of corporate brand awareness and sustainable operation.

(ii) Expected Sales and the Reasons Thereof

1. Project to be completed during current year: 272 households planned in the case of lot 8, Zhenxing Section, Taichung, is expected to be completed and recognized this year.
2. Project to be delivered during current year: 1914 households planned in the construction case of Xinbei Danhai section, 206 households planned in the construction case of Taichung Lianwu section, expected to be sold through the pre-sale method.
3. Projects for sale: Yilan Jiaoxi, Luodong Gongzheng section, Xinzhuang Fuduxin, Taoyuan Kuaiji section, and lot 8, Zhengxing section in Taichung, and Xinzhuang Hefeng storefronts are still up for sale; total 167 households.
4. Project of construction in progress: Case A of Taoyuan Sanmin Section, Xinbei Danhai Section, and Taichung Lianwu Section are under construction.

(iii) Important Production and Sales Policies

1. Production strategies

(1) Construction of terraced house, and high- rise apartment complexes are our bread-winning product.

(2) Product designing for specific market segment that targeting future mainstream product.

(3) Increase high end residential housing that features recreation, multi-function, and safety.

(4) Landscape and transportation convenience will be major concerns in requirements

for future residential quality and access to basic services.

2. Sales strategies

- (1) Selling brand new houses or selling houses while building.
- (2) Entrusting housing sales agency for underwriting or simply for marketing communication.
- (3) Selling remaining houses on our own or by commissioning.

III. Development Strategies

- (i) Customer service: By putting ourselves in the customers' position to serve and help them to create greatest profit, as our objective is to provide greatest satisfaction to our customers.
- (ii) Sustainable operation: Aperiodically hold community activities, and contribute the neighborhoods with caring programs, to keep up a sustainable relationship with customers.
- (iii) Social contribution: The Company is dedicated to charity events, we adhered to our motto as "Taken from society / Give back to society," continue to make contribution to the great public, to implement corporate social responsibility.
- (iv) The Company always take into account the feasibility of spatial function in residential spaces, the user convenience for dwellers, and deficiency in resources of the regional environment and the solution for it, early in the stage of designing and planning, which allows us to provide continuous, quality architectural products, dedicated to increasing our products added-value, and promote the concept of living leisure; in addition, we also focus on integral community empowerment, in order to enhance the competitiveness of the Company.

IV. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

- (i) The outbreak of the COVID-19 pandemic in 2020 had a great impact on the global economy. International organizations have made downward revisions to the global economic growth rate, and IMF (Jan. 2021) estimates the global economy is projected to slow to 4.4%, OECD (Dec. 2020) estimates a decline by 4.2%, and World Bank (Jan. 2021) has even estimated a decline of 5.2%, whereas the effect of the pandemic might continue into Q2 in 2021. As for Taiwan, the effective pandemic control has enabled residents to resume their normal life and regular economic activities. The Directorate-General of Budget, Accounting and Statistics, Executive Yuan estimates Taiwan's economic growth rate in January, 2021 is projected at 2.98%, which is a relatively good performance in the world. (Excerpted from 'Economic Review' by Taiwan Institute of Economic Research, March, 2021)
- (ii) According to the Domestic Macroeconomic Forecasts and Economic Outlook Research issued on January 1, 2021, by Taiwan Institute of Economic Research: For the construction industry, tight labor market, costs of reinforcing steel have raised high, the

supply chain of concrete aggregate still under intense pressure; though the transactions in real estate market were relatively active, which has elevated the base period in a relatively high level, whereas the government seems to incline to implement dynamic adjustment, which has caused hesitation in the property investment market, as a result, it is obvious that the real estate market in the next 6 months will go through a period of adjustment, which makes the construction industry more cautious about the outlook in the next six months.

- (iii) The Executive Yuan has approved a proposed draft amendment regarding Joint tax on building and land sales in March, 2021, amended the definition of “short-term holding”; individual or juridical person holding the real property for less than 2 years then sold it will be taxed at a rate of 45%; if holding for more than 2 years but less than 5 years, the rate will be 35%; the proposal will be submitted to the Legislative Yuan for deliberation. The Ministry of Finance stated that the reform of the joint tax system for real estate and land will help curb short-term speculation by extending the holding period for high tax rates applicable to short-term real estate transactions, amending the rules on the deduction of the total amount of land price increases, and including real estate transactions as applicable. This will improve the development of the real estate transaction market.

Chairman: Hung-Ying Wu General Manager: Sheng-Li Wu Accountant: Hui-Chin Huang

Two. Audit Committee's Report on Financial Statements

Advancetek Enterprise Co., Ltd.

Audit Committee's Report on Financial Statements

The Company's Independent Financial Statements and Consolidated Financial Statements of 2020 as prepared by the Board of Directors, were duly audited by Certified Public Accountants Lin, Hsin-Ju and Lu, Lien-Sheng of Earnest & Co., CPAs., together with the business report and proposal for earnings distribution have been further duly reviewed and determined to be correct and accurate by the Audit Committee members of Advancetek Enterprise. According to Article 14-5 of the Security Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

Advancetek Enterprise 2021 Annual Shareholders' Meeting

Audit Committee convener: Cheng-Yung Li

March 23, 2021

Three. Distribution of 2020 employee remuneration and remuneration of directors

- I. The present issue is duly handled in accordance with Article 26 of the Company's Articles of Incorporation. The Company's profit, if any, shall be appropriated at least 1% as the remuneration to employees and up to 2% maximum for directors.
- II. The net earnings before tax and before the deduction of employees' remuneration and the remuneration of directors for 2020 was NT\$ 92,388,885; of which the Company proposed to appropriate 1%, amounting to NT\$ 923,889 as remuneration to the employee, and another 1%, amounting to NT\$ 923,889 as remuneration to directors and in cash.
- III. The aforementioned amounts of distribution to employees and directors and prove no difference from the amounts estimated in the financial statements.

Acknowledgments

Case I (Proposed by the Board of Directors)

Cause: 2020 Business Report and Financial Statements.

Explanatory notes: 1. The Company's independent financial statements and consolidated financial statements of 2020 as prepared by the Board of Directors, were duly audited by Certified Public Accountants Lin, Hsin-Ju and Lu, Lien-Sheng of Earnest & Co., CPAs., together with business report, were further duly reviewed by the audit committee, results of auditing were presented in the prepared report.

2. Please refer to page 2 to page 4, attachment 1 and attachment 2 of this handbook for 2020 Business Report, Independent Auditors' Report, and abovementioned Financial Statements.
3. The present issue is hereby duly submitted for acknowledgment.

Resolution:

Case II (Proposed by the Board of Directors)

Cause: The Proposal for distribution of 2020 profits.

Explanatory notes: 1. The 2020 profit after tax amounted to NT\$ 76,807,979, after an appropriation of 10% legal reserve amounts NT\$ 7,680,798, then added unappropriated retained earnings of NT\$ 192,741,069 from the previous year, there will be NT\$ 261,868,250 of retained earnings can be used as the end of term profit distribution; the Company proposed to distribute a cash dividend of NT\$ 183,105,679 to shareholders (As the cash dividend was NT\$ 0.5 per share).

2. The company's cash dividend shall be allocated to the whole number of New Taiwan Dollar. The aggregate total of the odd fractions below one New Taiwan Dollar will be adjusted by order of decimal number of each shareholder's cash dividend, from large to small, and by the sequence of shareholders' account number, until it complies with the total amount of cash dividend distribution. Preferential distribution of earnings of 2020.
3. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairperson be authorized to resolve the dividend record date to distribute cash dividends.
4. If the Company experiences capital changes subsequently, in turn, leads to a need for adjustment in the dividend distribution to shareholders ratio, the shareholders' meeting fully authorizes the Chairperson to make any adequate adjustments.
5. Please refer to attachment 3 of the handbook for Earnings Distribution Table for 2020.
6. The present issue is hereby duly submitted for acknowledgment.

Resolution:

Discussions

Case I (Proposed by the Board of Directors)

Cause: Amendment to partial provisions of the "Procedures for Acquisition or Disposal of Assets."

Explanatory notes: 1. In accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" to amend partial provisions of the "Procedures for Acquisition or Disposal of Assets."

2. Please refer to attachment 4 of the handbook for the comparison table of amended articles of the "Procedures for Acquisition or Disposal of Assets."

3. The present issue is hereby duly submitted for discussion.

Resolution:

Case II (Proposed by the Board of Directors)

Cause: Amendment to partial provisions of the "Shareholders' Meeting Rules of Procedures."

Explanatory notes: 1. In accordance with the Announcement on January 28, 2021, No. Taiwan-Stock-Governing 1100001446 of the Taiwan Stock Exchange Corporation (TWSE), we proposed to revise partial provisions of the "Shareholders' Meeting Rules of Procedures."

2. Please refer to attachment 5 of the handbook for the comparison table of amended articles of the "Shareholders' Meeting Rules of Procedures."

3. The present issue is hereby duly submitted for discussion.

Resolution:

Special Motions
Meeting Adjourned

Attachment

1. 2020 Independent financial statements

Earnest & Co., CPAs.

4F., No.501, Sec.2, Tiding Blvd.,
Taipei, Taiwan (R.O.C)

Earnest & Company CPAS

4F., No. 501, Sec. 2, Tiding Blvd., Neihu Dist.,
Taipei City
TEL:(02)87519698 FAX:(02)87515658

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders

Advantec Enterprise Co., Ltd.

Opinion

We have audited the accompanying financial statement of Advantec Enterprise Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Advantec Enterprise Co., Ltd. as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee (collectively, "IFRSs") as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement, were of most significance in our audit of the financial statements of Advantec Enterprise Co., Ltd. for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and by forming of our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements for the year ended December 31,

2020 are stated as follows:

1. Revenue Recognition (timing of recognition and classification of revenue)

The Company recognized the timing of real estate sales revenue in accordance to IFRS 15, of which the criteria that have been satisfied by the Company for recognition of revenue are with influence on net operating revenue and operating cost in financial statements, as recognition of sales revenue and its attribution are listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

- (1) Understood and tested the design and operating effectiveness of the Company's internal control of sales and collection cycle.
- (2) Understood and assessed reasonableness of method used by the management to recognize real estate sales revenue.
- (3) Performed substantive test of revenue, randomly audited reasonableness of reregistration certificate of transfer of property ownership right and the date on handover document, verified transferring of legal ownership of property and control right to the buyer.
- (4) Performed revenue cut-off test for sales and sales returns, sample audited ownership right transferring of property and its handover after the balance sheet date, and audited reasonableness of the timing of revenue recognition.

2. Inventory Valuation

As the inventory of the Company is measured at a lower cost and net realizable value, thus it is necessary to use judgements and estimates to determine the net realizable value of inventory at the end of the reporting period.

The Company evaluates inventory falling price loss or its gain from price recovery arise from public announced current value, economic environment and changes in the price of real estate transaction at the end of the reporting period. In contrast, estimates of the above are based on publicly announced current value, the most current market price of sales of the same construction project, assessment of land development benefits, and comparable information of the market, as these involve considerable uncertainty, inventory evaluation is listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

- (1) Understood and assessed the reasonableness of assumption and method used by the management to estimate inventory evaluation.
- (2) Examined reasonableness of calculation for net realizable value and information for related evaluation.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities

Issuers, and the IFRSs as endorsed and issued into effect by the Financial Supervisory Commission (FSC), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it 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. Misstatement 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 based on these financial statements.

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

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

auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the association accounted for under the equity method, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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 matters communicated with those charged with governance, we determined an issue that was most significant in the audit of the financial statements for the year ended December 31, 2020, and is, therefore, the key audit matter. We describe this matter 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.

Earnest & Company CPAS

CPA: Lin Hsin-Ju

CPA: Lu Lien-Sheng

Document approved by the Competent Authority of securities:

Jin-Guan-Zheng-Shen-Zi No. 1000001522

Tai-Cai-Zheng-Liu-Zi No. 0910156783

March 23, 2021

Notes to Readers

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

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

(English Translation of Individual Balance Sheets Originally Issued in Chinese)
 Advantec Enterprise Co., Ltd.
 Individual Balance Sheet
 December 31, 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars)

Code	Assets Items	Note	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV、VI	\$ 108,526	0.84	\$ 79,004	0.66
1120	Current financial assets at fair value through other comprehensive income	IV、VI、XII	518	0.00	511	0.00
1150	Notes receivable, net	IV、VI	1,211	0.01	962	0.01
1170	Accounts receivable, net	IV、VI	37,875	0.30	30,272	0.25
1200	Other receivables		486	0.00	-	0.00
1220	Current tax assets	IV、VI	1,318	0.01	13	0.00
130x	Inventories	IV、VI、VIII	11,954,036	92.52	10,909,975	91.29
1410	Prepayments	VII	111,097	0.86	81,619	0.69
1476	Other current financial assets	VI、VIII	7,784	0.06	166,070	1.39
1479	Other current assets, others		1,513	0.01	788	0.01
1480	Current assets recognised as incremental costs to obtain contract with customers	IV	107,363	0.83	128,298	1.07
11xx	Total current assets		<u>12,331,727</u>	<u>95.44</u>	<u>11,397,512</u>	<u>95.37</u>
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	IV、VI、XII	24,529	0.19	18,834	0.16
1550	Investments accounted for using equity method	IV、VI	-	0.00	146,363	1.23
1600	Property, plant and equipment	IV、VI、VIII	24,669	0.19	24,959	0.21
1760	Investment property, net	IV、VI、VIII	505,640	3.91	358,697	3.00
1780	Intangible assets	IV、VI	451	0.00	444	0.00
1920	Guarantee deposits paid		8,536	0.07	1,269	0.01
1930	Long-term notes and accounts receivable	IV、VI	25,708	0.20	2,556	0.02
15xx	Total non-current assets		<u>589,533</u>	<u>4.56</u>	<u>553,122</u>	<u>4.63</u>
1xxx	Total assets		<u>\$ 12,921,260</u>	<u>100.00</u>	<u>\$ 11,950,634</u>	<u>100.00</u>

(Continued on the next page)

(English Translation of Individual Balance Sheets Originally Issued in Chinese)

Advantec Enterprise Co., Ltd.

