

Stock Code
6414



ENNOCONN CORPORATION

2021 Annual General Shareholders' Meeting

Meeting Handbook

June 23, 2021

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2019 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF ENNOCONN CORPORATION (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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ENNOCORP CORPORATION

2021 Annual General Shareholders' Meeting

Meeting Procedure

Time of Meeting : June 23, 2021 (Wednesday) at 9:00 a.m.

Location of Meeting : 4F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei
City 235, Taiwan

- I. Report the total number of shares represented at this AGM
- II. Call Meeting to Order
- III. Chairman's Address
- IV. Report Items
- V. Ratification Items
- VI. Discussion Items
- VII. Extemporaneous Motions
- VIII. Meeting Adjournment

ENNOCORP CORPORATION

2021 Annual General Shareholders' Meeting

Agenda

I. Chairman's Address

II. Report Items

- (1) 2020 business report.
- (2) Audit committee's review report of 2020 audited financial statements.
- (3) Report 2020 directors' remuneration and employees' compensation.

III. Ratification Items

- (1) To approve 2020 business report and financial statements.
- (2) To approve the proposal for distribution of 2020 earnings.

IV. Discussion Items

- (1) To discuss the amendment to the Rules of Procedures for Shareholders' Meeting.
- (2) To discuss the amendment to the Company's "Rules for Election of Directors".
- (3) To discuss the amendment to the Company's "Procedures for Endorsements and Guarantees".
- (4) To discuss the private placement of convertible corporate bonds.
- (5) To discuss the transfer of shares to employees at a price lower than the actual average repurchase price.
- (6) To discuss the issuance of new restricted shares to employees.

V. Extemporaneous Motions

VI. Adjournment

Report Items

Item1

2020 Business Report

Description:

1. Please refer to Attachment 1 (page 15-16) for the Business Report.
2. Please refer to Attachment 3 (page 18-40) for the Financial Statements.

Item2

Audit Committee's Review Report of 2020 audited financial statements

Description:

Please refer to Attachment 2 (page 17) for the Audit Committee's Review Report.

Item3

Report 2020 Directors' Remuneration and Employees' Compensation

Description:

1. The employee remuneration totaled NT\$24,000,000 in 2020, distributed in cash, taking up 2.03% of the profit of the year. The directors' remuneration totaled NT\$3,060,000 in 2020, distributed in cash, taking up 0.28% of the profit of the year.
2. There is no difference between the above resolution and the ratified cost for 2020.

Ratification Items

Proposal 1: Ratification of the 2020 Business Report and Audited Financial Statements.

(Proposed by the Board of Directors)

Description:

1. The 2020 Financial Statements were audited by the independent auditors, LIU, SHUI-EN and YANG, JING-TING of Deloitte & Touche have been approved by the Board of Directors, and reviewed by the Audit Committee.
2. For the 2020 Business Report, Independent Auditors' Report, and the 2020 Financial Statements, please refer to Attachments 1 and 3 (page 15-16 and page 18-40).

Resolution:

Proposal 2: Ratification of 2020 earnings distribution plan.

(Proposed by the Board of Directors)

Description:

1. The 2020 Earnings Distribution Plan of the Company has been submitted by the Board of Directors, in accordance with the Company Act and the Company's Articles of Incorporation, as shown in the following table. The total dividends will amount to NT\$480,785,095; each common share holder will be entitled to receive a cash dividend of NT\$5 per share (NT\$480,785,095 in total).
2. The cash dividends will be calculated to the nearest NT dollar. The remainder will be booked in the account of other revenue.
3. Subject to the approval of the general shareholders' meeting, the Chairman is authorized to determine the ex-dividend date for the cash dividend distribution and other related matters.
4. Prior to the ex-dividend date for the distribution, if the number of total shares outstanding has changed, so that the ratio of the cash dividends is changed and need to be adjusted, the Chairman is authorized to make such adjustments.

Resolution:

Ennoconn Corporation
2020 Earnings Allocation Table

Unit: NT\$

Items	Amount
Beginning retained earnings	222,806,867
Remeasurement of defined benefit plans recognized in retained earnings	(8,246,858)
Disposal of equity instrument measured at fair value through other comprehensive income, the aggregated gains and losses are directly transferred to retained earnings	3,794,100
Beginning unappropriated retained earnings after adjustment	218,354,109
Add: Net profit for the period	1,111,524,036
Less: Amount appropriated as legal reserve	(110,707,128)
Less: Amount appropriated as special reserve	(160,809,877)
Distributable earnings for the period	1,058,361,140
Distribution Item	
Shareholders' bonus (cash dividend) - NT\$5 per share	(480,785,095)
Total of shareholders' bonus	(480,785,095)
Ending undistributed earnings	577,576,045

Chairman: Chu, Fu-Chuan

President: Tsai, Neng-Chi

Accounting Officer: Wu, You-Mei

Discussion Items

Proposal 1: To discuss the amendment to the Rules of Procedures for Shareholders' Meeting.

(Proposed by the Board of Directors)

Description:

In accordance with Letter No. Taiwan-Stock-Governance-1090009468 issued on June 3, 2020, and No. Tawan-Stock-Governance-1100001446 issued on January 28, 2021, by Taiwan Stock Exchange, it is proposed to amend the Company's "Rules of Procedures for Shareholders' Meeting" to improve its corporate governance and safeguard its shareholder's rights and interests. For the Comparison between Original and Amendments to the Rules of Procedures for Shareholders' Meeting, please refer to Attachment 4 (page 41~47).

Resolution:

Proposal 2: To discuss the amendment to the Company's "Rules for Election of Directors".

(Proposed by the Board of Directors)

Description:

In accordance with Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange on June 3, 2020, it is proposed to amend the Company's "Rules for Election of Directors" to improve its corporate governance and safeguard its shareholders' rights and interests. For the Comparison between Original and Amendments to the Procedures for Election of Directors, please refer to Attachment 5 (page 48~56).

Resolution:

Proposal 3: To discuss the amendment to the Company's "Procedures for Endorsements and Guarantees".

(Proposed by the Board of Directors)

Description:

In response to the Company's needs for operation development and management, it is proposed to amend its "Procedures for Endorsements and Guarantees". For the Comparison between Original and Amendments to the Procedures for Endorsements and Guarantees, please refer to Attachment 6 (page 57).

Proposal 4: To discuss the private placement of convertible corporate bonds.

(Proposed by the Board of Directors)

Description:

The Company proposes to issue private unsecured convertible corporate bonds (for three or five years) within the amount of NT\$ 1.5 billion, with NT\$100,000 of face value per bond, in order to increase its working capital. It is proposed to request the Shareholders' Meeting to authorize the Board of Directors to handle that, within one year after the date of the resolution made by the Shareholders' Meeting, depending on market conditions or the Company's operating needs.

- I. The following items shall be explained for the private placement to be carried out in accordance with Paragraph 6 of Article 43-6 of the Securities and Exchange Act:
 1. The basis and reasonableness for determination of the price of private placement:
 - (1) The reference conversion price of the private unsecured convertible corporate bonds shall be determined based on the following price, whichever is higher and shall not be lower than 80% of the reference conversion price.
 - A. The simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, dividends, or capital reduction.
 - B. The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, dividends, or capital reduction.
 - (2) The actual issuance price of the private unsecured convertible corporate bonds shall not be lower than 80% of the theoretical price as the basis for determining the price of private placement.
 - (3) It is proposed to request the Shareholders' Meeting to authorize the Board of Directors to determine the issuance price of the private unsecured convertible corporate bonds based on specific persons' conditions in the future by referring to the Company's operating performance, future prospects and market conditions. The issuance price and conversion price of the private unsecured convertible corporate bonds shall be determined in accordance with the Directions for Public Companies Conducting Private Placements of Securities.

2. Methods for selection of specific individuals: Strategic investor only.
 - (1) Placees selection method and purpose: The subjects of the private placement of unsecured convertible corporate bonds shall comply with Article 43-6 of the Securities and Exchange Act, and shall be limited to the specific persons stipulated by Letter No. Taiwan-Finance-Certificate (I) – 0910003455 issued on June 13, 2002, by the Securities and Futures Commission (SFC) under the former Ministry of Finance, the Directions for Public Companies Conducting Private Placements of Securities revised on December 30, 2014, and related regulations. Placees are selected to assist the Company in improving its automated production capability, complementing its products, developing its customers and product lines, and increasing its revenue and profits.
 - (2) Necessity: In response to the fierce competition in the industry, it is necessary to introduce strategic investors in order to enhance the company's competitive advantage and future development.
 - (3) Expected benefits: The Company will develop more levels of customers and enter the potential vertical market by virtue of the participation by the placees, which will help the Company to grow steadily.
3. Necessary reasons for conducting private placement:
 - (1) Reasons for not using public offering: The company's operating results in recent years have been profitable and no accumulated losses. However, in response to the company's future operation and development strategies, strategic investment partners will be introduced. Private securities are not freely transferable within three years. For the long-term cooperative relationship between the company and applicants, private placements will be handled in accordance with the laws and other relevant regulations.
 - (2) Use of the funds obtained through private placement: The funds raised this time will be used to increase working capital.
 - (3) Expected benefits: It is expected to develop more levels of customers, accelerate the company's performance growth, enhance the company's operational competitiveness, and benefit shareholders' equity
- II. This private placement of unsecured convertible corporate bonds shall comply with the transfer subjects and conditions specified in Article 43-8 of the Securities and Exchange Act, and the private placement objects may be transferred freely only after it reaches three years after their delivery or allocation date. The Company plans to apply to the competent authority for public offering and over-the-counter (OTC) transaction of the privately placed bonds in accordance with the relevant laws and regulations, three years after the delivery date of the private bonds.
- III. The amount, use, and expected benefits of the funds raised through this private placement of unsecured convertible corporate bonds.

Expected Amount	Fund Use	Expected Benefits
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of Private Placement		
No more than NT\$ 1.5 billion	To increase working capital	To develop more levels of customers, enter the potential vertical market, promote the diversity of products, improve automated production capability, and respond to the Company's development in the future.

- IV. If any relevant matters such as the issuance conditions, planned items, amount to be raised, use of funds, estimated schedule, and possible benefits related to the private unsecured convertible corporate bonds as well as all other matters related to the issuance plan must be changed or corrected due to amendment to laws or regulations, or the stipulations of competent authority, or based on operating evaluation or the impact on objective environment, it is proposed to request the Shareholders' Meeting to authorize the Board of Directors to adjust, determine and handle it based on the market conditions at that time; If correction needs to be made due to any amendment to laws or regulations as instructed by competent authority or based on operating evaluation or objective environment in the future, the Company also shall authorize the Board of Directors to be responsible for dealing with it fully.
- V. In addition to the above-mentioned scope of authorization, it is proposed to request the Shareholders' Meeting to authorize the Chairman to sign and negotiate the contracts and documents related to this private placement plan on behalf of the Company, and to deal with all matters required for the Company to conduct this private placement, in order to cooperate with this private placement.

Resolution:

Proposal 5: To discuss the transfer of shares to employees at a price lower than the actual average repurchase price.

(Proposed by the Board of Directors)

Description:

There are 655,000 shares repurchased by the Company for the first time remained. In order to motivate employees and improve their cohesiveness, it is proposed to transfer the shares to employees at a price lower than the actual average repurchase price of the shares. In accordance with Article 10-1 of the Regulations Governing Share Repurchase by Listed and OTC Companies, the following matters shall be explained for the transfer of shares to the employees at a price lower than the actual average repurchase price of the shares:

- I. The determined transfer price, discount ratio, as well as the calculation basis and reasonableness.

The price for transferring treasury shares to employees is determined as NT\$260,

which is 72.90% of the average repurchase price NT\$356.65, and 128.82% of the average closing price of 201.83 for the three business days before May 13, 2021. The discount ratio is reasonable as judged based on current economic conditions and the Company's operating status in the future.

II. Number of shares to be transferred, purpose, and reasonableness of transfer:

Number of shares to be transferred: 655,000 shares

Purpose: To motivate employees and improve their cohesiveness.

Reasonableness: It is reasonable to motivate employees appropriately by offering 72.90% of the average repurchase price, and that the proposed number of shares to be transferred to employees complies with Article 10-1 of the Regulations Governing Share Repurchase by Listed and OTC Companies and such accumulated shares does not exceed 5% of the company's total issued shares.

III. Qualification requirements for share subscribers, and the number of shares they are allowed to subscribe for:

Qualification requirements for share subscribers: subject to Article IV of the "Regulations Governing Transfer of Repurchased Shares to Employees".

The number of shares employees are allowed to subscribe for: subject to Article V of the "Regulations Governing Transfer of Repurchased Shares to Employees".

IV. Impact on shareholder equity:

1. Possible expense amount is: (market price (the closing price on the base date of subscription) - actual transfer price) x actual number of shares transferred.

2. Dilution of the Company's earnings per share (EPS):

Dilution of earnings per share = possible expense amount ÷ number of outstanding shares of the Company

3. The financial burden on the Company caused by transfer of shares to the employees at a price lower than the actual average repurchase price of the shares:

If the Company transfers treasury shares to its employees at a price lower than the actual average repurchase price of the shares, the difference between the transfer amount and the costs to be obtained is expected to be NT\$63,307,672. Since there is no capital reserve in the Company's book generated by the treasury shares transaction, the difference shall offset the undistributed earnings NT\$63,307,640. The Company's current undistributed earnings are NT\$577,576,045 after earnings were distributed in 2020, and its undistributed earnings will decrease to NT\$514,268,405 after the treasury shares are transferred to the employees, but the Company will increase NT\$170,300,000 of cash available and the Company's operating

performance is continuing to increase, thus, it will not cause significant financial burden to the Company.

- V. For the Company's Regulations for the First Repurchase of Company Stock and Transfer to Employees, please refer to Attachment 7 (page 58-59).

Resolution:

Proposal 6: To discuss the issuance of new restricted shares to employees.

(Proposed by the Board of Directors)

Description:

I. It is proposed to issue new restricted employee shares in 2021 in accordance with Article 267 of the Company Act, the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and related regulations.

II. The explanation is made as follows in accordance with Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers:

(I) Total issuance: 500,000 shares, with par value of NT\$10 per share, totaling NT\$5,000,000. It shall be applied to competent authority for issuance, within one year after the date when the resolution is made by the Shareholders' Meeting, and the shares shall be issued by one or more times depending on actual demands within one year after the declaration and effectiveness notice issued by the securities and futures department under the competent authority is delivered. The actual issuance date and quantity shall be determined by the Chairman as authorized by the Board of Directors.

(II) The conditions for the issuance:

1. Issuance price: This issuance is based on gratuitous basis, which equals to NT\$0 per share.
2. Conditions for acquisition: The employees who meet the relevant conditions specified in the Company's Rules for Issuance of New Restricted Employee Shares may purchase the shares during the purchase period after they were granted with the new restricted employee shares.
- 3 · Employees who do not meet the relevant conditions: In the event that employees, to whom new restricted employee shares are granted, are yet to meet the conditions, the Company may recover and de-register the new shares issued.
4. Type of shares issued: New common shares of the Company.