Individual Balance Sheet

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

Code	Liabilities and Equity		December 31, 2020		December 31, 2019	
	Items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	VI	\$ 200,000	1.55	\$ 300,000	2.51
2110	Short-term notes and bills payable	VI	69,933	0.54	124,707	1.05
2130	Current contract liabilities	IV、VI	427,126	3.30	354,929	2.97
2150	Notes payable		16,254	0.13	7,609	0.06
2170	Accounts payable		23,322	0.18	6,366	0.05
2180	Accounts payable to related parties	VII	192,596	1.49	143,164	1.20
2200	Other payables	VI	37,760	0.29	32,262	0.27
2220	Other payables to related parties	VII	18,657	0.14	2,502	0.02
2230	Current tax liabilities	IV、VI	754	0.01	-	0.00
2250	Current provisions	VI	1,033	0.01	967	0.01
2280	Current lease liabilities	IV、VI	2,248	0.02	-	0.00
2310	Advance receipts	IV、VII	37	0.00	42	0.00
2320	Long-term liabilities, current portion	VI	1,957,799	15.15	939,422	7.86
2399	Other current liabilities, others	VII	44,884	0.35	4,923	0.04
21xx	Total current liabilities		<u>2,992,403</u>	<u>23.16</u>	<u>1,916,893</u>	<u>16.04</u>
	Non-current liabilities					
2540	Long-term loans	VI	4,029,937	31.19	4,896,322	40.97
2552	Non-current warranty provision	IV、VI	22,682	0.18	21,551	0.18
2570	Deferred tax liabilities	IV、VI	34,096	0.26	35,688	0.30
2580	Non-current lease liabilities	IV、VI	326,151	2.52	-	0.00
2645	Guarantee deposits received		1,795	0.01	661	0.01
25xx	Total non-current liabilities		<u>4,414,661</u>	<u>34.16</u>	<u>4,954,222</u>	<u>41.46</u>
2xxx	Total liabilities		<u>7,407,064</u>	<u>57.32</u>	<u>6,871,115</u>	<u>57.50</u>
	Share capital					
3110	Ordinary share	VI	3,662,113	28.34	3,031,262	25.36
3130	Certificate of entitlement to new shares from convertible bond	VI	-	0.00	24,521	0.21
3100	Total share capital		<u>3,662,113</u>	<u>28.34</u>	<u>3,055,783</u>	<u>25.57</u>
3200	Capital surplus	VI	<u>991,852</u>	<u>7.68</u>	<u>935,874</u>	<u>7.83</u>
	Retained earnings					
3310	Legal reserve	VI	583,146	4.51	573,102	4.80
3320	Special reserve	VI	170	0.00	170	0.00
3350	Unappropriated retained earnings	VI	269,549	2.09	510,607	4.27
3300	Total retained earnings		<u>852,865</u>	<u>6.60</u>	<u>1,083,879</u>	<u>9.07</u>
3400	Total other equity interest		<u>7,366</u>	<u>0.06</u>	<u>3,983</u>	<u>0.03</u>
3xxx	Total equity		<u>5,514,196</u>	<u>42.68</u>	<u>5,079,519</u>	<u>42.50</u>
3x2x	Total liabilities and equity		<u>\$ 12,921,260</u>	<u>100.00</u>	<u>\$ 11,950,634</u>	<u>100.00</u>

(The Notes for Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Individual Statements of Comprehensive Income Originally Issued in Chinese)

Advancetek Enterprise Co., Ltd.

Individual Comprehensive Income Statement

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for earnings per share)

Code	Items	Note	2020		2019	
			Amount	%	Amount	%
4000	Operating revenue	IV、VI、VII	\$ 2,226,645	100.00	\$ 690,186	100.00
5000	Operating costs	IV、VI	1,896,544	85.17	609,011	88.24
5900	Gross profit from operations		330,101	14.83	81,175	11.76
	Operating expenses					
6100	Selling expenses	IV	114,876	5.16	28,740	4.16
6200	Administrative expenses		109,047	4.90	97,822	14.17
6000	Total operating expenses	VII	223,923	10.06	126,562	18.33
6900	Net operating income (loss)		106,178	4.77	(45,387)	(6.57)
	Non-operating income and expenses					
7010	Other income	VI	6,840	0.31	8,437	1.22
7020	Other gains and losses	VI	1,800	0.08	135,167	19.58
7050	Finance costs	VI	(27,119)	(1.22)	-	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	IV、VI	2,842	0.13	39,118	5.67
7000	Total non-operating income and expenses		(15,637)	(0.70)	182,722	26.47
7900	Net profit before tax		90,541	4.07	137,335	19.90
7950	Tax expense	IV、VI	(13,733)	(0.62)	(36,892)	(5.35)
8200	Profit		76,808	3.45	100,443	14.55
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		3,383	0.15	2,194	0.32
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		3,383	0.15	2,194	0.32
8300	Total other comprehensive income		3,383	0.15	2,194	0.32
8500	Total comprehensive income		\$ 80,191	3.60	\$ 102,637	14.87
	Earnings per share					
9750	Total basic earnings per share	IV、VI	\$ 0.25		\$ 0.33	
9850	Total diluted earnings per share	IV、VI	\$ 0.25		\$ 0.32	

(The Notes for Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Individual Statements of Changes in Equity Originally Issued in Chinese)

Advantec Enterprise Co., Ltd.
Individual Statement of Changes in Equity
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Summary	Share capital			Capital surplus				Retained earnings				Total other equities interest	
	Ordinary share	Certificates of entitlement to new shares from convertible bond	Total share capital	Capital arising from ordinary share	Treasury stock transaction	Share options	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Total equity
Balance on January 1, 2020	\$ 3,031,262	\$ 24,521	\$ 3,055,783	\$ 878,267	\$ 27,031	\$ 30,576	\$ 935,874	\$ 573,102	\$ 170	\$ 510,607	\$ 1,083,879	\$ 3,983	\$ 5,079,519
Appropriation and distribution of retained earnings 2019 :													
Legal reserve appropriated	-	-	-	-	-	-	-	10,044	- (10,044)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	- (307,822)	(307,822)	-	(307,822)	-
	-	-	-	-	-	-	-	10,044	- (317,866)	(307,822)	-	(307,822)	-
Net profit in 2020	-	-	-	-	-	-	-	-	-	76,808	76,808	-	76,808
Other comprehensive income in 2020	-	-	-	-	-	-	-	-	-	-	-	3,383	3,383
Total comprehensive income	-	-	-	-	-	-	-	-	-	76,808	76,808	3,383	80,191
Conversion of convertible bonds	606,330		606,330	86,554	- (30,576)		55,978	-	-	-	-	-	662,308
Conversion of certificates of bonds-to-share	24,521 (24,521)		-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2020	\$ 3,662,113	\$ -	\$ 3,662,113	\$ 964,821	\$ 27,031	\$ -	\$ 991,852	\$ 583,146	\$ 170	\$ 269,549	\$ 852,865	\$ 7,366	\$ 5,514,196
Balance on January 1, 2019	\$ 3,018,085	\$ 244	\$ 3,018,329	\$ 871,880	\$ 27,031	\$ 32,569	\$ 931,480	\$ 561,023	\$ 170	\$ 724,360	\$ 1,285,553	\$ 1,789	\$ 5,237,151
Appropriation and distribution of retained earnings 2018 :													
Legal reserve appropriated	-	-	-	-	-	-	-	12,079	- (12,079)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	- (302,117)	(302,117)	-	(302,117)	-
	-	-	-	-	-	-	-	12,079	- (314,196)	(302,117)	-	(302,117)	-
Net profit in 2019	-	-	-	-	-	-	-	-	-	100,443	100,443	-	100,443
Other comprehensive income in 2019	-	-	-	-	-	-	-	-	-	-	-	2,194	2,194
Total comprehensive income	-	-	-	-	-	-	-	-	-	100,443	100,443	2,194	102,637
Conversion of convertible bonds	12,933	24,521	37,454	6,387	- (1,993)		4,394	-	-	-	-	-	41,848
Conversion of certificates of bonds-to-share	244 (244)		-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2019	\$ 3,031,262	\$ 24,521	\$ 3,055,783	\$ 878,267	\$ 27,031	\$ 30,576	\$ 935,874	\$ 573,102	\$ 170	\$ 510,607	\$ 1,083,879	\$ 3,983	\$ 5,079,519

(The Notes for Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Individual Parent Company only Statements of Cash Flows Originally Issued in Chinese)

Advancetek Enterprise Co., Ltd.

Individual Parent Company only Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities :		
Profit before tax	\$ 90,541	\$ 137,335
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	5,234	5,234
Amortization expense	286	310
Expected credit loss	73	49
Interest expense	27,119	-
Interest income	(659)	(268)
Dividend income	(1,558)	(1,335)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(2,842)	(39,118)
Gain on disposal of property (Construction land)	-	(134,577)
Gain on disposal of property, plant and equipment	-	(590)
Gain on disposal of investment properties	(6,911)	-
Other adjustments — gain from price recovery of inventory	-	(26,822)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(374)	1,250
Increase in accounts receivable	(30,176)	(18,481)
Increase in other receivables	(492)	-
Decrease in other receivables due from related parties	-	8
Increase in inventories	(599,000)	(1,830,154)
Increase in prepayments	(29,478)	(56,810)
Increase (decrease) in other current assets, others	(725)	7,543
Decrease in other current financial assets	158,286	24,998
Decrease (increase) in assets recognised as incremental costs to obtain contract with customers	20,935	(73,424)
Increase in current contract liability	63,543	194,325
Increase (decrease) in notes payable	8,645	(23,914)
Increase (decrease) in accounts payable	16,956	(7,397)
Increase in accounts payable to related parties	49,432	15,277
Increase (decrease) in other payables	3,365	(5,132)
Increase (decrease) in other payables to related parties	16,155	(5,357)
Increase (decrease) in provisions	1,197	(1,988)
Decrease in advance receipts	(5)	-
Increase (decrease) in other current liabilities	39,961	(3,166)
Cash outflow generated from operations	(170,492)	(1,842,204)

(Continued on the next page)

(English Translation of Individual Parent Company only Statements of Cash Flows Originally Issued in Chinese)

Advantec Enterprise Co., Ltd.

Individual Parent Company only Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
(Continued from previous page)		
Interest received	137	268
Dividends received	1,558	1,335
Interest paid	(122,438)	(122,469)
Income taxes paid	(16,134)	(19,692)
Net cash flows used in operating activities	(307,369)	(1,982,762)
Cash flows from (used in) investing activities :		
Proceeds from capital reduction of investments accounted for using equity method	-	230,000
Acquisition of financial assets at fair value through other comprehensive income	(2,319)	-
Acquisition of property, plant and equipment	(326)	(1,773)
Proceeds from disposal of property (Construction land)	-	625,345
Proceeds from disposal of property, plant and equipment	-	1,052
Proceeds from disposal of investment property	12,542	-
Increase in guarantee deposits paid	(45,810)	(17,980)
Decrease in guarantee deposits paid	38,543	17,725
Acquisition of intangible assets	(293)	(266)
Net cash flow from acquisition of subsidiaries	9,513	-
Net cash flows from investing activities	11,850	854,103
Cash flows from (used in) financing activities :		
Increase in short-term loans	290,000	540,000
Decrease in short-term loans	(390,000)	(526,000)
Increase in short-term notes and bills payable	195,000	325,000
Decrease in short-term notes and bills payable	(250,000)	(460,000)
Payments for issuance costs of bonds	(5,216)	(7,855)
Proceeds from long-term loans	1,825,538	2,862,312
Repayments of long-term loans	(1,032,206)	(1,341,208)
Increase in guarantee deposits received	280	20
Decrease in guarantee deposits received	(146)	(42)
Payments of lease liabilities	(387)	-
Cash dividends paid	(307,822)	(302,117)
Net cash flows from financing activities	325,041	1,090,110
Net increase (decrease) in cash and cash equivalents	29,522	(38,549)
Cash and cash equivalents at beginning of period	79,004	117,553
Cash and cash equivalents at end of period	\$ 108,526	\$ 79,004

(The Notes for Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

Attachment

2. 2020 Consolidated financial statements

Earnest & Co.,CPAs.

4F., No.501, Sec.2,Tiding Blvd.,
Taipei,Taiwan(R.O.C)

Earnest & Company CPAS

4F, No. 501, Sec. 2, Tiding Blvd., Neihu Dist.,
Taipei City
TEL:(02)87519698 FAX:(02)87515658

INDEPENDENT AUDITOR’S REPORT

To Advancetek Enterprise Co., Ltd.

Audit Opinion

We have audited the consolidated financial statement of Advancetek Enterprise Co., Ltd. And its Subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards(“IFRS”), International Accounting Standards(“IAS”), and Interpretations developed by the International Financial Reporting Interpretations Committee(“IFRIC”) or the former Standing Interpretations Committee(“SIC”) (collectively, “IFRSs”) as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis for Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement, were of most

significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and by forming of our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

1. Revenue Recognition (timing of recognition and classification of revenue)

The Group recognized the timing of real estate sales revenue in accordance to IFRS 15, of which the criteria that have been satisfied by the Group for recognition of revenue are with influence on net operating revenue and operating cost in consolidated financial statements, as recognition of sales revenue and its attribution are listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

- (1) Understood and tested the design and operating effectiveness of the Group's internal control of sales and collection cycle.
- (2) Understood and assessed reasonableness of method used by the management to recognize real estate sales revenue.
- (3) Performed substantive test of revenue, randomly audited reasonableness of reregistration certificate of transfer of property ownership right and the date on handover document, verified transferring of legal ownership of property and control right to the buyer.
- (4) Performed revenue cut-off test for sales and sales returns, sample audited ownership right transferring of property and its handover after the balance sheet date, and audited reasonableness of the timing of revenue recognition.

2. Inventory Valuation

As the inventory of the Group is measured at a lower cost and net realizable value, thus it is necessary to use judgements and estimates to determine the net realizable value of inventory at the end of the reporting period.

The Group evaluates inventory falling price loss or its gain from price recovery arise from public announced current value, economic environment and changes in the price of real estate transaction at the end of the reporting period. In contrast, estimates of the above are based on publicly announced current value, the most current market price of sales of the same construction project, assessment of land development benefits, and comparable information of the market, as these involve considerable uncertainty, inventory evaluation is listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

- (1) Understood and assessed the reasonableness of assumption and method used by the management to estimate inventory evaluation.
- (2) Examined reasonableness of calculation for net realizable value and information for related evaluation.

Other Matter

Advancetek Enterprise Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have

issued an unmodified opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it 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. Misstatement 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 based on these consolidated financial statements.

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

We 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 matters communicated with those charged with governance, we determined an issue that was most significant in the audit of the consolidated financial statements for the year ended December 31, 2020, and is, therefore, the key audit matter. We describe this matter 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.

Earnest & Company CPAs.