(III) Employee qualifications and the number of new restricted employee shares

granted:

1. Employee qualification requirements: It shall be limited to the full-time formal employees of the Company or the companies controlled by or subordinated to the Company who enrolled on the current day when the new restricted employee shares were granted.
 2. The employees granted with the new restricted employee shares and the number they may obtain shall be determined by the Chairman and then submitted to the Board of Directors for approval based on employees' seniority, rank, work performance, overall contributions, special achievement, and other conditions. However, the consent of the Remuneration Committee is required for the Directors who are Managerial Officers or employees.
 3. The number of the new restricted employee shares that each individual employee can be awarded accumulatively will follow the relevant provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
- (IV) Necessary reasons for the issuance of the new restricted employee shares this time:
- To attract and retain required professional talents, motivate employees and improve their cohesiveness to jointly create higher profits for the Company and shareholders.
- (V) Expense amount, dilution to the Company's EPS, and other impacts on shareholders' interests:
1. Possible expense amount: If it is estimated based on the transaction price of NT\$189 on May 12, 2021, the expense amount is estimated to be about NT\$28,078 thousand, and the shares are scheduled to be issued on December 1, 2021; If it is estimated based on the acquisition conditions during acquisition period, the expense amount in 2021 to 2024 after issuance will be NT\$1,195 thousand, NT\$13,600 thousand, NT\$8,222 thousand, and NT\$5,061 thousand respectively.
 2. Dilution to the Company's EPS and other impacts on shareholders' interests: If it is estimated based on the Company's currently issued total shares, 96,812,019 shares (including 655,000 treasury shares), the dilution to EPS in each year of 2021 to 2024 after the issuance will be NT\$0.010, NT\$0.114, NT\$0.069, and NT\$0.042 respectively. Since the Company's annual revenue in the future is expected to continue to show an increasing trend, it is estimated overall that the dilution to the Company's EPS in future years will be limited, and there will be no significant impact on the existing shareholders' interests.

(VI) Other important agreed matters:

1. The Company's Rules for Issuance of New Restricted Employee Shares is approved by half of the Directors present at the Board of Directors' meeting attended by two-thirds of all Directors. The Chairman shall be authorized to amend the Rules if it is necessary to do so due to any amendment to laws and regulations, the requests from competent authorities for their reviews, or changes in the subjective environment. Those amendments shall be approved by the Board of Directors before the shares may be issued.
 2. The new restricted employee shares issued by the Company may be handled in the manner of stock trust custody.
 3. If there's any matter not specified in the Rules, it shall subject to related laws and regulations.
- III. The proposal is submitted to the Shareholders' Meeting for approval, and for relevant issuance operation after declaration is made to competent authority and takes effect.

Resolution:

Extemporaneous Motions

Adjournment

Attachments

Ennoconn Corporation

Attachment 1 Business Report

Thanks to the collective efforts of all employees of Ennoconn Corporation, the Company's net consolidated operating income throughout 2020 was NT\$84.09 billion, the net after-tax profit was NT\$1.11 billion, and EPS was NT\$12.13. As compared with 2019, the consolidated operating income increased by 3.17% and the net after-tax profit by 2.90%.

Looking back on the severe year in the industry, the Company was committed to the three-efficiency related to Ennoconn digital transformation: management efficiency, revenue efficiency, and operating efficiency, by virtue of the core competitive advantages of Ennoconn's various business units in R&D, technologies and products, etc., as well as the layout of global talents, localized services, further development of key technologies, integration and value increase of advantageous products, integration and connection of all channels, to continue to improve the Company's overall operating achievements.

The quarantine imposed by countries due to COVID-19 and the impact brought by Sino-US Trade War accelerated the migration and reorganization of the global supply chain, and changed cross-regional long chains into regional short chains, thus, it is vital to get close to and meet the service demands in local market; Ennoconn Corporation focused on resources integration and expanded the overall manufacturing services in the customer's local areas, while also developing high-growth, high-value, high-gross profit products and solutions; As for development, Ennoconn won the products design and manufacturing turnkey contract for lottery and game machines for smart gaming from the largest customer in the world to provide the customer with overall products and services on an exclusive basis; Ennoconn also won the products design and manufacturing turnkey contract for ATM, POS and self-checkout machines for smart retail from the largest customer in the world to provide the customer with professional manufacturing services for various kinds of products; In terms of quality improvement, in response to industry trends and market needs, Ennoconn adjusted its business organization and merged subsidiaries, added two major units, i.e. Smart IoT and Edge IoT. Among them, Smart IoT includes machine vision (applied to automated inspection

in factory, robotics, and other industries) and office vision (applied to smart video conferences and projection systems), while, Edge IoT includes the mobile edge (applied to logistics, warehousing, medical treatment, and other mobile devices) connected to the edge (applied to the network of plants, buildings, environmental control, and other equipment). These are the advantageous emerging industries with high growth and high gross profit in the market.

Looking to the future, Ennoconn Corporation will continue to develop its performance in the fields of smart retail, smart gaming, smart manufacturing, smart home, smart traffic, communication network security, system integration, and brand marketing, etc.; Ennoconn Corporation will further develop technologies and markets, and be committed to becoming a comprehensive solution provider for smart applications in the future new industries such as machine vision, mobile edge, edge connection, advantageous telecommunication, EV charging piles, electric vehicles, and unmanned self-driving cars, etc.; In addition, in order to further serve global customers, Ennoconn is integrating and establishing advanced SCM (Supply Chain Management), PLM (Product Life-Cycle Management), DFM (Design For Manufacture), and other important value-added service systems to improve customer's satisfaction and loyalty.

Ennoconn management team and its staff uphold their original aspiration, continue to undertake heavy burdens, and will face challenges carefully, and create a new situation. Thanks to all our shareholders for their enduring support and encouragement to the Company. The management team and the staff will continue to uphold our mission and are mindful of their responsibilities and will pursue profit maximization for the Company and its shareholders.

Yours sincerely,

We wish you health and good fortune.

Chairman: Chu, Fu-Chuan

President: Tsai, Neng-Chi

Accounting Officer: Wu, You-Mei

Attachment 2: Audit Committee's Review Report

The Board of Directors has prepared the Company's Financial Statements, 2020 Business Report and proposal for distribution of 2020 earnings. Of which, the Financial Statements have been audited by Deloitte & Touche. The Financial Statements, 2020 Business Report and proposal for distribution of 2020 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

Ennoconn Corporation

Chairman of the The Audit Committee: Su, Yu-Hui

On the date of March 29, 2021

Attachment 3

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities of the Company that are required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2020 (from January 1 to December 31, 2020), under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent company and its subsidiary prepared in conformity with the International Financial Reporting Standard 10. In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of parent company and its subsidiary. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify

Company Name: Ennoconn Corporation

Chairman: Chu, Fu-Chuan

On the date of March 29, 2021

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

CPA Audit Report

To Ennoconn Corporation:

Audit Opinion

We have audited the accompanying consolidated financial statements of the Ennoconn Corporation 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, changes in equity and 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 which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of Other Matter), 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements 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 in forming 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:

Impairment review of Goodwill

The goodwill of the Group mainly comes from mergers and acquisitions of group enterprises. The impairment evaluation tests are conducted by the management in accordance to IAS 36 "Impairment of Assets." Also, the goodwill was mainly sourced from the merger and acquisition of domestic and foreign listed companies with recoverable amount of using fair value less sales costs. Due to the significant impacts of the impairment review on the financial statements and the accuracy of calculation and measurement of the management, therefore, we have listed the impairment of goodwill as a key audit matter.

Our audit procedures for this critical matter consist of understanding the design and performance of the related internal control of the management, reviewing and re-calculating obtaining the evaluation report of goodwill impairment from the independent evaluation specialist entrusted by the management, understanding and reviewing the accuracy of the calculation on recoverable amount and carrying amounts, performing sensitivity analysis, and comprehensively evaluating the rationality of the above goodwill impairment evaluation.

Other Matters

Among the subsidiaries listed in the Group's consolidated financial statements, the financial statements of some subsidiaries were reviewed by other certified public accountants. Therefore, our opinions expressed in the consolidated financial statements, information regarding the financial statements of these subsidiaries, including the amounts and disclosures, are recognized and disclosed according to other certified public accountants' audit reports. The total assets of these subsidiaries as of December 31, 2020, and 2019 were NT\$43,641,974 thousand and NT\$42,707,107 thousand respectively, accounting for 46.84% and 47.98% of the total consolidated assets; the net operating revenue of these subsidiaries as of January 1 to December 31, 2020, and 2019 were NT\$42,052,848 thousand and NT\$40,714,804 thousand respectively, accounting for 50.01% and 49.95% of the net consolidated operating revenue.

In the consolidated financial statements, some of the financial statements evaluated by the equity method of the invested companies are reviewed by other certified public accountants. Therefore, in our opinion expressed in the consolidated financial statements, information regarding investments accounted for using the equity method by the associates and relevant disclosures are recognized and disclosed according to other certified public accountants' audit reports. The

investment balance of these investees under the equity method on December 31, 2019 were NT\$34,430 thousand, accounting for 0.04% of the total consolidated assets; the comprehensive income recognized under the equity method on December 31, 2019 were NT\$(5,406) thousand, accounting for (0.27)% of the total consolidated comprehensive income.

We have also audited the parent company only financial statements of Ennoconn Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unqualified opinion with other matters paragraphs for reference.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,

and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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 audit. We remain solely responsible for our opinion to Ennoconn Corporation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters

in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Certified Public Accountant Shui-En Liu

Certified Public Accountant Jing-Ting Yang

Securities and Futures Commission

Approval No.

Taiwan-Finance-Securities-VI-0920123784

Securities and Futures Commission Approval

No.

Taiwan-Finance-Securities-VI-0930128050

March 29, 2021

Ennoconn Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 16,020,641	17	\$ 18,339,874	21
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	141,915	-	113,653	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	-	-	39,160	-
1136	Financial assets at amortized cost - current (Notes 4, 9, and 37)	2,302,367	2	49,484	-
1140	Contract assets - current (Notes 4 and 26)	6,131,461	7	5,009,480	6
1150	Net Notes receivable (Notes 4 and 10)	53,888	-	161,558	-
1172	Net Accounts receivable (Note 4, 5, 10, and 37)	14,493,161	16	15,907,220	18
1180	Accounts receivable - related parties (Notes 4, 5, 10, and 36)	493,067	1	1,209,727	1
130X	Net Inventory (Notes 4, 5, 11, and 37)	12,836,330	14	11,544,237	13
1470	Other current assets (Note 4, 19, and 37)	5,044,191	5	3,912,597	4
11XX	Total Current Assets	57,517,021	62	56,286,990	63
	Non-Current Assets				
1510	Financial assets at fair value through profit or loss - non-current (Note 4, 7 and 21)	616,210	1	524,539	1
1520	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	631,789	1	328,893	-
1550	Investments accounted for using the equity method (Notes 4 and 13)	462,086	-	439,424	1
1600	Property, plant and equipment (Notes 4, 5, 14, and 37)	6,723,602	7	4,848,647	5
1755	Right-of-use assets (Notes 3, 4, 15, and 37)	3,142,556	3	3,221,299	4
1805	Goodwill (Notes 4, 5, 16, and 31)	13,787,619	15	13,485,947	15
1821	Other intangible assets (Notes 4 and 17)	7,275,689	8	7,290,278	8
1840	Deferred tax assets (Notes 4 and 28)	1,635,532	2	1,504,865	2
1960	Prepayments for investments (Notes 4 and 18)	80,308	-	63,699	-
1990	Other non-current assets (Notes 4, 19, 24, and 37)	1,290,169	1	1,024,179	1
15XX	Total non-current assets	35,645,560	38	32,731,770	37
1XXX	Total Assets	\$ 93,162,581	100	\$ 89,018,760	100
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Notes 4 and 20)	\$ 8,848,652	10	\$ 10,256,786	12
2120	Financial liabilities at fair value through profit or loss - current (Notes 4, 7, and 21)	685	-	24,284	-
2130	Contract liabilities - current (Notes 4 and 26)	5,950,933	6	5,697,907	6
2150	Notes payable - non-related parties (Note 4)	1,154,353	1	951,880	1
2160	Notes payable - related parties (Note 4)	3,897	-	3,272	-
2170	Accounts payable (Note 4)	14,024,223	15	14,334,257	16
2180	Accounts payable - related parties (Notes 4 and 36)	1,177,824	1	1,312,692	2
2200	Other payables (Notes 4, 22, and 36)	5,569,135	6	5,237,789	6
2230	Current tax liabilities (Note 4)	645,570	1	526,362	1
2250	Provisions - current (Notes 4 and 23)	1,425,352	2	1,838,832	2
2280	Lease liabilities - current (Notes 3, 4, and 15)	1,003,690	1	980,830	1
2321	corporate bonds matured or exercised redemption rights within one year or one operating cycle (Note 21)	1,391,307	1	-	-
2322	Long-term liabilities matured within one year or one operating cycle (Notes 4 and 20)	701,921	1	698,509	1
2399	Other current liabilities (Notes 4 and 22)	353,218	-	280,699	-
21XX	Total Current Liabilities	42,250,760	45	42,144,099	48
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7, and 31)	964,002	1	24,718	-
2530	corporate bonds payable (Notes 4 and 21)	7,065,064	8	7,079,439	8
2540	Long-term borrowings (Notes 4 and 20)	7,385,083	8	7,001,332	8
2550	Provisions - non-current (Notes 4 and 23)	592,990	1	698,117	1
2570	Deferred tax liabilities (Notes 4 and 28)	528,902	-	469,043	-
2580	Lease liabilities - non-current (Note 3, 4 and 15)	2,544,899	3	2,466,745	3
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	537,194	-	486,102	-
2670	Other non-current liabilities (Notes 4 and 22)	792,337	1	722,548	1
25XX	Total Non-Current Liabilities	20,410,471	22	18,948,044	21
2XXX	Total Liabilities	62,661,231	67	61,092,143	69
	Equity attributable to owners of the Company (Notes 4, 21, 25, 33, and 34)				
3110	Ordinary shares	932,720	1	835,745	1
3200	Capital surplus	6,738,090	7	6,339,752	7
	Retained earnings				
3310	Legal reserve	643,854	1	535,830	1
3320	Special reserve	850,114	1	384,452	-
3350	Unappropriated earnings	1,329,879	1	1,211,091	1
3300	Total Retained Earnings	2,823,847	3	2,131,373	2
3490	Other equity	(1,010,924)	(1)	(850,114)	(1)
3500	Treasury stock	(233,608)	-	(236,232)	-
31XX	Total equity attributable to owners of the Company	9,250,125	10	8,220,524	9
36XX	Non-controlling interests (Notes 4, 16, 25, 31, and 32)	21,251,225	23	19,706,093	22
3XXX	Total Equity	30,501,350	33	27,926,617	31
	Total Liabilities and Equity	\$ 93,162,581	100	\$ 89,018,760	100