CPA: Lin Hsin-Ju

CPA: Lu Lien-Sheng

Document approved by the Competent Authority of securities:

Jin-Guan-Zheng-Shen-Zi No. 1000001522

Tai-Cai-Zheng-Liu-Zi No. 0910156783

March 23, 2021

Notes to Readers

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

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

(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)

Advantec Enterprise Co., Ltd. And Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Code	Assets		December 31, 2020		December 31, 2019	
	Items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV、VI	\$ 108,526	0.84	\$ 85,114	0.71
1120	Current financial assets at fair value through other comprehensive income	IV、VI、XII	518	-	511	-
1150	Notes receivable, net	IV、VI	1,211	0.01	962	0.01
1170	Accounts receivable, net	IV、VI	37,875	0.30	30,272	0.26
1200	Other receivables		486	-	-	-
1220	Current tax assets	IV、VI	1,318	0.01	13	-
130x	Inventories	IV、VI、VIII	11,954,036	92.52	10,909,975	91.28
1410	Prepayments	VII	111,097	0.86	81,619	0.68
1476	Other current financial assets	IV、VIII	7,784	0.06	166,070	1.39
1479	Other current assets, others		1,513	0.01	788	0.01
1480	Current assets recognised as incremental costs to obtain contract with customers	IV	107,363	0.83	128,298	1.07
11xx	Total current assets		<u>12,331,727</u>	<u>95.44</u>	<u>11,403,622</u>	<u>95.41</u>
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	IV、VI、XII	24,529	0.19	18,834	0.16
1600	Property, plant and equipment	IV、VI、VIII	24,669	0.19	24,959	0.21
1760	Investment property, net	IV、VI、VIII	505,640	3.91	500,571	4.19
1780	Intangible assets	IV、VI	451	-	444	-
1920	Guarantee deposits paid		8,536	0.07	1,269	0.01
1930	Long-term notes and accounts receivable	IV、VI	25,708	0.20	2,556	0.02
15xx	Total non-current assets		<u>589,533</u>	<u>4.56</u>	<u>548,633</u>	<u>4.59</u>
1xxx	Total assets		<u>\$ 12,921,260</u>	<u>100.00</u>	<u>\$ 11,952,255</u>	<u>100.00</u>

(Continued on the next page)

(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)

Advantec Enterprise Co., Ltd. And Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

Liabilities and Equity		Note	December 31, 2020		December 31, 2019	
Code	Items		Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	VI	\$ 200,000	1.55	\$ 300,000	2.51
2110	Short-term notes and bills payable	VI	69,933	0.54	124,707	1.04
2130	Current contract liabilities	IV、VI	427,126	3.30	354,929	2.97
2150	Notes payable		16,254	0.13	7,609	0.07
2170	Accounts payable		23,322	0.18	6,366	0.05
2180	Accounts payable to related parties	VII	192,596	1.49	143,164	1.20
2200	Other payables	VI	37,760	0.29	32,397	0.27
2220	Other payables to related parties	VII	18,657	0.14	2,502	0.02
2230	Current tax liabilities	IV、VI	754	0.01	492	-
2250	Current provisions	VI	1,033	0.01	967	0.01
2280	Current lease liabilities	IV、VI	2,248	0.02	-	-
2310	Advance receipts	IV、VII	37	-	36	-
2320	Long-term liabilities, current portion	VI	1,957,799	15.15	939,422	7.86
2399	Other current liabilities, others	VII	44,884	0.35	4,923	0.04
21xx	Total current liabilities		<u>2,992,403</u>	<u>23.16</u>	<u>1,917,514</u>	<u>16.04</u>
	Non-current liabilities					
2540	Long-term loans	VI	4,029,937	31.19	4,896,322	40.97
2552	Non-current warranty provision	IV、VI	22,682	0.18	21,551	0.18
2570	Deferred tax liabilities	IV、VI	34,096	0.26	35,688	0.30
2580	Non-current lease liabilities	IV、VI	326,151	2.52	-	-
2645	Guarantee deposits received		1,795	0.01	1,661	0.01
25xx	Total non-current liabilities		<u>4,414,661</u>	<u>34.16</u>	<u>4,955,222</u>	<u>41.46</u>
2xxx	Total liabilities		<u>7,407,064</u>	<u>57.32</u>	<u>6,872,736</u>	<u>57.50</u>
	Equity Attributable to shareholders of the parent					
	Share capital					
3110	Ordinary share	VI	3,662,113	28.34	3,031,262	25.36
3130	Certificates of entitlement to new shares from convertible bond	VI	-	-	24,521	0.21
3100	Total share capital		<u>3,662,113</u>	<u>28.34</u>	<u>3,055,783</u>	<u>25.57</u>
3200	Capital surplus	VI	<u>991,852</u>	<u>7.68</u>	<u>935,874</u>	<u>7.83</u>
	Retained earnings					
3310	Legal reserve	VI	583,146	4.51	573,102	4.80
3320	Special reserve	VI	170	-	170	-
3350	Unappropriated retained earnings	VI	269,549	2.09	510,607	4.27
3300	Total retained earnings		<u>852,865</u>	<u>6.60</u>	<u>1,083,879</u>	<u>9.07</u>
3400	Total other equity interest		<u>7,366</u>	<u>0.06</u>	<u>3,983</u>	<u>0.03</u>
31xx	Equity Attributable to shareholders of the parent		<u>5,514,196</u>	<u>42.68</u>	<u>5,079,519</u>	<u>42.50</u>
3xxx	Total equity		<u>5,514,196</u>	<u>42.68</u>	<u>5,079,519</u>	<u>42.50</u>
3x2x	Total liabilities and equity		<u>\$ 12,921,260</u>	<u>100.00</u>	<u>\$ 11,952,255</u>	<u>100.00</u>

(The Notes for Consolidated financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Consolidated Statements of Comprehensive Income Originally Issued in Chinese)

Advantek Enterprise Co., Ltd. And Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for earnings per share)

Code	Items	Note	2020		2019	
			Amount	%	Amount	%
4000	Operating Revenue	IV 、 VI 、 VII	\$ 2,231,333	100.00	\$ 695,811	100.00
5000	Operating costs	IV 、 VI	1,897,356	85.03	609,985	87.67
5900	Gross profit from operations		333,977	14.97	85,826	12.33
	Operating expenses					
6100	Selling expenses	IV	114,876	5.15	28,740	4.13
6200	Administrative expenses		109,366	4.90	98,965	14.22
6000	Total operating expenses	VII	224,242	10.05	127,705	18.35
6900	Net operating income (loss)		109,735	4.92	(41,879)	(6.02)
	Non-operating income and expenses					
7010	Other income	VI	6,844	0.31	8,447	1.21
7020	Other gains and losses	VI	1,800	0.08	173,940	25.00
7050	Finance costs	VI	(27,128)	(1.22)	(10)	-
7000	Total non-operating income and expenses		(18,484)	(0.83)	182,377	26.21
7900	Net profit before tax		91,251	4.09	140,498	20.19
7950	Tax expense	IV 、 VI	(14,443)	(0.65)	(40,055)	(5.75)
8200	Profit		76,808	3.44	100,443	14.44
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	IV 、 VI	3,383	0.15	2,194	0.31
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		3,383	0.15	2,194	0.31
8300	Total other comprehensive income		3,383	0.15	2,194	0.31
8500	Total comprehensive income		\$ 80,191	3.59	\$ 102,637	14.75
8600	Profit attributable to :					
8610	Owners of parent company		76,808	3.44	100,443	14.44
8620	Non-controlling interests		-	-	-	-
			\$ 76,808	3.44	\$ 100,443	14.44
8700	Total comprehensive income attributable to :					
8710	Owners of parent company		80,191	3.59	102,637	14.75
8720	Non-controlling interests		-	-	-	-
			\$ 80,191	3.59	\$ 102,637	14.75
	Earnings per share					
9750	Total basic earnings per share	IV 、 VI	\$ 0.25		\$ 0.33	
9850	Total diluted earnings per share	IV 、 VI	\$ 0.25		\$ 0.32	

(The Notes for Consolidated financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Consolidated Statements of Changes in Equity Originally Issued in Chinese)
 Advantec Enterprise Co., Ltd. And Subsidiaries
 Consolidated Statements of Changes in Equity
 For the years ended December 31, 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars)

Summary	Share capital			Capital surplus				Retained earnings				Total other equities interest		
	Ordinary share	Certificates of entitlement to new shares from convertible bond	Total share capital	Capital arising from ordinary share	treasury stock transaction	Share options	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Equity Attributable to shareholders of the parent	Total equity
Balance on January 1, 2020	\$ 3,031,262	\$ 24,521	\$ 3,055,783	\$ 878,267	\$ 27,031	\$ 30,576	\$ 935,874	\$ 573,102	\$ 170	\$ 510,607	\$ 1,083,879	\$ 3,983	\$ 5,079,519	\$ 5,079,519
Appropriation and distribution of retained earnings 2019 :														
Legal reserve appropriated	-	-	-	-	-	-	-	10,044	-	(10,044)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(307,822)	(307,822)	-	(307,822)	(307,822)
	-	-	-	-	-	-	-	10,044	-	(317,866)	(307,822)	-	(307,822)	(307,822)
Net profit in 2020	-	-	-	-	-	-	-	-	-	76,808	76,808	-	76,808	76,808
Other comprehensive income in 2020	-	-	-	-	-	-	-	-	-	-	-	3,383	3,383	3,383
Total comprehensive income	-	-	-	-	-	-	-	-	-	76,808	76,808	3,383	80,191	80,191
Conversion of convertible bonds	606,330		606,330	86,554	-	(30,576)	55,978	-	-	-	-	-	662,308	662,308
Conversion of certificates of bonds-to-share	24,521	(24,521)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2020	\$ 3,662,113	\$ -	\$ 3,662,113	\$ 964,821	\$ 27,031	\$ -	\$ 991,852	\$ 583,146	\$ 170	\$ 269,549	\$ 852,865	\$ 7,366	\$ 5,514,196	\$ 5,514,196
Balance on January 1, 2019	\$ 3,018,085	\$ 244	\$ 3,018,329	\$ 871,880	\$ 27,031	\$ 32,569	\$ 931,480	\$ 561,023	\$ 170	\$ 724,360	\$ 1,285,553	\$ 1,789	\$ 5,237,151	\$ 5,237,151
Appropriation and distribution of retained earnings 2018 :														
Legal reserve appropriated	-	-	-	-	-	-	-	12,079	-	(12,079)	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	-	-	-	-	(302,117)	(302,117)	-	(302,117)	(302,117)
	-	-	-	-	-	-	-	12,079	-	(314,196)	(302,117)	-	(302,117)	(302,117)
Net profit in 2019	-	-	-	-	-	-	-	-	-	100,443	100,443	-	100,443	100,443
Other comprehensive income in 2019	-	-	-	-	-	-	-	-	-	-	-	2,194	2,194	2,194
Total comprehensive income	-	-	-	-	-	-	-	-	-	100,443	100,443	2,194	102,637	102,637
Conversion of convertible bonds	12,933	24,521	37,454	6,387	-	(1,993)	4,394	-	-	-	-	-	41,848	41,848
Conversion of certificates of bonds-to-share	244	(244)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2019	\$ 3,031,262	\$ 24,521	\$ 3,055,783	\$ 878,267	\$ 27,031	\$ 30,576	\$ 935,874	\$ 573,102	\$ 170	\$ 510,607	\$ 1,083,879	\$ 3,983	\$ 5,079,519	\$ 5,079,519

(The Notes for Consolidated financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Consolidated Statements of Cash Flows Originally Issued in Chinese)

Advantec Enterprise Co., Ltd. And Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	2020	2019
Cash flows from (used in) operating activities		
Profit before tax	\$ 91,251	\$ 140,498
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	6,046	6,208
Amortization expense	286	310
Expected credit losses	73	49
Interest expense	27,128	10
Interest income	(663)	(278)
Dividend income	(1,558)	(1,335)
Gain on disposal of property(Construction land)	- (	173,350)
Gain on disposal of property,plant and equipment	- (	590)
Gain on disposal of investment properties	(6,911)	-
Other adjustments -gain from price recovery of inventory	- (	26,822)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(374)	1,250
Increase in accounts receivable	(30,176)	(18,481)
Increase in other receivables	(491)	-
Decrease in other receivables due from related parties	-	8
Increase in inventories	(599,000)	(1,830,154)
Increase in prepayments	(29,478)	(56,809)
(Increase) decrease in other current assets, others	(725)	7,543
Decrease in other current financial assets	158,286	24,998
Decrease (increase) in assets recognised as incremental costs to obtain contract with customers	20,935 (	73,424)
Increase in current contract liabilities	63,543	194,325
Increase (decrease) in notes payable	8,645 (	23,914)
Increase (decrease) in accounts payable	16,956 (	7,397)
Increase in accounts payable to related parties	49,432	15,277
Increase (decrease) in other payables	3,341 (	5,108)
Increase (decrease) in other payables to related parties	16,155 (	5,357)
Increase (decrease) in provisions	1,197 (	1,988)
Increase (decrease) in advance receipts	1 (	1)
Increase (decrease) in other current liabilities	39,961 (	3,166)
Cash outflow generated from operations	(166,140)	(1,837,698)
Interest received	141	278
Dividends received	1,558	1,335
Interest paid	(122,447)	(122,479)
Income taxes paid	(17,078)	(22,856)
Net cash flows used in operating activities	(303,966)	(1,981,420)

(Continued on the next page)

(English Translation of Consolidated Statements of Cash Flows Originally Issued in Chinese)
 Advantec Enterprise Co., Ltd. And Subsidiaries
 Consolidated Statements of Cash Flows
 For the years ended December 31, 2020 and 2019
 (Expressed in Thousands of New Taiwan Dollars, Except for earnings per share)

(Continued from previous page)

Contents	2020	2019
Cash flows from (used in) investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(2,319)	-
Acquisition of property, plant and equipment	(326)	(1,773)
Proceeds from disposal of property(Construction land)	-	853,526
Proceeds from disposal of property, plant and equipment	-	1,052
Proceeds from disposal of investment property	12,542	-
Increase in guarantee deposits paid	(45,810)	(17,980)
Decrease in guarantee deposits paid	38,543	17,725
Acquisition of intangible assets	(293)	(266)
Net cash flows from investing activities	<u>2,337</u>	<u>852,284</u>
Cash flows from (used in) financing activities :		
Increase in short-term loans	290,000	540,000
Decrease in short-term loans	(390,000)	(526,000)
Increase in short-term notes and bills payable	195,000	325,000
Decrease in short-term notes and bills payable	(250,000)	(460,000)
Payments for issuance costs of bonds	(5,216)	(7,855)
Proceeds from long-term loans	1,825,538	2,862,312
Repayments of long-term loans	(1,032,206)	(1,341,208)
Increase in guarantee deposits received	280	630
Decrease in guarantee deposits received	(146)	(42)
Payments of lease liabilities	(387)	-
Cash dividends paid	(307,822)	(302,117)
Net cash flows from financing activities	<u>325,041</u>	<u>1,090,720</u>
Net increase (decrease) in cash and cash equivalents	23,412	(38,416)
Cash and cash equivalents at beginning of period	<u>85,114</u>	<u>123,530</u>
Cash and cash equivalents at end of period	<u>\$ 108,526</u>	<u>\$ 85,114</u>

(The Notes for Consolidated financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

Attachment

3. 2020 Earnings Distribution Table

Advancetek Enterprise Co., Ltd.
2020 Earnings Distribution Table

Units : NT\$ thousand

Item	Amount
Undistributed profit at the beginning of the period	192,741,069
Plus: Net profit after tax for the period	76,807,979
Minus: Legal reserve	<u>(7,680,798)</u>
Distributable profit	261,868,250
Minus:	
Assign items	
Shareholder bonus - cash(NT\$0.5 per share)	<u>183,105,679</u>
Undistributed profit at the end of the period	<u>78,762,571</u>

Chairman: Hung-Ying Wu
General Manager: Sheng-Li Wu
Accountant Officer: Hui-Chin Huang

Attachment

4. Comparison table of amendments to the Procedures for Acquisition or Disposal of Assets

Advancetek Enterprise Co., Ltd.

Comparison table of amendments to the Procedures for Acquisition or Disposal of Assets

Article	Before Amendment	After Amendment	Reasons for Amendments
IV.	Operating Procedures: (i) Limit and level of approval authority 1. Marketable securities: The president is authorized to conduct transactions within the limit set in Article 7 of the Procedures. If a transaction meets the requirements for the public announcement as specified in Article 5, it shall be reported to the chairman for approval and the latest meeting of the board for ratification. However, if the stocks, corporate bonds and privately placed securities acquired or disposed of are not through the centralized market of Taipei Exchange, and the transaction amount reaches the requirements for public announcement and regulatory filing procedures, they are subject to the resolution of the board before implementation. Investments in China are to be carried out only after approval by shareholders meetings, or by the board authorized by shareholder meetings, and the Investment	Operating Procedures: (i) Limit and level of approval authority 1. Marketable securities: The president is authorized to conduct transactions within the limit set in Article 7 of the Procedures. If a transaction meets the requirements for the public announcement as specified in Article 5, it shall be reported to the chairman for approval and the latest meeting of the board for ratification. However, if the stocks, corporate bonds and privately placed securities acquired or disposed of are not through the centralized market of Taipei Exchange, and the transaction amount reaches the requirements for public announcement and regulatory filing procedures, they are subject to the resolution of the board before implementation. Investments in China are to be carried out only after approval by shareholders meetings, or by the board authorized by shareholder meetings, and the Investment	Amended by adding the operating procedures for participating in the government tender process

Article	Before Amendment	After Amendment	Reasons for Amendments
	Commission of the MOEA. 2. Derivatives trading (1) Hedging transactions: A single or cumulative transaction position below US\$1 million (or an equivalent amount in other currencies) is conducted by a person designated by the chairman in accordance with the changes of the Company's revenue and risk position. An amount exceeding US\$1 million must be approved by the chairman. (2) Non-hedging transactions: In order to reduce risks, a single or cumulative transaction position below US\$1 million (or an equivalent amount in other currencies) must be approved by the chairman. Transactions with an amount exceeding US\$1 million are subject to approval by the board. (3) In order for the Company's authorization to cooperate with banks' supervisory management, banks must be notified of the personnel authorized for transactions. (4) Derivatives transactions conducted in accordance with the abovementioned authorization shall be reported to the board. 3. Acquisition of real estate from a related party: Relevant materials should be prepared in accordance	Commission of the MOEA. 2. Derivatives trading (1) Hedging transactions: A single or cumulative transaction position below US\$1 million (or an equivalent amount in other currencies) is conducted by a person designated by the chairman in accordance with the changes of the Company's revenue and risk position. An amount exceeding US\$1 million must be approved by the chairman. (2) Non-hedging transactions: In order to reduce risks, a single or cumulative transaction position below US\$1 million (or an equivalent amount in other currencies) must be approved by the chairman. Transactions with an amount exceeding US\$1 million are subject to approval by the board. (3) In order for the Company's authorization to cooperate with banks' supervisory management, banks must be notified of the personnel authorized for transactions. (4) Derivatives transactions conducted in accordance with the abovementioned authorization shall be reported to the board. 3. Acquisition of real estate from a related party: Relevant materials should be prepared in accordance	

Article	Before Amendment	After Amendment	Reasons for Amendments
	with the provisions of Chapter 2 of the Procedures, and the acquisition is subject to approval by the board. 4. Mergers, spin-offs, acquisitions or share transfers: Relevant procedures and materials should be prepared in accordance with the provisions of Chapter 4 of the Procedures. Mergers, spin-offs, and acquisitions are subject to the resolution of shareholder meetings. An exception can be made for those that do not require the convening of shareholder meetings in accordance with other regulatory requirements. Share transfers are subject to approval by the board. 5. Others: Should be subject to the operating procedures stipulated by the internal control protocols and the authority of approval. If the transaction amounts reach the requirements for public announcement and regulatory filing procedures specified in Article 5, they are subject to the resolution of the board before implementation. For transaction amounts not meeting the requirements for public announcement and regulatory filing procedures specified in Article 5, they should be submitted to the board for resolution	with the provisions of Chapter 2 of the Procedures, and the acquisition is subject to approval by the board. 4. Mergers, spin-offs, acquisitions or share transfers: Relevant procedures and materials should be prepared in accordance with the provisions of Chapter 4 of the Procedures. Mergers, spin-offs, and acquisitions are subject to the resolution of shareholder meetings. An exception can be made for those that do not require the convening of shareholder meetings in accordance with other regulatory requirements. Share transfers are subject to approval by the board. 5. <u>Obtain ownership of land (or its superstructures) or its superficies right through public tender process: Every year, depends on financial and business status, the Board of Directors shall authorize the Chairperson of the Board to handle relevant bid purchase matters within a certain amount, and shall be reported to the Board of Directors for ratification.</u> 6. Others: Should be subject to the operating procedures stipulated by the internal control protocols and the authority of approval. If the transaction amount reaches the standard requiring	

Article	Before Amendment	After Amendment	Reasons for Amendments
	and ratification after being completed. Transactions that exhibit the conditions described in Article 185 of the Company Act are subject to shareholders' approval before proceeding.	announcement and declaration in Article 5, <u>unless otherwise provided in this Article</u>, shall be subject to the approval by the Board of Directors in advance. For transaction amounts not meeting the requirements for public announcement and regulatory filing procedures specified in Article 5, they should be submitted to the board for resolution and ratification after being completed. Transactions that exhibit the conditions described in Article 185 of the Company Act are subject to shareholders' approval before proceeding.	

Attachment

5. Comparison table of amended articles of the Shareholders' Meeting Rules of Procedures

Advancetek Enterprise Co.,Ltd.

Comparison table of amendments to the Rules of Procedure for Shareholders Meetings

Before Amendment	After Amendment	Reasons for Amendments
I. Unless otherwise specified by law or the Articles of Incorporation, the Company's shareholder meetings shall <u>proceed</u> according to the terms of these Rules.	<u>Article 1</u> <u>To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.</u>	I. The Amendment to the Rules of Procedure for Shareholders Meeting is hereby amended in accordance with the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meeting" (the "Sample Template") amended and announced per January 28, 2021 Public Announcement No. Taiwan-Stock-Governance-1 100001446 of the Taiwan Stock Exchange Corporation (TWSE). II. The original clause is amended to Article 2.
II. <u>The Company</u> shall provide an attendance ledger	<u>Article 2</u>	I. The original clause of Article

Before Amendment	After Amendment	Reasons for Amendments
<u>for attending shareholders or their entrusted proxy</u> to sign in at the shareholder meeting or have attending shareholders turn in an attendance card as a means for signing in. The number of shares in attendance is counted based on the attendance ledger or the submitted attendance card, together with the shares with the written or electronic voting rights.	The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, <u>shall be as provided in these Rules.</u>	1 is amended to this clause. II. The first section of original clause is amended and added to section 4 of Article 6. III. The second section of original clause is amended and added to the latter paragraph of section 1 of Article 9.
<u>III.</u> Attendance <u>and</u> voting at a shareholders' meeting shall be calculated based on the number of shares.	<u>Article 3</u> <u>Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</u> <u>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a</u>	I. The clause is amended in accordance with the Sample Template, by adding the following: matters concerning a party with the power to convene; regulation for the provision and preparation of shareholders' meeting materials; and to list under the reason for calling the meeting, the

Before Amendment	After Amendment	Reasons for Amendments
	<u>special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</u> <u>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</u> <u>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as</u>	important meeting objectives, and shareholder proposal with the action taken in response by the firm. II. The original clause is amended and inserted separately into the beginning paragraph of the first section in Article 9 and into the first section in Article 12.

Before Amendment	After Amendment	Reasons for Amendments
	<u>a public company, approval of competing with the company 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 under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, 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 above matters may be raised by an extraordinary motion.</u> <u>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 extraordinary motion or otherwise in the same meeting.</u> <u>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so</u>	

Before Amendment	After Amendment	Reasons for Amendments
	<u>proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</u> <u>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in</u>	

Before Amendment	After Amendment	Reasons for Amendments
	<u>person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</u>	
<u>IV.</u> Shareholders' meeting should be held at the Company's location or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm.	<u>Article 4</u> <u>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</u> <u>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 this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</u>	I. Based on the Sample Template, the clause is amended and has added the "Regulation Governing the use of Proxies for Attendance at Shareholders Meetings" to the clause. II. The original clause is amended to Article 5.

Before Amendment	After Amendment	Reasons for Amendments
	<u>After a proxy form has been delivered to this Corporation, 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 this Corporation before 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>	
<u>V.</u> The chairman should chair the shareholders' meeting convened by the board. <u>The vice-chairman is to chair the meeting on behalf of the chairman</u> if the chairman takes the day off or for any reason cannot exercise the power. The chairman is to <u>appoint a managing director on behalf of the vice-chairman if there is no vice-chairman or if the vice-chairman cannot attend the meeting due to the aforementioned reasons</u>. A director is assigned if there is no managing director. In the event that the chairman does not appoint anyone, <u>the managing directors or the directors are to recommend one person</u>. For the meeting that is convened by the ones with the convening authority outside of the board, the	<u>Article 5</u> The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u>	I. The original clause of Article 4 is moved to this clause, which is also amended by adding the sentence read: "Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting." II. The first section of original clause is amended and added to section 1 of Article 7. III. The section 2 of original

Before Amendment	After Amendment	Reasons for Amendments
meeting should be chaired by the convening authority. One person should be selected to chair the meeting if there are more than two present.		clause is amended and added to section 4 of Article 7.
<u>VI.</u> Attorneys, accountants or other relevant personnel appointed by the Company may attend the shareholders meeting as non-voting delegates. Staff handling administrative affairs of the shareholders' meeting shall <u>wear</u> identification cards or armbands.	<u>Article 6</u> <u>This Corporation 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.</u> <u>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, 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.</u> <u>Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.</u> <u>This Corporation shall furnish the attending</u>	I. Based on the Sample Template, the clause is amended hereby by adding matters concerning procedures of shareholder attendance registration at shareholders' meetings. II. The section 2 in original clause of Article 2 is amended and added to section 4 of this clause. III. The first section in original clause of Article 12 is amended and added to the latter paragraph of section 6 of this clause. IV. The first section 1 of original clause is amended and moved to section 5 of Article 7.

Before Amendment	After Amendment	Reasons for Amendments
	shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. <u>This Corporation 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 or, pre-printed ballots shall also be furnished. 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.</u>	V . The second section of original clause is amended and added to first section of Article 17.
<u>VII.The meeting should be voice or video-recorded throughout, and the files are retained for at least one year.</u>	<u>Article 7</u> If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. <u>When a director serves as chair, as referred to in the</u>	I. In line with the establishment of directors of the Company, the first section in the original clause of Article 5 is amended hereby and added to the first section of this clause. II. The clause is amended hereby by adding sections 2 and 3 regarding the

Before Amendment	After Amendment	Reasons for Amendments
	<u>preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.</u> <u>It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</u> 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. This Corporation <u>may appoint</u> its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.	qualification of a person to act in place of the Chairperson at shareholders' meetings, and suggestions for attendance of directors and members of functional committees. III. The second section of original clause in Article 5 is amended and added to section 4 of this clause. IV. The first section of original clause in Article 6 is amended and added to section 5 of this clause. V. The original clause is amended and added to first section of Article 8.
<u>VIII.</u>The chair is to call the meeting to order at the designated meeting time but is to announce a postponement if the attending shareholders represent less than half of the total issued shares. The number of postponement is limited to two	<u>Article 8</u> <u>This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the</u>	I. The original clause of Article 7 is amended and added to the beginning paragraph of section1 of this clause, whereas the

Before Amendment	After Amendment	Reasons for Amendments
times, totaling no more than 1 hour. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. If the attending shareholders represent more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholders' vote according to Article 174 of the Company Act.	<u>shareholders meeting, and the voting and vote counting procedures.</u> <u>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u>	latter paragraph of section 2 is also amended by adding matters involve the audio-visual documentation retention period. II. The original clause is amended and added to section 2 to section 5 of Article 9.
<u>VIII-I. Shareholders may exercise voting rights in writing or using electronic methods for the Company's shareholder meetings.</u> <u>Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person.</u> <u>However, this is also considered to have waived his/her rights with respect to the extraordinary motions and amendments to the original proposals of that meeting.</u>	(delete)	The original clause is amended and added to second section of Article 13.
<u>IX.</u> The board should set the agenda for the meetings that it convenes. The meeting should be carried out	<u>Article 9</u> Attendance at shareholders meetings shall be calculated	I. The original clause of Article 3 is amended and added

Before Amendment	After Amendment	Reasons for Amendments
based on the agenda and should not be changed without the shareholders' resolution. For the meeting that is convened by the ones with the convening authority outside of the board, the aforementioned rule still applies. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. <u>After the meeting is adjourned, the shareholders meeting should not select another chair to hold a meeting at the site or another site.</u> 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.	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. The chair shall call the meeting to order at the appointed meeting time <u>and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u> 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. <u>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> If the quorum is not met after two postponements as referred to in the <u>preceding paragraph</u>, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be	to the beginning paragraph of first section of this clause. The second section in the original clause of Article 2 is moved to the latter paragraph of first section of this clause. II. The original clause of Article 8 is amended and added to section 2 to section 5 of this clause. III. The original clause is amended and added to sections 1 to section 3 of Article 10.

Before Amendment	After Amendment	Reasons for Amendments
	adopted pursuant to Article 175, paragraph 1 of the Company Act; <u>all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</u> 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 <u>shareholders</u> meeting pursuant to Article 174 of the Company Act.	
<u>X.</u> Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number), or account name and allow the chair to determine the order to give the speech. The attending shareholders are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail. When an attending shareholder is making a statement, other shareholders shall not speak unless permitted by the chairman and the speaking shareholder. Violators shall be halted by the	<u>Article 10</u> If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. <u>Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda).</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of	I. The original clause of Article 9 is amended and added to section 1 to section 3 of this clause. II. The original clause of Article 14 is amended and added to section 4 of this clause. III. The original clause is amended and added to section 1, section 2 and section 4 of Article 11.

Before Amendment	After Amendment	Reasons for Amendments
chairman.	the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, <u>the other members of the board of directors shall promptly assist the attending shareholders</u> in electing a new chair in accordance <u>with statutory procedures</u>, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, <u>and schedule sufficient time for voting.</u>	
<u>XI.</u> Each shareholder shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes. If a shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.	<u>Article 11</u> Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a	I. The original clause of Article 10 is amended and added to section 1, section 2 and section 4 of this clause. II. The original clause is amended and added to section 3 of this clause.