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019

Unit: NT\$1,000
Earnings per share in NT\$

Code		For the years ended December 31, 2020		For the years ended December 31, 2019	
		Amount	%	Amount	%
4100	Net Operating revenue (Notes 4, 26, 36, and 42)	\$ 84,091,485	100	\$ 81,506,216	100
5110	Operational costs (Notes 11, 15, 27, and 36)	(64,498,302)	(76)	(62,753,571)	(77)
5900	Gross profit	<u>19,593,183</u>	<u>24</u>	<u>18,752,645</u>	<u>23</u>
	OPERATING EXPENSES (Notes 10, 15, 24, and 27)				
6100	Selling Expenses	(3,628,929)	(4)	(3,378,558)	(4)
6200	General and administrative expenses	(4,136,866)	(5)	(4,138,693)	(5)
6300	Research and development expense	(7,886,545)	(10)	(7,788,264)	(10)
6450	Expected credit losses	(<u>266,818</u>)	<u>-</u>	(<u>69,783</u>)	<u>-</u>
6000	Total operational expenses	(<u>15,919,158</u>)	(<u>19</u>)	(<u>15,375,298</u>)	(<u>19</u>)
6900	Operating profit	<u>3,674,025</u>	<u>5</u>	<u>3,377,347</u>	<u>4</u>
	Non-operating revenue and expenses (Notes 13, 21, and 27)				
7100	Interest income	75,914	-	115,002	-
7190	Other income	36,409	-	54,885	-
7020	Other gains and losses	715,575	1	816,760	1
7050	Financial costs	(536,706)	(1)	(573,930)	(1)
7060	Profit or loss of associates under equity method	<u>11,350</u>	<u>-</u>	<u>21,892</u>	<u>-</u>
7000	Total non-operating revenue and expenses	<u>302,542</u>	<u>-</u>	<u>434,609</u>	<u>-</u>

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Code		For the years ended December 31, 2020		For the years ended December 31, 2019	
		Amount	%	Amount	%
7900	Profit before tax	\$ 3,976,567	5	\$ 3,811,956	4
7950	Tax expense (Notes 4 and 28)	(821,184)	(1)	(785,648)	(1)
8200	Net profit	<u>3,155,383</u>	<u>4</u>	<u>3,026,308</u>	<u>3</u>
	Other comprehensive income (Notes 4, 24, 25, and 28)				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	(28,710)	-	(31,011)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(2,060)	-	(81,356)	-
8320	Share of other comprehensive income from associates and joint venture recognized under equity method - items that will not be reclassified to profit or loss	-	-	(8)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>4,037</u>	-	<u>16,979</u>	-
		(<u>26,733</u>)	-	(<u>95,396</u>)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	45,065	-	(941,760)	(1)
8370	Share of other comprehensive income from associates and joint venture recognized under equity method	(<u>504</u>)	-	(<u>451</u>)	-
		<u>44,561</u>	-	(<u>942,211</u>)	(1)
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>17,828</u>	-	(<u>1,037,607</u>)	(1)
8500	Total comprehensive income for the period	<u>\$ 3,173,211</u>	<u>4</u>	<u>\$ 1,988,701</u>	<u>2</u>

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Code		For the years ended December 31, 2020		For the years ended December 31, 2019	
		Amount	%	Amount	%
	NET PROFIT/(LOSS) ATTRIBUTABLE TO				
8610	Owners of the Company	\$ 1,111,524	1	\$ 1,080,242	1
8620	Non-controlling interests	<u>2,043,859</u>	<u>3</u>	<u>1,946,066</u>	<u>2</u>
8600		<u>\$ 3,155,383</u>	<u>4</u>	<u>\$ 3,026,308</u>	<u>3</u>
	TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
8710	Owners of the Company	\$ 946,261	1	\$ 595,713	1
8720	Non-controlling interests	<u>2,226,950</u>	<u>3</u>	<u>1,392,988</u>	<u>1</u>
8700		<u>\$ 3,173,211</u>	<u>4</u>	<u>\$ 1,988,701</u>	<u>2</u>
	Earnings per share (Note 29)				
9750	Basic	<u>\$ 12.13</u>		<u>\$ 12.03</u>	
9850	Diluted	<u>\$ 9.64</u>		<u>\$ 9.84</u>	

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the parent company																	
		Ordinary share capital		Capital surplus				Retained earnings					Other equity						
		Number of Shares (thousand shares)	Share capital	Stock issuance premium	Convertible corporate bonds	convertible corporate bonds	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on the translation of financial statements of foreign operations	Unrealized profit and loss of financial assets measured at fair value through other comprehensive income	Total	Treasury stock	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2019	77,574	\$ 775,745	\$ 2,901,495	\$ 1,442,451	\$ 384,494	\$ -	\$ 4,728,440	\$ 425,018	\$ 495,665	\$ 800,779	\$ 1,721,462	(\$ 345,162)	(\$ 39,290)	(\$ 384,452)	(\$ 236,048)	\$ 6,605,147	\$ 19,294,031	\$ 25,899,178
	Appropriation and distribution of retained earnings for the year ended December 31, 2018																		
B1	Legal reserve	-	-	-	-	-	-	-	110,812	-	(110,812)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	(111,213)	111,213	-	-	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	-	-	(580,436)	(580,436)	-	-	-	-	(580,436)	-	(580,436)
	Subtotal	-	-	-	-	-	-	-	110,812	(111,213)	(580,035)	(580,436)	-	-	-	-	(580,436)	-	(580,436)
M7	Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(71,028)	(71,028)	-	-	-	-	(71,028)	832,863	761,835
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,041,681)	(1,041,681)
	Other changes in capital surplus																		
C5	Equity component of convertible corporate bonds issued by the Company	-	-	-	-	332,132	-	332,132	-	-	-	-	-	-	-	-	-	-	332,132
C17	The invalidation of the stock warrants of convertible corporate bonds	-	-	-	-	(249,881)	249,881	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	82,251	249,881	332,132	-	-	-	-	-	-	-	-	-	-	332,132
D1	Net profit in 2019	-	-	-	-	-	-	-	-	-	1,080,242	1,080,242	-	-	-	-	1,080,242	1,946,066	3,026,308
D3	Other comprehensive income after tax in 2019	-	-	-	-	-	-	-	-	-	(19,382)	(19,382)	(432,582)	(32,565)	(465,147)	-	(484,529)	(553,078)	(1,037,607)
D5	Total comprehensive income in 2019	-	-	-	-	-	-	-	-	-	1,060,860	1,060,860	(432,582)	(32,565)	(465,147)	-	595,713	1,392,988	1,988,701
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	515	515	-	(515)	(515)	-	-	-	-
E1	Issuance of ordinary shares for cash	6,000	60,000	1,279,180	-	-	-	1,279,180	-	-	-	-	-	-	-	-	1,339,180	-	1,339,180
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)	-	(184)
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(772,108)	(772,108)
Z1	Balance on December 31, 2019	83,574	835,745	4,180,675	1,442,451	466,745	249,881	6,339,752	535,830	384,452	1,211,091	2,131,373	(777,744)	(72,370)	(850,114)	(236,232)	8,220,524	19,706,093	27,926,617
	Appropriation and distribution of retained earnings for the year ended December 31, 2019																		
B1	Legal reserve	-	-	-	-	-	-	-	108,024	-	(108,024)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	465,662	(465,662)	-	-	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	-	-	(331,678)	(331,678)	-	-	-	-	-	-	(331,678)
B9	Stock Dividend to Shareholders	8,292	82,919	-	-	-	-	-	-	-	(82,919)	(82,919)	-	-	-	-	-	-	-
	Subtotal	8,292	82,919	-	-	-	-	-	108,024	465,662	(988,283)	(414,597)	-	-	-	-	-	(331,678)	(331,678)
M7	Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	63,337	63,337	-	-	-	-	-	-	-	-	63,337	(99,018)	(35,681)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(697,730)	(697,730)
D1	Net profit for 2020	-	-	-	-	-	-	-	-	-	1,111,524	1,111,524	-	-	-	-	1,111,524	2,043,859	3,155,383
D3	Other comprehensive income after tax for 2020	-	-	-	-	-	-	-	-	-	(8,247)	(8,247)	(156,514)	(502)	(157,016)	-	(165,263)	183,091	17,828
D5	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR 2020	-	-	-	-	-	-	-	-	-	1,103,277	1,103,277	(156,514)	(502)	(157,016)	-	946,261	2,226,950	3,173,211
II	Convertible corporate bonds converted to ordinary shares	1,406	14,056	-	355,200	(20,199)	-	335,001	-	-	-	-	-	-	-	-	349,057	-	349,057
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	3,794	3,794	-	(3,794)	(3,794)	-	-	-	-
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,624	2,624	-	2,624
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,930	114,930
Z1	Balance on December 31, 2020	93,272	\$ 932,720	\$ 4,180,675	\$ 1,797,651	\$ 446,546	\$ 313,218	\$ 6,738,090	\$ 643,854	\$ 850,114	\$ 1,329,879	\$ 2,823,847	(\$ 934,258)	(\$ 76,666)	(\$ 1,010,924)	(\$ 233,608)	\$ 9,250,125	\$ 21,251,225	\$ 30,501,350