Before Amendment	After Amendment	Reasons for Amendments
	speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.	III. The second section of original clause of Article 12 is amended and added to section 5 of this clause. IV. The original clause of Article 13 is amended and added to section 6 of this clause.
<u>XII.</u> Corporate entities that have been appointed as proxy attendants can only appoint one	<u>Article 12</u> Voting at a shareholders meeting shall be calculated	I. The original clause of Article 3 is amended and added

Before Amendment	After Amendment	Reasons for Amendments
representative to attend the shareholder meeting. The corporate shareholders who assign more than two legal representatives to attend the meeting can only have one person speaking on a motion.	based the number of shares. <u>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.</u> <u>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</u> <u>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.</u> <u>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.</u>	to first section of this clause. II. Based on the Sample Template, sections 2 to 5 of the clause are amended hereby by adding the total number of issued shares defined at the shareholders' meeting, and the scope of shares held that have no voting right. III. The first section of original clause is amended and added to section 6 of Article 6. IV. The second section of original clause is amended and added to section 5 of Article 11.

Before Amendment	After Amendment	Reasons for Amendments
<u>XIII.</u>After an attending shareholder speaks, the chairman shall personally answer or designate a person to answer.	<u>Article 13</u> <u>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</u> When this Corporation holds a shareholder meeting, it <u>shall</u> adopt exercise of voting rights by electronic means and <u>may</u> adopt exercise of voting rights by <u>correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.</u> A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; <u>it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</u> <u>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received</u>	I. Based on the Sample Template, section 1 of the clause is amended by adding the scope of which the shareholders' meeting has no right to exercise voting power. II. In line with shareholders' meeting on exercising the voting right through digital approach, the original clause of Article 8.1 is amended and added to section 2 of this clause. III. The clause is amended hereby by adding the following to sections 3 and 4: procedures for shareholders to exercise or cancel voting right by correspondence or electronic means, and determination of effectiveness in case two or more written proxies

Before Amendment	After Amendment	Reasons for Amendments
	<u>earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</u> <u>After a shareholder has exercised voting rights by correspondence or electronic 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 this Corporation, by the same means by which the voting rights were exercised, before 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.</u> Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, <u>for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights</u>	are received from one shareholder. IV. In line with shareholders exercising their voting power by electronic means to proceed voting case by case for proposals, the original clause of Article 17 is amended and added to section 5 of this clause. V . The original clause of Article 18 is amended and added to section 6 of this clause. VI. The beginning paragraph of Article 15 is amended and added to the section 7 of this clause. VII. The latter paragraph in the original clause of Article 15 is amended hereby and added to section 8 of this

Before Amendment	After Amendment	Reasons for Amendments
	<u>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.</u> When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. <u>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</u>	clause, which in accordance with the Sample Template, added that vote counting shall be conducted in public at the place of the shareholders meeting and revised the rules for announcing the result of voting. VIII. The original clause is amended and added to section 6 of Article 11.

Before Amendment	After Amendment	Reasons for Amendments
<u>XIV.</u> The chairperson shall give proposals and shareholder proposed revisions or provisional motions sufficient time for clarification and discussion. Once the chairman perceives that voting can proceed, the chairman shall stop the discussion and initiate the voting.	<u>Article 14</u> <u>The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected and the numbers of votes with which they were elected, and the names of not elected and number of votes they received.</u> <u>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.</u>	I. Based on the Sample Template, amended by adding voting procedures on-site of the shareholders meeting. II. The original clause is amended and added to section 4 of Article 10.
<u>XV.</u> The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have a shareholder status. Voting results <u>shall be made known on-site immediately</u> and recorded in writing.	<u>Article 15</u> <u>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.</u> <u>This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public</u>	I. Based on the Sample Template, the clause is amended hereby and added procedures for recording the meeting minute. II. The beginning paragraph of original clause is amended and added to the section 7 of Article 13.

Before Amendment	After Amendment	Reasons for Amendments
	<u>announcement made through the MOPS.</u> <u>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting 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 this Corporation.</u>	III. The latter paragraph of original clause is amended and added to section 8 of Article 13.
<u>XVI.</u> During the meeting, the chair shall announce recess at set times.	<u>Article 16</u> <u>On the day of a shareholders meeting, this Corporation 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.</u> <u>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, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</u>	I. Amended and added by the Sample Template. II. The original clause is amended and added to the beginning paragraph of first section of Article 18.

Before Amendment	After Amendment	Reasons for Amendments
<u>XVII.</u> Unless otherwise provided in the Company Act and the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. <u>Motions are considered passed if shareholders express no objection after being consulted by the chair and are considered passed with the same effectiveness as by voting.</u>	<u>Article 17</u> Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor." At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.	I. The second section in original clause of Article 6 is amended and added to first section of this clause. II. The original clause of Article 19 is amended and added to section 2 to section 4 of this clause. III. The original clause is amended and added to section 5 of Article 13.
<u>XVIII.</u> For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other proposals are viewed as denied and no more voting will be conducted.	<u>Article 18</u> When a meeting is in progress, the chair may announce a break based on time considerations. <u>If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be</u>	I. The original clause of Article 16 is amended hereby and added to the beginning paragraph of section 1 in this clause, whereas the final paragraph of the

Before Amendment	After Amendment	Reasons for Amendments
	<u>resumed.</u> <u>If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.</u> <u>A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</u>	same section in the clause basis on the Sample Template, is also amended by adding matters concerning the ruling power, which enable the chair to temporarily suspend and announce to resume a meeting due to objective factors. II. Section 2 and 3 of the clause is amended by adding that regarding the backup plan of the venue before the shareholders' meeting ceases to proceed. III. The original clause is amended and added to section 6 of Article 13.
<u>XIX.</u> The chair is to direct proctors (or security guards) to help maintain the order of the meeting. The proctors (or security personnel) who help maintaining order at the meeting place shall wear an identification card or armband bearing the word	(delete)	The original clause is amended and added to section 2 to second 4 of Article 17.

Before Amendment	After Amendment	Reasons for Amendments
"Proctor." For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that makes statements from equipment not allocated to the Company. Shareholders in violation of the rules and disobeying correction by the chair to disrupt the meeting are asked to leave the venue. The proctors or the security personnel will escort them out.		
<u>XX.</u> These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for the <u>revision.</u>	Article 19 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent <u>amendments</u> thereto shall be effected in the same manner.	Adjustment in article numbering and text revision.

Appendix

1. Shareholders Meeting Rules of Procedures (Before Amendment)

Advancetek Enterprise Co., Ltd. Shareholders Meeting Rules of Procedures

Amended on 2006/06/09

- I. Unless otherwise specified by law or the Articles of Incorporation, the Company's shareholder meetings shall proceed according to the terms of these Rules.
- II. The Company shall provide an attendance ledger for attending shareholders or their entrusted proxy to sign in at the shareholder meeting or have attending shareholders turn in an attendance card as a means for signing in.
The number of shares in attendance is counted based on the attendance ledger or the submitted attendance card, together with the shares with the written or electronic voting rights.
- III. Attendance and voting at a shareholders' meeting shall be calculated based on the number of shares.
- IV. Shareholders' meeting should be held at the Company's location or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm.
- V. The chairman should chair the shareholders' meeting convened by the board. The vice-chairman is to chair the meeting on behalf of the chairman if the chairman takes the day off or for any reason cannot exercise the power. The chairman is to appoint a managing director on behalf of the vice-chairman if there is no vice-chairman or if the vice-chairman cannot attend the meeting due to the aforementioned reasons. A director is assigned if there is no managing director. In the event that the chairman does not appoint anyone, the managing directors or the directors are to recommend one person.
For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by the convening authority. One person should be selected to chair the meeting if there are more than two present.
- VI. Attorneys, accountants or other relevant personnel appointed by the Company may attend the shareholders meeting as non-voting delegates.
Staff handling administrative affairs of the shareholders' meeting shall wear identification cards or armbands.
- VII. The meeting should be voice or video-recorded throughout, and the files are retained for at least one year.
- VIII. The chair is to call the meeting to order at the designated meeting time but is to announce a postponement if the attending shareholders represent less than half of the total issued shares. The number of postponement is limited to two times, totaling no more than 1 hour. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act.
If the attending shareholders represent more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholders' vote according to Article 174 of the Company Act.
- VIII-I. Shareholders may exercise voting rights in writing or using electronic methods for the Company's shareholder meetings.

Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, this is also considered to have waived his/her rights with respect to the extraordinary motions and amendments to the original proposals of that meeting.

- IX. The board should set the agenda for the meetings that it convenes. The meeting should be carried out based on the agenda and should not be changed without the shareholders' resolution.
- For the meeting that is convened by the ones with the convening authority outside of the board, the aforementioned rule still applies.
- The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.
- After the meeting is adjourned, the shareholders meeting should not select another chair to hold a meeting at the site or another site. 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.
- X. Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number), or account name and allow the chair to determine the order to give the speech.
- The attending shareholders are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.
- When an attending shareholder is making a statement, other shareholders shall not speak unless permitted by the chairman and the speaking shareholder. Violators shall be halted by the chairman.
- XI. Each shareholder shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes. If a shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.
- XII. Corporate entities that have been appointed as proxy attendants can only appoint one representative to attend the shareholder meeting.
- The corporate shareholders who assign more than two legal representatives to attend the meeting can only have one person speaking on a motion.
- XIII. After an attending shareholder speaks, the chairman shall personally answer or designate a person to answer.
- XIV. The chairperson shall give proposals and shareholder proposed revisions or provisional motions sufficient time for clarification and discussion. Once the chairman perceives that voting can proceed, the chairman shall stop the discussion and initiate the voting.
- XV. The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have a shareholder status. Voting results shall be made known on-site immediately and recorded in writing.
- XVI. During the meeting, the chair shall announce recess at set times.
- XVII. Unless otherwise provided in the Company Act and the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

Motions are considered passed if shareholders express no objection after being consulted by the chair and are considered passed with the same effectiveness as by voting.

- XVIII. For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other proposals are viewed as denied and no more voting will be conducted.
- XIX. The chair is to direct proctors (or security guards) to help maintain the order of the meeting. The proctors (or security personnel) who help maintaining order at the meeting place shall wear an identification card or armband bearing the word "Proctor." For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that makes statements from equipment not allocated to the Company. Shareholders in violation of the rules and disobeying correction by the chair to disrupt the meeting are asked to leave the venue. The proctors or the security personnel will escort them out.
- XX. These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for the revision.

Appendix

2. Articles of Incorporation

Articles of Incorporation of Advancetek Enterprise Co., Ltd.

Article 1: The Company is incorporated in accordance with The Company Act and is named Advancetek Enterprise Co., Ltd..

Article 2. The Company is engaged in the following business activities:

- I. C805030 Plastic-made grocery manufacturing
- II. C303010 Manufacture of non-woven fabrics
- III. C306010 Wearing apparel
- IV. CH01010 Sporting goods manufacturing
- V. C601050 Manufacture of domestic and sanitary paper products
- VI. C601030 Paper containers manufacturing
- VII. CC01110 Computer and peripheral equipment manufacturing
- VIII. F113050 Wholesale of computers and clerical machinery equipment
- IX. CC01080 Electronics components manufacturing
- X. C901020 Glass and glass made products manufacturing
- XI. F119010 Wholesale of electronic materials
- XII. F108040 Wholesale of cosmetics
- XIII. C801060 Synthetic rubber manufacturing
- XIV. CD01030 Motor vehicles and parts manufacturing
- XV. F102030 Wholesale of tobacco products and alcoholic beverages
- XVI. C104010 Manufacturing of sugar confectionery
- XVII. C110010 Beverage manufacturing
- XVIII. F102170 Wholesale of food and grocery
- XIX. IG02010 Research and development service
- XX. CC01060 Wired communication equipment and apparatus manufacturing
- XXI. CC01070 Telecommunication equipment and apparatus manufacturing
- XXII. I301010 Software design services
- XXIII. F118010 Wholesale of computer software
- XXIV. F113010 Wholesale of machinery
- XXV. CC01020 Electric wires and cables manufacturing
- XXVI. E701010 Telecommunications engineering
- XXVII. F401010 International trade
- XXVIII. J801030 Athletics and recreational sports stadium
- XXIX. EZ14010 Sports venue equipment engineering
- XXX. JE01010 Rental and leasing business
- XXXI. F501060 Restaurants
- XXXII. J901020 Regular hotels
- XXXIII. F301010 Department stores
- XXXIV. IZ06010 Tally packaging
- XXXV. G801010 Warehousing
- XXXVI. H701010 Housing and building development and rental
- XXXVII. H701020 Industrial factory development and rental

- XXXVIII. F113030 Wholesale of precision instruments
- XXXIX. F117010 Wholesale of fire safety equipment
- XL. H703090 Real estate business
- XLI. HZ02010 Financial institution creditor's right (money) purchase business
- XLII. HZ02020 Process financial institution creditor's right (money) appraisal and auction business
- XLIII. E801010 Indoor decoration
- XLIV. F111090 Wholesale of building materials
- XLV. G202010 Parking area operators
- XLVI. H701040 Specific area development
- XLVII. H701050 Investment, development and construction in public construction
- XLVIII. H701060 New towns, new community development
- XLIX. H701070 Process zone expropriation and urban land readjustment agency
- L. H701080 Urban renewal reconstruction
- LI. H703100 Real estate leasing
- LII. I401010 General advertisement service
- LIII. I503010 Landscape and interior designing
- LIV. ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.

Article 3: The head office of the Company is located in New Taipei City. If necessary, branches in other areas at home or abroad may be established.

Article 4: (Deleted).

Article 5: The Company has an authorized capital of 5 billion New Taiwan Dollars in five hundred million shares. Each share has a face value of ten New Taiwan Dollars. The board of directors is authorized to raise share capital in multiple issues.

The company's shares are exempted from actual printing but shall be registered with the Taiwan Depository and Clearing Corporation.

Article 6: (Deleted).

Article 7: All share administration-related affairs shall be handled according to the "Company Act," "Regulations Governing the Administration of Shareholder Services of Public Companies" approved by the securities regulatory authority and other relevant regulations.

Article 8: (Deleted).

Article 9: (Deleted).

Article 10: (Deleted).

Article 11: Transfers of the names of shares cannot be made within 60 days prior to shareholders' regular meetings, 30 days prior to extraordinary general meetings or 5 days before the Company's decision on dividend or bonus distribution or other ex dates.

Article 12: There are two types of shareholder meetings in the Company:

- I. General meetings are held once a year and shall be convened by the board within six months after the end of each fiscal year.
- II. Extraordinary general meetings, whenever necessary, are convened by the board in

accordance with the Company Act.

Article 13: Each shareholder shall be notified of the date, location and reasons for convening shareholders' meetings at least 30 days before the general meetings or 15 days before the extraordinary meetings. The production and the distribution of the meeting notification can be made electronically if agreed upon by the counterparty. For shareholders with less than 1000 registered shares, the abovementioned notification is posted in the Market Observation Post System.

Article 14: Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act. Shareholders unable to attend the meeting may offer to show a power of attorney issued by the Company that specifies the scope of authorization and authorize their proxy to attend the meeting. Shareholders who commission their proxy to attend meetings shall comply with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the securities authority unless otherwise specified by Article 177 of the Company Act. Shareholders may exercise their voting power by electronic transmission or in correspondence in shareholder meetings, and the exercise method shall be specified in the notice of shareholders' meetings. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, this is also considered to have waived rights with respect to the extraordinary motions and amendments to the original proposals of that meeting.