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation and Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

Code		For the years ended December 31, 2020	For the years ended December 31, 2019
	Cash Flows from Operating Activities		
A10000	Profit before tax for the period	\$ 3,976,567	\$ 3,811,956
A20010	Adjustments for		
A21000	Expected credit losses	266,818	69,783
A20100	Depreciation expenses	1,601,184	1,385,468
A20200	Amortization expenses	1,354,199	1,425,749
A21900	Compensation costs of employee share options	1,431	20,180
A20900	Financial costs	536,706	573,930
A22300	Profit on profit of associates and joint ventures recognized under equity method	(11,350)	(21,892)
A21200	Interest income	(75,914)	(115,002)
A21300	Dividend income	(16,798)	(13,856)
A23700	Inventory price loss (recovery gain)	72,323	(209,750)
A29900	Inventory scrap loss	180,930	301,188
A23700	Impairment loss	-	66,814
A22500	Gain on disposal and scrap of property, plant and equipment	(4,524)	(4,762)
A20400	Net Gain of financial assets or liabilities at fair value through profit or loss	(232,619)	(82,009)
A21100	Gains on bargain purchase	(64,727)	(29,913)
A23100	Loss on buyback of corporate bonds	-	187,228
A24100	Gain on foreign exchange	(60,437)	(7,907)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(6,940)	(12,985)
A31125	Contract assets	(1,111,874)	(176,962)
A31130	Notes receivable	107,670	(54,463)
A31150	Accounts receivable	2,918,451	942,409
A31200	Inventory	(765,491)	160,597
A31240	Other current assets	(713,656)	(49,211)
A32125	Contract liabilities	133,290	34,260
A32130	Notes payable	203,098	(89,007)
A32150	Accounts payable	(983,897)	430,945
A32180	Other payables	141,596	(581,246)
A32200	Provisions	(666,561)	(1,414,505)
A32230	Other current liabilities	41,627	110,967
A32990	Others	(261,066)	(185,414)
A33000	Cash generated from/(used in) operations	6,560,036	6,472,590
A33100	Interest received	78,845	114,417
A33200	Dividend received	16,798	13,856
A33300	Interest paid	(435,367)	(461,439)
A33500	Income tax paid	(903,727)	(897,779)
AAAA	Net cash inflow from operating activities	<u>5,316,585</u>	<u>5,241,645</u>

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Code		For the years ended December 31, 2020	For the years ended December 31, 2019
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through other comprehensive income	(\$ 267,344)	(\$ 108,752)
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	50,321	14,434
B00040	Purchase of financial assets at amortized cost	(2,252,883)	(45,110)
B00050	Proceeds from sale of financial assets at amortized cost	-	-
B01800	Purchase of long-term equity investment under equity method	(80,275)	(17,063)
B02000	Increase in prepayments for investments	(79,019)	(63,699)
B02200	Net cash inflow (outflow) on acquisition of subsidiaries	(1,290,400)	145,550
B02700	Purchase of property, plant and equipment	(1,155,704)	(781,652)
B02800	Proceeds from sale of property, plant and equipment	73,739	135,572
B04500	Purchase of intangible assets	(943,634)	(684,042)
B03800	Increase in refundable deposits	(108,952)	(126,556)
B06500	Decrease in other financial assets	106,743	88,860
B07100	Increase in prepayments for equipment	(4,585)	(200,682)
BBBB	Net cash outflow from investment activities	(5,951,993)	(1,643,140)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(1,460,736)	(165,457)
C01200	Proceeds from issuance of convertible corporate bonds	2,194,700	6,007,148
C01300	Repayments of corporate bonds payables	-	(6,242,205)
C01600	Proceeds from long-term borrowings	2,474,001	5,884,831
C01700	Repayments of long-term borrowings	(2,825,955)	(1,281,362)
C04020	Repayment of lease principal	(938,116)	(686,997)
C04600	Issuance of ordinary shares for cash	-	1,319,000
C04500	Distribution of cash dividend	(331,678)	(580,436)
C05800	Cash Dividends paid to non-controlling interests	(697,730)	(1,041,681)
C05800	Changes in non-controlling interests	(541,611)	(853,785)
CCCC	Net cash inflow (outflow) from financing activities	(2,127,125)	2,359,056
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH and cash equivalents HELD IN FOREIGN CURRENCIES	<u>443,300</u>	(<u>74,203</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	(2,319,233)	5,883,358
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>18,339,874</u>	<u>12,456,516</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 16,020,641</u>	<u>\$ 18,339,874</u>

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

CPA Audit Report

To Ennoconn Corporation:

Audit Opinion

We have audited the accompanying parent company only financial statements of the Ennoconn Corporation, which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of Other Matter), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 parent company only financial statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2020 are stated as follows:

Evaluation of Investment Impairment Under the Equity Method

The Company's investments in using the equity method include goodwill arising from mergers and acquisitions which is significant, and the impairment evaluation tests are conducted by the management in according to IAS 36 "Impairment of Assets." Also, the goodwill was mainly sourced from the merger and acquisition of domestic and foreign listed companies with recoverable amount of using fair value less sales costs. Due to the significant impacts of the impairment review on the financial statements and the accuracy of calculation and measurement of the management, therefore, we have listed the impairment of goodwill as a key audit matter.

Our audit procedures for this critical matter consist of understanding the design and performance of the related internal control of the management, reviewing and re-calculating obtaining the evaluation report of goodwill impairment from the independent evaluation specialist entrusted by the management, understanding and reviewing the accuracy of the calculation on recoverable amount and carrying amounts, performing sensitivity analysis, and comprehensively evaluating the rationality of the above goodwill impairment evaluation.

Other Matters

Among the abovementioned parent company only financial statements, the financial statements of some investee companies accounted for using the equity method were reviewed by other certified public accountants. Therefore, our opinions expressed in the abovementioned parent company only financial statements, information regarding the financial statements of these investee companies accounted for using the equity method are recognized according to other certified public accountants' audit reports. The investment amounts of the investee companies accounted for using the equity method as of December 31, 2020, and 2019 were NT\$7,964,362 thousand and NT\$8,171,457 thousand respectively, accounting for 37.00% and 39.66% of the total assets; the comprehensive income of these investee companies accounted for using the equity method as of January 1 to December 31, 2020, and 2019 were NT\$328,834 thousand and NT\$436,646 thousand respectively, accounting for 34.75% and 73.30% of the comprehensive income.