Article 15: Unless otherwise specified by the Company Act or the securities authority, shareholder meetings shall have the attendance of shareholders with more than half the majority of the issued shares and the resolutions shall be represented by more than half the majority of the attending shareholders.

Article 16: The chairman is to chair the meetings. The chairman is to appoint a director on behalf of himself/herself if he/she cannot attend the meetings. In the event where the chairman does not appoint anyone, the directors are to recommend one person from the board.

Article 17: The Company has seven directors. Their term of service is three years, and they can continue their service if re-elected for the next term. Three of the directors serve as independent directors.

The election of independent and non-independent directors should be held together, and the number of people elected is counted separately. The election of the Company's directors has adopted the candidate nomination approach, in which shareholders make their election choices from a list of candidates.

The nomination and announcement of candidates and other rules to be followed shall be handled in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

The total number of shares held by all directors shall not be less than the minimum percentage specified in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Article 17-1: (Deleted).

Article 18: A chairman representing the Company is elected by directors in a board meeting.

Board meetings are held once per quarter. Every director shall be notified at least 7 days before the convening of board meetings. Meetings can be convened at any time in case of emergency. The notice of the convening of board meetings can be made in writing, fax, or email.

Article 19: The chairman is to chair the board meetings. The chairman is to appoint a director on behalf of himself/herself if he/she cannot attend the meetings. In the event where the chairman does not appoint anyone, the directors are to recommend one person from the board. Directors who are unable to attend the meetings may issue a proxy form to appoint another director to attend the meeting with Article 205 of the Company Act. One director may accept only one proxy form. Unless otherwise specified by the Company Act, board meetings shall have the attendance of more than half of directors and the resolutions shall be represented by more than half of the attending directors.

Article 20: The board of directors shall decide the Company's operating policies and other important matters.

The other important matters mentioned above include the purchase and disposal of the Company's key assets and real estate properties.

Article 20-1: The remuneration of directors is authorized at board meetings based on their level of participation in and contribution to the Company's operation. The remuneration follows the standards among the industry peers.

Article 21: I. The Company may provide external endorsements. The endorsements must be submitted to the board for resolution.

II. The total amount of the Company's re-investment is not subject to the 40% limit of the paid-in capital.

Article 22: The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The committee consists of all independent directors responsible for performing the functions of supervisors specified in the Company Act, the Securities and Exchange Act and other regulations.

Members of the audit committee and their responsibilities and the related matters shall be handled in accordance with the relevant laws and regulations, and the organizational rules shall be separately determined by the board of directors.

Article 23: The Company shall have one president who handles the company affairs in accordance with the resolutions of the board. There are a number of professional managers who assist the president in handling company affairs. Their appointment, dismissal and remuneration shall comply with Article 29 of The Company Act.

Article 24: The President shall handle all the Company's affairs based on the resolutions made by the chairman and the board of directors.

Article 25: The Company starts its fiscal year on January 1st and ends it on December 31st, and conducts the year-end accounting once. The board shall prepare the following documents and submit them to the shareholders' meeting for ratification in

accordance with legal procedures.

- I. Business report.
- II. Financial statements.
- III. Proposal for the distribution of surplus or make-up for the loss.

Article 26: If the Company is profitable in the fiscal year (refers to pre-tax profit before subtracting bonuses and remunerations allocated to employees and directors), no less than 1% of the profit shall be offered as bonuses for employees, and no more than 2% of the profit shall be allocated as remuneration for directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses.

Employee compensation is mainly in the form of stocks or cash, and the recipients shall include the employees of subsidiaries who meet certain criteria. The remunerations for directors are to be paid in cash only.

The abovementioned two issues shall be determined by the board and reported to the shareholder meetings.

Article 26-1: In consideration of the capital needs and long-term financial planning for future development, the current dividend policy adopts a residual dividend policy. The current year's earnings after year-end accounting, if any, shall first be used to offset prior years' operating losses, and then 10% of the remaining amount shall be set aside as a legal reserve. This does not apply if the legal reserve has reached the Company's paid-in capital. Special reserve is then allocated or reversed in accordance with the law or regulations of the authority. If there is a balance, the board will take into account the Company's financial situation and propose a surplus distribution proposal of the balance and the accumulated undistributed surplus from the beginning of the same period to the shareholders meeting for a resolution. Dividends for shareholders may be distributed in cash or stocks, and the cash dividend shall not be less than 10% of the total shareholders' dividends.

Article 27: The Company's organizational policies and execution rules shall be established separately by the board of directors.

Article 28: Any outstanding issues not specified in the Articles of Incorporation are to be handled in accordance with the Company Act and other relevant regulations.

Article 28-1: (Deleted)

Article 29: The Articles of Incorporation were established on 1974/06/01.

1st revision was conducted on 1974/06/30.

2nd revision was conducted on 1975/09/03.

3rd revision was conducted on 1976/04/28.

4th revision was conducted on 1977/10/15.

5th revision was conducted on 1979/01/16.

6th revision was conducted on 1980/04/18.

7th revision was conducted on 1981/03/14.

8th revision was conducted on 1982/04/15.

9th revision was conducted on 1982/10/26.
10th revision was conducted on 1983/06/22.
11th revision was conducted on 1985/06/11.
12th revision was conducted on 1987/06/26.
13th revision was conducted on 1987/11/01.
14th revision was conducted on 1987/12/02.
15th revision was conducted on 1988/01/20.
16th revision was conducted on 1988/02/23.
17th revision was conducted on 1988/04/28.
18th revision was conducted on 1989/03/28.
19th revision was conducted on 1990/05/19.
20th revision was conducted on 1991/06/25.
21st revision was conducted on 1992/06/20.
22nd revision was conducted on 1993/06/19.
23rd revision was conducted on 1994/02/17.
24th revision was conducted on 1994/06/18.
25th revision was conducted on 1995/05/19.
26th revision was conducted on 1996/05/31.
27th revision was conducted on 1997/06/06.
28th revision was conducted on 1998/04/14.
29th revision was conducted on 1999/06/25.
30th revision was conducted on 2000/06/22.
31st revision was conducted on 2001/05/02.
32nd revision was conducted on 2002/06/17.
33rd revision was conducted on 2003/06/23.
34th revision was conducted on 2005/04/15.
35th revision was conducted on 2006/06/09.
36th revision was conducted on 2009/06/10.
37th revision was conducted on 2010/06/25.
38th revision was conducted on 2015/06/18.
39th revision was conducted on 2016/06/15.
40th revision was conducted on 2018/06/15.
41st revision was conducted on 2019/06/20.
42nd revision was conducted on 2020/06/16.

Advancetek Enterprise Co., Ltd.
Chairperson: Hung-Ying Wu

Appendix

3. Procedures for Acquisition or Disposal of Assets (Before Amendment)

Advancetek Enterprise Co., Ltd. Procedures for Acquisition or Disposal of Assets

(Amended on 2019/06/20)

Chapter 1. General Provisions

I. Purpose and Legal Basis:

The Procedures are formulated according to Article 36-1 of the Securities and Exchange Act to reinforce the management of assets and information disclosure. Any outstanding issues not specified in the Procedures are subject to the relevant laws and regulations.

II. Scope of Applications for Assets:

- (i) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing an interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- (ii) Real estate (including land, building, investment properties, and construction in progress) and equipment.
- (iii) Membership.
- (iv) Patents, copyrights, trademarks, franchise and other intangible assets.
- (v) Right-of-use assets.
- (vi) Derivatives: Refer to forward contracts, option contracts, futures, leverage contracts, swap contracts, any combination of the above or structured contracts/products with embedded derivatives where values are derived from specific interest rates, prices of financial instruments, commodity prices, exchange rates, prices or price indices, credit ratings, credit indices or other variables. The forward contracts mentioned here do not include insurance contracts, performance contracts, after-sale service contracts, long-term lease contracts, or long-term (purchase) sales contracts.
- (vii) Assets acquired or disposed of through legal merger, divestment, acquisition or share exchange: Refer to assets acquired or disposed of during a merger, divestment, or acquisition in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, the Financial Institutions Merger Act or other relevant laws, or new shares issued in exchange of another company's shares (i.e. share exchange) under Article 156-3 of the Compact Act.
- (viii) Other material assets.

III. Assessment Procedures:

- (i) The Company acquiring or disposing of securities investment or engaging in derivatives transactions shall have its financial and accounting departments analyze the relevant benefits and assess the possible risks. Acquiring or disposing of real estate or other assets shall have each department prepare capital expenditure plans in advance and

conduct feasibility assessment on the purpose of acquisition or disposal and the expected benefits. If acquiring real estate from a related party, the Company shall assess the reasonableness of transaction conditions in accordance with the provisions of Chapter 2 of these Procedures.

- (ii) When acquiring or disposing of securities, the Company shall obtain the latest audited or auditor-reviewed financial statements of the securities issuer prior to the date of occurrence. Transactions that amount to 20% of the Company's paid-in capital or NTD 300 million or above shall be supported by the CPAs' opinion with regards to the rationality of the transaction price prior to the date of occurrence. Should the CPA require an expert's opinion, one shall be obtained in accordance with Statement on Auditing Standards No. 20 published by ARDF (Accounting Research and Development Foundation). However, this requirement does not apply to securities openly quoted in an active market or in circumstances where the Financial Supervisory Commission (FSC) has regulated otherwise.
- (iii) Except in situations where the counterparty is a domestic government agency, the acquisition or disposal of intangible assets or right-of-use assets thereof or membership that amount to 20% of the Company's paid-up capital or NTD 300 million or above shall be supported by the CPAs' opinions issued in regards to the rationality of the transaction price according to Statement on Auditing Standards No. 20 published by ADRF before the date of occurrence.
- (iv) If the transaction amount of real estate or equipment acquired or disposed of is more than 20% of the Company's paid-in capital or NT\$300 million, the Company shall first consult an objective and fair professional appraiser to issue an appraisal report, and follow these Procedures on asset appraisal.
- (v) Transaction amounts in the 3 preceding paragraphs shall be calculated in accordance with Paragraph (2), Article 5. Transactions that have already been supported with expert's valuation or CPAs' opinions in accordance with the Procedures can be excluded from calculation.
- (vi) The method and basis for determining the price of assets acquired or disposed of by the Company shall be subject to the following procedures in addition to the abovementioned professional appraisal and opinions from the accounts and other experts:
 - 1. The acquisition or disposal of securities that have been traded in a centralized market or Taipei Exchange is determined based on the prevailing equity or bond price.
 - 2. For securities not acquired or disposed of through the centralized market or Taipei Exchange, the prices shall be determined after taking into account the net value per share, technology and profitability, the potential of future development, market interest rates, bond coupon rates, and debtors' creditability, and are subject to the latest transaction price at the time.
 - 3. When acquiring or disposing of memberships, the benefits to be generated should be

considered based on the latest transaction price at the time. The acquisition or disposal of intangible assets such as patents, copyrights, trademarks, franchise rights and others should refer to other international or market practices and consider the number of years in use and the impact on the Company's technologies and businesses.

4. The acquisition or disposal of real estate and equipment should be negotiated based on the announced present value, appraised present value, and the actual transaction price or book value of other neighboring real estate and suppliers' quotations. If a real estate is to be purchased from a related party, a calculation should be made according to the methods specified in Chapter 2 of the Procedures to assess whether the transaction price is reasonable.
5. The transaction status, exchange rate and interest rate trends of the futures market should be considered when engaging in derivatives transactions.
6. The nature of the business, net value per share, asset value, technology and profitability, production capacity, and future growth potential should be considered when handling mergers, spin-offs, acquisitions, or share transfers.

IV. Operating Procedures:

(i) Limit and level of approval authority

1. Marketable securities: The president is authorized to conduct transactions within the limit set in Article 7 of the Procedures. If a transaction meets the requirements for the public announcement as specified in Article 5, it shall be reported to the chairman for approval and the latest meeting of the board for ratification. However, if the stocks, corporate bonds and privately placed securities acquired or disposed of are not through the centralized market of Taipei Exchange, and the transaction amount reaches the requirements for public announcement and regulatory filing procedures, they are subject to the resolution of the board before implementation. Investments in China are to be carried out only after approval by shareholders meetings, or by the board authorized by shareholder meetings, and the Investment Commission of the MOEA.
2. Derivatives trading
 - (1) Hedging transactions: A single or cumulative transaction position below US\$1 million (or an equivalent amount in other currencies) is conducted by a person designated by the chairman in accordance with the changes of the Company's revenue and risk position. An amount exceeding US\$1 million must be approved by the chairman.
 - (2) Non-hedging transactions: In order to reduce risks, a single or cumulative transaction position below US\$1 million (or an equivalent amount in other currencies) must be approved by the chairman. Transactions with an amount exceeding US\$1 million are subject to approval by the board.
 - (3) In order for the Company's authorization to cooperate with banks' supervisory management, banks must be notified of the personnel authorized for transactions.
 - (4) Derivatives transactions conducted in accordance with the abovementioned

authorization shall be reported to the board.

3. Acquisition of real estate from a related party: Relevant materials should be prepared in accordance with the provisions of Chapter 2 of the Procedures, and the acquisition is subject to approval by the board.
4. Mergers, spin-offs, acquisitions or share transfers: Relevant procedures and materials should be prepared in accordance with the provisions of Chapter 4 of the Procedures. Mergers, spin-offs, and acquisitions are subject to the resolution of shareholder meetings. An exception can be made for those that do not require the convening of shareholder meetings in accordance with other regulatory requirements. Share transfers are subject to approval by the board.
5. Others: Should be subject to the operating procedures stipulated by the internal control protocols and the authority of approval. If the transaction amounts reach the requirements for public announcement and regulatory filing procedures specified in Article 5, they are subject to the resolution of the board before implementation. For transaction amounts not meeting the requirements for public announcement and regulatory filing procedures specified in Article 5, they should be submitted to the board for resolution and ratification after being completed. Transactions that exhibit the conditions described in Article 185 of the Company Act are subject to shareholders' approval before proceeding.

(ii) Responsible units and transaction processes

The units responsible for trading marketable securities and derivatives are the financial and accounting departments and the personnel designated by the chairman. The transactions of real estate and other assets are conducted by the units that will use the assets and the relevant responsible units. Mergers, spin-offs, acquisitions or share transfers are conducted by the unit designated by the chairman. For the acquisition or disposal of assets that have been assessed and approved, the responsible units will conduct contracting, receipt and payment, delivery, acceptance and other transaction procedures in accordance with the relevant provisions of the internal control protocols, depending on the nature of the assets. Acquisition of real estate from related parties, engaging in derivatives trading and conducting mergers, spin-offs, acquisitions or share transfers are subject to Chapters 2 to 4 of these Procedures.

V. Public Announcement and Regulatory Filing Procedures:

- (i) Asset acquisitions or disposals that involve any of the following shall be announced and reported within 2 days of occurrence over the website designated by the FSC using the prescribed format:
 1. Real estate properties or right-of-use assets thereof acquired from or disposed to related parties, or other non-real estate assets or right-of-use assets thereof acquired from or disposed to related parties that amount to 20% of the Company's paid-up capital, or 10% of total assets, or NTD 300 million or above. This excludes trading of domestic

government bonds, repurchase/resale agreements, and subscription or redemption of money market funds issued by domestic securities investment trust companies.