Responsibilities of Management and Those Charged with Governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Parent Company Only financial statements

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

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

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

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Ennoconn Corporation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
Certified Public Accountant Shui-En Liu

Certified Public Accountant Jing-Ting Yang

Securities and Futures Commission
Approval No.
Taiwan-Finance-Securities-VI-0920123784

Securities and Futures Commission Approval No.
Taiwan-Finance-Securities-VI-0930128050

March 29, 2021

Ennoconn Corporation
Parent Company Only Balance Sheets
December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 531,134	3	\$ 341,659	1
1136	Financial assets at amortized cost - current (Notes 4, 8, and 30)	289,873	1	2,175	-
1172	Accounts receivable (Notes 4, 5, and 9)	209,649	1	344,773	2
1180	Accounts receivable - related parties (Notes 4, 5, 9, and 29)	460,062	2	292,403	1
130X	Inventory (Notes 4, 5, and 10)	222,104	1	148,884	1
1470	Other current assets (Notes 4, 15, and 29)	143,980	1	161,305	1
11XX	Total Current Assets	<u>1,856,802</u>	<u>9</u>	<u>1,291,199</u>	<u>6</u>
	Non-Current Assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4, 7, and 17)	9,016	-	-	-
1550	Investments accounted for using the equity method (Notes 4, 5, 11, 25, and 29)	19,065,111	89	18,679,156	91
1600	Property, plant and equipment (Notes 4 and 12)	517,081	2	522,447	3
1755	Right-of-use assets (Notes 4 and 13)	11,440	-	18,304	-
1821	Intangible assets (Notes 4 and 14)	1,052	-	1,533	-
1840	Deferred tax assets (Notes 4 and 23)	59,844	-	87,086	-
1990	Other non-current assets (Notes 4, 15, and 19)	2,186	-	5,235	-
15XX	Total non-current assets	<u>19,665,730</u>	<u>91</u>	<u>19,313,761</u>	<u>94</u>
1XXX	Total Assets	<u>\$ 21,522,532</u>	<u>100</u>	<u>\$ 20,604,960</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Notes 4 and 16)	\$ 4,666,000	22	\$ 4,620,000	23
2120	Financial liabilities at fair value through profit or loss - current (Notes 4, 7, and 17)	118	-	-	-
2170	Accounts payable (Note 4)	128,917	1	54,478	-
2180	Accounts payable - related parties (Notes 4 and 29)	384,273	2	344,381	2
2200	Other payables (Notes 4, 18, and 29)	203,748	1	163,187	1
2230	Current tax liabilities (Notes 4 and 23)	1,347	-	-	-
2280	Lease liabilities - current (Notes 4 and 13)	6,853	-	6,791	-
2320	Long-term liabilities matured within one year or one operating cycle (Notes 4 and 17)	1,391,307	6	-	-
2399	Other current liabilities (Notes 4 and 18)	49,832	-	79,137	-
21XX	Total Current Liabilities	<u>6,832,395</u>	<u>32</u>	<u>5,267,974</u>	<u>26</u>
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7, and 17)	-	-	24,718	-
2530	corporate bonds payable (Notes 4 and 17)	5,434,586	25	7,079,439	34
2570	Deferred tax liabilities (Notes 4 and 23)	611	-	616	-
2580	Lease liabilities - non-current (Notes 4 and 13)	4,603	-	11,456	-
2670	Other non-current liabilities (Notes 4 and 18)	212	-	233	-
25XX	Total Non-Current Liabilities	<u>5,440,012</u>	<u>25</u>	<u>7,116,462</u>	<u>34</u>
2XXX	Total Liabilities	<u>12,272,407</u>	<u>57</u>	<u>12,384,436</u>	<u>60</u>
	Equity (Notes 4, 17, 20, 26, and 27)				
3110	Ordinary shares	932,720	5	835,745	4
3200	Capital surplus	6,738,090	31	6,339,752	31
	Retained earnings				
3310	Legal reserve	643,854	3	535,830	2
3320	Special reserve	850,114	4	384,452	2
3350	Unappropriated earnings	1,329,879	6	1,211,091	6
3300	Total Retained Earnings	<u>2,823,847</u>	<u>13</u>	<u>2,131,373</u>	<u>10</u>
3490	Other equity	(1,010,924)	(5)	(850,114)	(4)
3500	Treasury stock	(233,608)	(1)	(236,232)	(1)
31XX	Total Equity	<u>9,250,125</u>	<u>43</u>	<u>8,220,524</u>	<u>40</u>
	Total Liabilities and Equity	<u>\$ 21,522,532</u>	<u>100</u>	<u>\$ 20,604,960</u>	<u>100</u>

The attached notes are part of this parent company only financial report.

(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

Unit: NT\$1,000

Earnings per share in NT\$

Code		For the year ended December 31, 2020		For the year ended December 31, 2019	
		Amount	%	Amount	%
4100	Net Operating revenue (Notes 4, 21, and 29)	\$ 2,547,970	100	\$ 3,188,103	100
5110	Operational costs (Notes 10, 22, and 29)	(2,238,998)	(88)	(2,754,672)	(86)
5900	Gross profit	308,972	12	433,431	14
5910	Unrealized gain from sales	(10,890)	-	(29,694)	(1)
5920	Realized gain from sales	29,694	1	29,694	1
	OPERATING EXPENSES (Notes 9, 19, 22, and 29)				
6100	Selling Expenses	(74,785)	(3)	(117,232)	(4)
6200	General and administrative expenses	(77,606)	(3)	(99,800)	(3)
6300	Research and development expense	(85,725)	(3)	(119,057)	(4)
6450	Expected credit gains (losses)	(25,620)	(1)	17,380	1
6000	Total operational expenses	(263,736)	(10)	(318,709)	(10)
6900	Operating profit	64,040	3	114,722	4
	Non-operating revenue and expenses (Notes 4, 11, 17, and 22)				
7100	Interest income	3,417	-	6,771	-
7010	Other income	3,336	-	2,307	-
7020	Other gains and losses	30,013	1	(195,266)	(6)
7050	Financial costs	(136,875)	(5)	(186,924)	(6)
7070	Profit or loss of associates under equity method	1,191,081	47	1,327,642	42
7000	Total non-operating revenue and expenses	1,090,972	43	954,530	30

(continued on next page)

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Code		For the year ended December 31, 2020		For the year ended December 31, 2019	
		Amount	%	Amount	%
7900	Profit before tax	\$ 1,155,012	46	\$ 1,069,252	34
7950	Tax expense (Notes 4 and 23)	(43,488)	(2)	10,990	-
8200	Net profit	<u>1,111,524</u>	<u>44</u>	<u>1,080,242</u>	<u>34</u>
	Other comprehensive income (Notes 4, 19, 20, and 23)				
	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	(24)	-	(10)	-
8330	Share of other comprehensive income from subsidiaries accounted for using the equity method	(8,730)	(1)	(51,939)	(2)
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>5</u>	<u>-</u>	<u>2</u>	<u>-</u>
8310		(<u>8,749</u>)	(<u>1</u>)	(<u>51,947</u>)	(<u>2</u>)
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(156,815)	(6)	(397,220)	(12)
8370	Share of other comprehensive income from subsidiaries accounted for using the equity method	<u>301</u>	<u>-</u>	(<u>35,362</u>)	(<u>1</u>)
8360		(<u>156,514</u>)	(<u>6</u>)	(<u>432,582</u>)	(<u>13</u>)
8300	Other comprehensive income/(loss) for the year, net of income tax	(<u>165,263</u>)	(<u>7</u>)	(<u>484,529</u>)	(<u>15</u>)
8500	Total comprehensive income for the period	<u>\$ 946,261</u>	<u>37</u>	<u>\$ 595,713</u>	<u>19</u>
	Earnings per share (Note 24)				
9750	Basic	<u>\$ 12.13</u>		<u>\$ 12.03</u>	
9850	Diluted	<u>\$ 9.64</u>		<u>\$ 9.83</u>	