2. Mergers, spin-offs, acquisitions, or transfer of shares.
 3. Derivative transactions accumulating losses more than the aggregate or individual contract caps prescribed in Article 14 of Chapter 3 of the Procedures.
 4. Acquisition or disposal of operating equipment or right-of-use assets thereof with an unrelated party and the transaction amount exceeds NT\$500 million.
 5. Acquisition or disposal of real estate properties for construction or their right-of-use assets with an unrelated party and the transaction amount exceeds NT\$500 million.
 6. Acquisition of real estate property in the form of development over purchased land, development over leased land, joint development with separate ownership, joint development with proportional holding, or joint development with partial sale, where the counterparty is unrelated and in which the Company expects to invest NT\$500 million or more.
 7. Transaction of assets other than the ones listed in the 6 subparagraphs above, or investment in China that amounts to 20% of the Company's paid-up capital or NT\$300 million or above. However, the following transactions can be excluded:
 - (1) Trading of domestic government bonds.
 - (2) Re-purchase/re-sale agreement, or subscription or redemption of money market funds issued by domestic securities investment trust companies.
- (ii) Amounts of the above transactions shall be calculated based on the following:
1. Amount of each transaction.
 2. Cumulative amount of similar assets acquired from or disposed of to the same counterparty over the past one year.
 3. Cumulative amount of the same development project or right-of-use assets thereof acquired or disposed (acquisitions and disposals accumulate separately) in the past one year.
 4. Cumulative amount of the same securities acquired or disposed of (acquisitions and disposals accumulate separately) over the past one year.
- (iii) The "one-year" timeframe mentioned in the preceding Paragraph dates back one year from the date of occurrence. Transactions that have already been announced according to the Procedures can be excluded.
- (iv) The Company shall provide monthly reports on all derivative transactions undertaken by the Company and non-public domestic subsidiaries up until the end of the previous month and submit such reports to the website designated by the FSC before the 10th calendar day of each month using the prescribed format.
- (v) If errors or omissions are discovered in the mandatory announcements where rectifications are required, the Company shall start afresh and announce/report all items again within 2 days from the date of knowledge of such errors or omissions.

(vi) Should any of the following circumstances arise after the Company has announced or reported its transactions according to the terms of the preceding Article, the Company shall update all relevant information to the website designated by the FSC within 2 days after the date of occurrence:

1. Any change, termination, or annulment of the original contract.
2. The merger, divestment, acquisition, or share exchange is not completed before the scheduled date.
3. Changes to the initially reported/announced details.

VI. Asset Appraisal Procedures:

Except for transactions involving domestic government agencies, commissioned development of purchased land, commissioned development of leased land, and acquisition/disposal of equipment relevant to business operations or right-of-use assets thereof, all other acquisitions or disposals of property and equipment or usage rights thereof amounting to 20% of the Company's paid-in capital or NT\$300 million or above shall be supported with appraisal reports prepared by professional appraisers prior to the date of occurrence. These appraisal reports shall also comply with the following provisions: For assets acquired or disposed of through court auctions, documentary proof issued by the court can be used in place of the valuation report or CPAs' opinions.

- (i) If for any reason, the Company is in need of using restrictive, specific or special pricing to serve as a reference for the transaction price, the underlying transaction must be approved by the board resolution before proceeding. Any subsequent changes in transaction terms shall also be subject to the same procedures.
- (ii) For transactions that amount to NT\$1 billion or more, quotations from at least two professional appraisers are needed.
- (iii) If the appraisal concluded by the professional appraisers shows any one of the following circumstances, a certified public accountant shall be engaged to provide opinions with regards to the cause of the discrepancy and the rationality of the transaction price in accordance with the Statement on Auditing Standards No. 20 published by ARDF, except in situations where the appraised price is higher than the price of asset acquired or lower than the price of the asset sold.
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (iv) Where professional appraisal is used, the appraisers' reports shall be dated no further than 3 months from the contract date. However, if the report still applies to the same current value announced by the government and is no more than 6 months old, an opinion can be accepted from the original appraiser instead.

- (v) Except where a limited price, specified price, or special price is employed as the basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3, shall be obtained within 2 weeks counting inclusively from the date of occurrence.

VII. Scope and Quota of Investment:

In addition to acquiring assets for operations, the Company and the subsidiaries may invest in real estate and marketable securities that are not for operations, and the quota of purchase is subject to the limits and restrictions below. The calculation for subparagraphs (iv) and (v) does not include those who participate in the establishment of investment or serve as directors or supervisors and intend to hold them for a long period of time.

- (i) The sum of non-business real estate property held must not exceed 50% of the Company's net value on the latest financial statement. For subsidiaries, the amount shall not exceed 30%.
- (ii) The total amount of marketable securities held must not exceed 30% of the Company's net value on the latest financial statement. For subsidiaries, the amount shall not exceed 20%.
- (iii) The investment limit for each marketable securities held must not exceed 20% of the Company's net value on the latest financial statement. For subsidiaries, the amount shall not exceed 10%.
- (iv) The net investment of the Company and the subsidiaries in a single publicly listed or OTC company shall not exceed 10% of the Company's or the subsidiaries' net value on their respective latest financial statement.
- (v) The investment holdings of a single publicly listed or OTC company owned by the Company and the subsidiaries shall not exceed 10% of the listed or OTC company's total issued shares.

VIII. Control Procedures for Acquisition or Disposal of Assets by Subsidiaries:

- (i) Subsidiaries of the Company shall also establish their "Procedures for Acquisition or Disposal of Assets" in accordance with Article 36-1 of the Securities and Exchange Act, which shall be approved by the board and submitted to the shareholders' meetings for approval. The same applies to all subsequent revisions.
- (ii) The acquisition or disposal of assets by the Company's subsidiaries are subject to their respective "Internal Control System" and "Procedures for Acquisition or Disposal of Assets," and the acquisition or disposal of a single asset or the cumulative amount of transactions of the same nature more than NT\$10 million of the previous month and the status on the derivatives trading as of the end of the previous month shall be summarized and reported to the Company for filing by the 5th of each month. The Company's audit unit

shall list the acquisition or disposal of assets by subsidiaries as one of the monthly audit items. The audit status shall be listed as one of the mandatory items for audit operations to be reported to the board and the audit committee.

- (iii) If the Company's subsidiaries are not publicly listed companies, and the acquisition or disposal of assets meet the requirements for public announcement and regulatory filing, the Company shall be notified of the events within the day of the occurrence. It will take actions to make public announcements and regulatory filing on the designated website in accordance with the regulations.

With respect to the requirements of 20% of the paid-in capital or 10% of the total assets for public announcements and regulatory filing as specified in Paragraph 1, Article 5 applicable to subsidiaries, the paid-in capital or total assets are based on the Company.

IX. Penalty Rules:

Relevant personnel handling the acquisition or disposal of assets for the Company in violation of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" introduced by the FSC or the Procedures are subject to the following regulations. The violation records will be used as a reference for the annual personal performance appraisal.

- (i) Violation of the authority of approval: First-time violators are given a verbal warning. Second-time violators will be given a written warning, and attendance of the Company's training and education sessions on the internal control system will be mandatory. Repeat violators or those involved in serious circumstances will be transferred.
- (ii) Violation of the assessment procedures: First-time violators are given a verbal warning. Second-time violators will be given a written warning, and attendance of the Company's training and education sessions on the internal control system will be mandatory. Repeat violators or those involved in serious circumstances will be transferred.
- (iii) Violation of public announcement and regulatory filing procedures: First-time violators are given a verbal warning. Second-time violators will be given a written warning. Repeat violators or those involved in serious circumstances will be transferred.
- (iv) The immediate supervisor of the violator should also be punished. However, exceptions can be made for those who can reasonably explain how they have taken precautions beforehand.
- (v) If the board of directors violate relevant regulations and the resolutions of the shareholders' meetings in their execution of the business, the audit committee shall notify the board or directors to stop their actions in accordance with Article 218-2 of the Company Act.

Chapter 2. Related-Party Transactions

X. Basis for Identification:

Acquisition or disposal of assets with related parties are subject to the resolution procedures and rationality assessments of the Procedures if they amount to 10% or more of the Company's total assets. In addition, an appraisal report from a professional appraiser or an opinion from a CPA shall be obtained in accordance with the Procedures to support the transaction. Calculation of the above amounts shall be conducted in accordance with Paragraph (2), Article 5. Related parties are as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

When determining whether the transaction partner is a related party, the legal form and the substantive relationship should both be considered.

XI. Resolution Procedures:

In addition to domestic government bonds, re-purchase/re-sale agreements, and subscription/redemption of money market funds issued by domestic securities investment trust enterprises, acquisition or disposal of real estate properties, right-of-use asset or other assets with related parties amounting to 20% of the Company's paid-up capital, 10% of total assets or NT\$300 million or more shall have the following information submitted for approval by the board of directors before the transaction contract is signed or the deal is paid:

- (i) The purpose, necessity and expected benefits of the asset acquisition/disposal.
- (ii) The reasons for transacting with a related party.
- (iii) When acquiring real estate or right-of-use assets from a related party, any information relevant to establishing transaction rationality in accordance with the provisions of Article 12 or 13.
- (iv) The date, price, and counterparty at/from which the related party had acquired the asset in the first place, and the relationship between the Company and the initial counterparty.
- (v) A cash projection report for the next 12 months starting from the contract month, with comments made on the transaction's necessity and the rationality of capital usage.
- (vi) Professional appraiser's report or CPAs' opinion obtained in accordance with the Procedures.
- (vii) Restrictions and other important terms of this transaction.

Transaction amounts in the preceding paragraphs shall be calculated in accordance with Paragraph 2, Article 5. Transactions that have already been submitted to the board meetings for approval in accordance with the Procedures can be excluded from calculation.

Any of the following transactions taking place between the Company and its subsidiary, or between subsidiaries in which the Company has 100% direct or indirect shareholding or capital contribution may be carried out at the discretion of the Chairperson, subject to the board of directors' prior authorization and up to a certain limit in accordance with subparagraph 5, Paragraph 1, Article 4, and raised for ratification afterward during the latest board meeting:

- (i) Acquisition or disposal of operating equipment or right-of-use assets.
- (ii) Acquisition or disposal of operating real estate right-of-use assets.

XII. Assess the Reasonableness of Transaction Conditions:

For all real estate properties or right-of-use assets thereof acquired from related parties, the reasonableness of transaction costs shall be evaluated using the following methods:

- (i) Add interests of necessary funding and any costs legally borne by the buyer onto the related party transaction price. Interests on capital are calculated at the weighted average interest rate that the Company would have incurred if it finances the asset purchase in the year acquired. However, this rate shall not exceed the maximum lending rate for non-financial institutions, as regulated by the Ministry of Finance.
- (ii) If the related party had once pledged the property as collateral and borrowed from a financial institution, the value estimated by the financial institution should be used as a reference, provided that the financial institution had lent more than 70% of the property value for more than one year. This does not apply if the financial institution is a related party to one of the counterparties.

For purchases or leases that involve both land and buildings, the transaction costs of land and building can be appraised separately using any of the above methods.

When acquiring real estate property or right-of-use assets from a related party, the property cost or cost of right-of-use thereof shall be evaluated according to the preceding 2 paragraphs. A certified public accountant should also be engaged to verify and express opinions on the transaction.

Acquisition of real estate property or right-of-use assets thereof from a related party that exhibits any of the following shall proceed according to the previous article and is exempted from the three paragraphs above:

- (i) The related party had acquired the real estate property or right-of-use assets thereof as an inheritance or gift in the first place.
- (ii) Five years have passed since the related party first acquired the real estate property or right-of-use assets.
- (iii) The real estate property is acquired through a joint construction agreement with a related party, or commissioned development of purchased land or commissioned development of leased land with a related party.
- (iv) Acquisition of operating real estate property or right-of-use assets between the Company and its subsidiaries or between subsidiaries in which the Company holds 100% direct or indirect ownership interest.

XIII. Things to Be Done When Assumed Transaction Cost is Lower Than Transaction Price:

Article 13-1 shall apply if the assessment methods mentioned in Paragraphs 1 and 2 of the previous article both conclude a value that is lower than the transaction price. However, this excludes the following circumstances where there are objective evidence and opinions from professional property appraisers and certified public accountants to support the reasonableness

of the transaction:

- (i) The related party is acquiring or leasing raw land for new construction, in which case evidence can be raised to prove the following:
 - 1. The value of raw land assessed based on the preceding article plus the value of the building, including construction cost and reasonable markup, exceeds the actual transaction price. The term "reasonable markup" is defined as the lower between the average gross profit margin of the related party's construction department in the last three years, or the latest gross profit margin of the entire construction industry published by the Ministry of Finance.
 - 2. Units on other floors of the same project or other non-related party transactions taking place in the nearby area in the past year, which were similar in size and the transaction terms were considered to conform with common real estate trading or leasing practices. They were on equivalent terms after adjusting for floor or location differences.
- (ii) Real estate property purchased or right-of-use assets thereof leased or acquired from a related party that involved comparable terms and sizes to other transactions in the neighboring district made by non-related parties in the nearby area in the past year.

The term "successful transaction in the neighboring district" refers to properties located in the same or nearby street within a 500-meter radius of the underlying property or properties with similar government-announced current values. The term "similar-size transaction" refers to non-related transactions of areas that are no smaller than 50% of the underlying property. The one year timeframe mentioned above dates back one year from the date of occurrence in which the real estate property or right-of-use assets thereof is actually acquired.

XIII-I. The following rules shall apply to real estate properties or right-of-use assets thereof acquired from related parties where the valuation methods described in the 2 preceding articles both conclude a value that is lower than the transaction price:

- (i) The Company shall provide special reserves equal to the difference between the transaction price and the assessed cost of real estate property or usage rights thereof in the same manner as described in Paragraph 1, Article 41 of the Securities Exchange Act. This special reserve cannot be distributed as dividends or capitalized into share capital.
- (ii) The independent directors of the audit committee shall comply with Article 218 of the Company Act.
- (iii) Outcomes of the preceding 2 subparagraphs are to be reported during a shareholder meeting, whereas transaction details are to be disclosed in the annual report and the prospectus.

Where the Company has made provisions for special reserves according to the above, the special reserves can only be used if devaluation losses are recognized on the acquired or leased asset during revaluation or disposal, when the lease contract is

terminated, if compensation or cost is incurred to restore the asset to its original state, or if there is evidence to support the underlying rationale. In which case, the use of special reserves is also subject to approval from the FSC.

If there is other evidence to suggest that the acquisition of real estate property or usage rights thereof from a related party is outside business norms, the transaction shall also be subject to the two preceding Paragraphs.

Chapter 3. Control of Derivative Instruments Trading

XIV. Transaction Principles and Guidelines:

- (i) Types of transactions: The types of derivatives that the Company can trade include forward contracts, options, interest rate and currency swaps, futures and hybrid contracts combining the above contracts, which shall be reported to the latest board meeting after transactions. If it is necessary to engage in the trading of other instruments, it must be approved by the board resolution.
- (ii) Operation or hedging strategies: The Company's trading of derivative instruments is divided into hedging and non-hedging (purely for trading). The main purpose of strategy should be to avoid operational risks, and the selection of instruments should focus on avoiding risks such as foreign exchange income, expenditure, assets or liabilities. Choosing an appropriate time to engage in "non-hedging" trading of derivatives in response to circumstances increases non-operating income or reduces non-operating losses for the Company. Besides, transaction counterparties should be the financial institutions with which the Company has business dealings to avoid credit risks. Before trading, the Company must clearly define the types of transactions for hedging or financial operations in pursuit of investment income as the basis for accounting.
- (iii) Transaction quota:
 - 1. Hedging transactions: The net position (including the net position expected to be generated in the future) of foreign currency after consolidating assets and liabilities is the upper limit of hedging.
 - 2. Non-hedging transactions: Not exceeding US\$1.5 million. Personnel engaging in the transactions shall submit a trend analysis report on foreign exchange before trading. The content must include a trend analysis of the foreign exchange market and the recommended approach, which can only be implemented after approval.
- (iv) Maximum amount of loss for all and individual contracts
 - 1. Hedging transactions: Conducted in response to the actual needs of the Company. The risks have been assessed and controlled in advance, so there is no issue with the upper limit of loss.
 - 2. Non-hedging transactions: After a position is established, a stop-loss should be established to prevent excessive losses. The stop-loss should be no more than 10% of the contract amount of the transaction, and the total cumulative loss for the year should

not exceed US\$300,000.

(v) Segregation of duties

1. Personnel handling transactions: They handle the derivatives trading for the Company and are appointed by the chairman. They are responsible for formulating trading strategies, carrying out trading instructions and disclosing future trading risks within the scope of authorization, and providing real-time information to relevant departments for reference.
2. Accounting division: Responsible for confirming trades and entering them into accounts in accordance with relevant regulations and keeping transaction records. It regularly evaluates the fair market value of positions held and evaluates the personnel responsible for trading. It provides disclosure on derivative instruments in financial statements.
3. Finance division: Responsible for the settlement of derivatives transactions.

(vi) Essentials of performance evaluation

1. Hedging transactions: Performance is assessed based on the Company's cost exchange rate on-book and the amount in gains/losses incurred on derivatives. The assessment is conducted at least twice a month, and the performance is submitted to the management for evaluation.
2. Fixed-purpose transactions
The actual profit and loss generated are used as the basis for performance evaluation. It is conducted at least once a week, and the results are submitted to the management for review.

XV. Risk Management Measures:

The Company shall take into account the following scopes of risk management and measures to be adopted when engaging in derivative transactions:

- (i) Credit risks: The Company shall transact primarily with financial institutions and futures brokerages that have good reputations and can provide professional information, with which it has existing business relationships.
- (ii) Market risks: Losses caused by price fluctuations of derivatives in the future market can be uncertain, so the stop-loss policy is strictly followed after positions are established.
- (iii) Liquidity risks: In order to ensure the liquidity of instruments, the trading institutions must have sufficient equipment, information and trading capabilities and are capable of executing transactions in any markets.
- (iv) Operational risks: The authorized quota and the operating process must be strictly observed to avoid operational risks.
- (v) Legal risks: All contractual documents signed with financial institutions must adopt international standards to avoid legal risks.
- (vi) Financial instrument risks: Internal personnel engaging in trading shall have complete and

correct professional knowledge of derivatives to be traded to avoid misuse of derivatives leading to losses.

- (vii) Cash settlement risks: Authorized trading personnel shall strictly abide by the regulations for the authorized amount and pay attention to the Company's cash flow to ensure that there is sufficient cash at the time of settlement.
- (viii) Personnel responsible for trading shall not take concurrent positions as the personnel verifying and settling transactions.
- (ix) Personnel responsible for verification shall regularly check accounting or documentation with the correspondent banks and check at any time whether the total transaction amount exceeds the limits established in accordance with the Procedures.
- (x) Personnel involved in assessing, monitoring and controlling risks should be in departments different from those mentioned in (i) and shall report to the board or senior executives who are not responsible for making decisions on trading or positions.
- (xi) Derivative positions should be evaluated at least once a week, except for hedging transactions conducted in relation to business activities, which are subject to evaluation at least twice a month. All evaluation reports shall be submitted to board-authorized senior managers for review (senior executives who are not in the departments involving in trading).

XVI. Internal Audit System:

- (i) Internal audit personnel must regularly assess the adequacy of internal controls over derivative transactions, and inspect the trade department and analyze the transaction cycle on a monthly basis to evaluate compliance with existing procedures. All findings shall be compiled into audit reports, and any major violation discovered has to be reported in writing to the audit committee.
- (ii) The Company's auditors shall include derivative transactions in the audit plan, report the implementation of the annual audit plan for the previous year to the FSC by the end of February of the current year, and at the latest by May of the current year report the improvements on abnormal issues to the FSC for review.

XVII. Regular Assessments and Handling of Extraordinary Circumstances:

- (i) Evaluate the transactions of derivatives on a monthly or weekly basis, and summarize the profit or loss of the current month or week and the open positions of non-hedging transactions, which are submitted to the senior executives authorized by the board and chairman for review of management performance and risk assessments.
- (ii) The senior executives appointed by the board shall pay attention to the supervision and control of derivative transaction risks at all times. The board shall evaluate whether or not the performance of derivative transactions are consistent with the existing business strategies and whether or not the risks undertaken are within the Company's tolerance.

- (iii) Board-delegated senior managers shall supervise derivative transactions according to the following principles:
1. Evaluate regularly whether existing risk management measures are adequate and carried out according to the Regulations Governing the Acquisition or Disposal of Assets by Public Companies and these Procedures.
 2. Monitor trading activities, gains and losses, while taking necessary responsive measures and reporting to the board of directors upon discovering any abnormalities. If appointed according to the Securities and Exchange Act, independent directors should be present at board meetings to express opinions.
- (iv) The Company shall maintain a transaction log that details the type and amount of derivatives traded, the board's approval date, monthly or weekly assessment reports and various issues subject to review by the board or senior executives authorized by the board.

Chapter 4. Mergers, Spin-Offs, Acquisitions or Transfer of Shares

- XVIII. Prior to commencing business merger, spin-off, acquisition or transfer of shares, the Company shall engage a certified public accountant, lawyer, or securities underwriter to provide opinions with regards to the exchange ratio, the acquisition price, or the amount of cash or other properties distributed to shareholders before the proposal is presented for the board of directors' resolution. These opinions are subject to discussion and resolution by the board of directors. However, experts' opinions are not required for mergers between the Company and subsidiaries in which it holds 100% direct or indirect ownership interest, and mergers between subsidiaries in which the Company holds 100% direct or indirect ownership interest.
- XIX. When engaging in a business merger, spin-off or acquisition, the Company shall compile important details of the contracts into public reports and present them to shareholders and the aforementioned experts' opinions before the shareholder meetings. These documents will serve as a reference for shareholders' decision on whether to support the merger, spin-off or acquisition. This excludes circumstances where the Company is exempted by law to resolve the business merge, spin-off, or acquisition through a shareholder meeting. If any participant of the business merger, spin-off, or acquisition is unable to convene a shareholder meeting or produce a resolution, or if the motion is voted down by shareholders, or other reasons, the Company shall immediately announce to the public the causes of the discontinuance, any follow-up actions, and the estimated date of the next shareholder meeting.
- XX. Unless otherwise regulated by law or approved by FSC in advance under special circumstances, all participants of a business merger, spin-off, or acquisition shall convene a board of director meeting and a shareholder meeting on the same day to resolve the business merger, spin-off, or acquisition.

Unless otherwise regulated by law or approved by FSC in advance under special circumstances, all participants of a transfer of shares shall convene a board of directors meeting on the same day to resolve the decision.

When engaging in a merger, spin-off, acquisition or transfer of shares, the Company should document the following information and retain all documents for five years:

- (i) Personnel profile: The title, name and ID card number (or passport number for foreigners) of any person involved in the planning or execution of a merger, spin-off, acquisition or share transfer before the information is made public.
- (ii) Important dates: Including the date when the letter of intent or memorandum of understanding is signed, the date of engagement with financial or legal consultants, the date of contract, and the date of the board of directors meeting.
- (iii) Important documents and minutes: Including the merger/spin-off/acquisition/share transfer plan, letter of intent or memorandum of understanding, major contracts and board of directors meeting minutes.

When engaging in a merger, spin-off, acquisition, or share transfer, all information listed in subparagraphs 1 and 2 of the preceding paragraph shall be reported to the FSC over the online system using the prescribed format within 2 days from the board resolution date.

If a participant of the business merger, spin-off, acquisition or share transfer is a non-public listed company or a company that has its shares traded by securities brokerages, the Company shall sign an agreement with such company and execute the transaction according to the 2 preceding paragraphs.

XXI. Exchange Ratio for Shares and Acquisition Price:

When the Company engages in a business merger, spin-off, acquisition or share exchange, terms including the share exchange ratio and the acquisition price cannot be changed except under the circumstances described below.

- (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) Disposal of major assets or other behaviors capable of affecting the Company's financial or business performance.
- (iii) Major disasters, technological changes and other events capable of impacting shareholders' equity or securities prices.
- (iv) Adjustment for treasury stocks purchased by any participant of the business merger, spin-off, acquisition or share exchange.
- (v) Changes to the organization or number of participants in a business merger, spin-off, acquisition or share exchange.
- (vi) Other circumstances specified in the contract under which the Company is permitted to make such changes, provided that the terms have been disclosed to the public.

XXII. Items to be Recorded in the Contract:

When the Company engages in a business merger, spin-off, acquisition or share exchange, the underlying contract shall address all parties' rights and obligations in the merger, spin-off, acquisition or share exchange, and the aforementioned share exchange ratio or acquisition price, and specify the following details.

- (i) Handling of breach of contract.
- (ii) Treatment for any securities of equity nature issued by the non-surviving party of a merger or by the spin-off company, or any treasury stocks purchased.
- (iii) Amounts of treasury stock that participating companies may purchase after setting the exchange ratio and exchange date and how the treasury stocks are treated.
- (iv) Treatment for any changes in the organization or the number of participating companies.
- (v) The expected execution progress and the estimated date of completion.
- (vi) The estimated date of shareholder meeting and relevant procedures in case the project is not completed on the due date.

XXIII. Other Matters to be Noted When Engaging in Mergers, Spin-Offs, Acquisition, or Transfer of Shares:

- (i) All parties involved or possessing knowledge of a merger, spin-off, acquisition, or share exchange shall issue a written commitment not to disclose any information until the plan is made public. The written commitment shall also prohibit the trading of shares or securities of equity nature pertaining to the deal, whether in own name or the names of others.
- (ii) If a participant of the business merger, spin-off, acquisition or share exchange intends to engage in another business merger, spin-off, acquisition or share exchange with another company after the initial deal is made public, all procedures or legal actions completed on the initial deal must start afresh by all participants. However, this excludes situations where the total number of participants has decreased as a result of the second deal and that a resolution has been made in a shareholder meeting to authorize the board of directors to change the terms of the initial deal; in which case, participants need not convene another shareholder meeting to resolve the board's decision.
- (iii) If the merger, spin-off, acquisition, or share exchange involves a party that is not a public company, the Company shall sign an agreement with that particular party and execute the transaction according to the terms outlined in Article 20 and the preceding two subparagraphs of the Procedures.

Chapter 5. Other Important Matters

XXIV. All contracts, meeting minutes, transaction logs, valuation reports, and accountant's, lawyer's, or securities underwriter's opinions relevant to the acquisition or disposal of assets shall be retained within the Company for at least five years unless otherwise specified by law.

XXV. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide with Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (i) No previous violations against the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Regulations on Business Entity Accounting Handling and no conviction of fraud, breach of trust, misappropriation, forgery or any crime relating to business activities resulting in a sentence of one year imprisonment or higher. This excludes situations where three years have passed since the subject has served a sentence, endured the probation period, or is pardoned from the crime.
- (ii) May not be a related party or de facto related party of any party to the transaction.
- (iii) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or parties that have a substantive relationship with one another.

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) Make appropriate plans and procedures, and execute accordingly to form conclusions, reports or opinions. Complete the case working papers with details of the executed procedures, the collected data and the final conclusion.
- (iii) Evaluate the data's completeness, parameters, and information to issue an appraisal report or opinion.
- (iv) Issue declarations on the professionalism and independence of relevant personnel, the rationality and correctness of the information used, and compliance-related matters.

XXVI. For acquisition or disposal of assets that need to be approved by the board in accordance with these Procedures or other regulations, if there are directors who express dissent and there are records or written statements, the Company shall submit the dissenting opinions to the audit committee.

Independent directors' opinions shall be fully taken into consideration when the abovementioned transaction is proposed for discussion among the board of directors. Any objections or qualified opinions expressed by independent directors shall be detailed in board meeting minutes.

XXVII. The Procedures have been approved by the board of directors and resolved by shareholders. The same applies to all subsequent revisions. If there are directors who express dissent and there are records or written statements, the Company shall submit the dissenting opinions to the audit committee.

Independent directors' opinions shall be fully taken into consideration when the Procedures for Acquisition or Disposal of Assets is proposed for discussion among the board of directors in accordance with the preceding paragraph. Any objections or qualified opinions expressed by independent directors shall be detailed in board meeting minutes.

XXVIII. The "10% of total assets" requirements are based on the individual or separate financial reports as specified by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Appendix

4. Shareholding Status of Directors

Advancetek Enterprise Co., Ltd.

Shareholding Status of Directors

- I. The paid-in capital of the company is NT\$ 3,662,113,580 and the number of distributed shares is 366,211,358 shares.
- II. According to Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the legal minimum shareholdings of all directors are 14,648,454 shares.
- III. Shareholdings of directors and recorded on entries of shareholders register until the date of suspension of share transfer (April 19, 2021) for this annual shareholders' meeting are as follows:

Title	Name	Election Date	Term of office	Number of Shares Owned at Book Closure Date	
				Number of Shares	Shareholding ratio
Chairman	Hung-Ying Wu	June 20, 2019	3 Years	7,305,327	1.99%
Director	Ying He Investment Co., Ltd. Representative: Mu-To Li	June 20, 2019	3 Years	3,544,569	0.97%
Director	Ying He Investment Co., Ltd. Representative: Fan-Chih Wu	June 20, 2019	3 Years		
Director	Ping-Hua Liu	June 20, 2019	3 Years	4,626,870	1.26%
Independent Director	Wen-Tsung Chen	June 20, 2019	3 Years	0	0.00%
Independent Director	Cheng-Yung Li	June 20, 2019	3 Years	0	0.00%
Independent Director	Shu-Mei Hsueh	June 20, 2019	3 Years	0	0.00%
Total				15,476,766	4.22%