The attached notes are part of this parent company only financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

Code		Ordinary share capital		Capital surplus				Retained earnings				Other equity item		Treasury stock	Total equity		
		Number of Shares (thousand shares)	Share capital	Stock issuance premium	Conversion premium of convertible corporate bonds	Stock warrants for convertible corporate bonds	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations			Unrealized gain/(loss) on financial assets at fair value through other comprehensive income	
A1	Balance on January 1, 2019	77,574	\$ 775,745	\$ 2,901,495	\$ 1,442,451	\$ 384,494	\$ -	\$ 4,728,440	\$ 425,018	\$ 495,665	\$ 818,932	\$ 1,739,615	(\$ 345,162)	(\$ 39,290)	(\$ 384,452)	(\$ 236,048)	\$ 6,623,300
A3	Impact amount of retrospective application and restatement (Note 11)	-	-	-	-	-	-	-	-	-	(18,153)	(18,153)	-	-	-	-	(18,153)
A5	Balance of retrospective application and restatement on January 1, 2019	77,574	775,745	2,901,495	1,442,451	384,494	-	4,728,440	425,018	495,665	800,779	1,721,462	(345,162)	(39,290)	(384,452)	(236,048)	6,605,147
	Appropriation and distribution of retained earnings for the year ended December 31, 2018																
B1	Legal reserve	-	-	-	-	-	-	-	110,812	-	(110,812)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	(111,213)	111,213	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	-	-	(580,436)	(580,436)	-	-	-	-	(580,436)
	Subtotal	-	-	-	-	-	-	-	110,812	(111,213)	(580,035)	(580,436)	-	-	-	-	(580,436)
	Other changes in capital surplus:																
C5	Equity component of convertible corporate bonds issued by the Company	-	-	-	-	332,132	-	332,132	-	-	-	-	-	-	-	-	332,132
C17	The invalidation of the stock warrants of convertible corporate bonds	-	-	-	-	(249,881)	249,881	-	-	-	-	-	-	-	-	-	-
M7	Impact amount of changes in the equity of subsidiaries accounted for using the equity method	-	-	-	-	-	-	-	-	-	(71,028)	(71,028)	-	-	-	-	(71,028)
D1	Net profit in 2019	-	-	-	-	-	-	-	-	-	1,080,242	1,080,242	-	-	-	-	1,080,242
D3	Other comprehensive income after tax in 2019	-	-	-	-	-	-	-	-	-	(19,382)	(19,382)	(432,582)	(32,565)	(465,147)	-	(484,529)
D5	Total comprehensive income in 2019	-	-	-	-	-	-	-	-	-	1,060,860	1,060,860	(432,582)	(32,565)	(465,147)	-	595,713
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	515	515	-	(515)	(515)	-	-
E1	Issuance of ordinary shares for cash	6,000	60,000	1,279,180	-	-	-	1,279,180	-	-	-	-	-	-	-	-	1,339,180
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)
Z1	Balance on December 31, 2019	83,574	835,745	4,180,675	1,442,451	466,745	249,881	6,339,752	535,830	384,452	1,211,091	2,131,373	(777,744)	(72,370)	(850,114)	(236,232)	8,220,524
	Appropriation and distribution of retained earnings for the year ended December 31, 2019																
B1	Legal reserve	-	-	-	-	-	-	-	108,024	-	(108,024)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	465,662	(465,662)	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	-	-	(331,678)	(331,678)	-	-	-	-	(331,678)
B9	Stock Dividend to Shareholders	8,292	82,919	-	-	-	-	-	-	-	(82,919)	(82,919)	-	-	-	-	-
	Subtotal	8,292	82,919	-	-	-	-	-	108,024	465,662	(988,283)	(414,597)	-	-	-	-	(331,678)
	Other changes in capital surplus:																
M7	Impact amount of changes in the equity of subsidiaries accounted for using the equity method	-	-	-	-	-	63,337	63,337	-	-	-	-	-	-	-	-	63,337
D1	Net profit for 2020	-	-	-	-	-	-	-	-	-	1,111,524	1,111,524	-	-	-	-	1,111,524
D3	Other comprehensive income (loss) after tax for 2020	-	-	-	-	-	-	-	-	-	(8,247)	(8,247)	(156,514)	(502)	(157,016)	-	(165,263)
D5	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR 2020	-	-	-	-	-	-	-	-	-	1,103,277	1,103,277	(156,514)	(502)	(157,016)	-	946,261
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	3,794	3,794	-	(3,794)	(3,794)	-	-
I1	Convertible corporate bonds converted to ordinary shares	1,406	14,056	-	355,200	(20,199)	-	335,001	-	-	-	-	-	-	-	-	349,057
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,624	2,624
Z1	Balance on December 31, 2020	93,272	\$ 932,720	\$ 4,180,675	\$ 1,797,651	\$ 446,546	\$ 313,218	\$ 6,738,090	\$ 643,854	\$ 850,114	\$ 1,329,879	\$ 2,823,847	(\$ 934,258)	(\$ 76,666)	(\$ 1,010,924)	(\$ 233,608)	\$ 9,250,125

The attached notes are part of this parent company only financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation

Parent Company Only Statement of Cash Flows
For the years ended December 31, 2020 and 2019

		Unit: In Thousands of New Taiwan Dollars	
Code		For the year ended December 31, 2020	For the year ended December 31, 2019 (audited after restatement)
	Cash Flows from Operating Activities		
A10000	Profit before tax for the period	\$ 1,155,012	\$ 1,069,252
A20010	Adjustments for		
A20100	Depreciation expenses	20,262	16,269
A20200	Amortization expenses	1,001	1,341
A20300	Expected credit losses (gain on reversal)	25,621	(17,380)
A21900	Share-based payment compensation costs	-	20,180
A22400	Profit or loss of associates under equity method	(1,191,081)	(1,327,642)
A21200	Interest income	(3,417)	(6,771)
A20900	Financial costs	136,875	186,924
A23700	Inventory price loss (recovery gain)	(37,346)	4,501
A23100	Loss on the recovery of corporate bonds	-	187,228
A20400	Net loss (gain) of financial liabilities at fair value through profit or loss	(34,985)	15,008
A23900	Unrealized gains with subsidiary	10,890	-
A24000	Realized gains with subsidiary	(29,694)	-
A24100	Net loss on foreign exchange	35,305	15,478
A30000	Net changes in operating assets and liabilities related to operating activities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	-	-
A31150	Accounts receivable	(69,153)	180,439
A31200	Inventory	(35,874)	448,859
A31240	Other current assets	1,735	(105,959)
A32150	Accounts payable	118,132	(274,121)
A32180	Other payable	42,412	(9,568)
A32230	Other current liabilities	(29,305)	38,737
A32990	Others	(5)	(8)
A33000	Cash generated from/(used in) operations	116,385	442,767
A33100	Interest received	3,033	7,259
A33300	Interest paid	(40,610)	(73,025)
A33500	Income tax paid	(263)	(12,955)
AAAA	Net cash inflow from operating activities	<u>78,545</u>	<u>364,046</u>

(continued on next page)

(continued from previous page)

Code		For the year ended December 31, 2020	For the year ended December 31, 2019 (audited after restatement)
	NET CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Purchase of financial assets at amortized cost	(\$ 287,698)	(\$ 19)
B02200	Net cash outflow on acquisition of subsidiaries	-	(792,798)
B02700	Purchase of property, plant and equipment	(7,676)	(3,766)
B04500	Purchase of intangible assets	(520)	(1,150)
B07600	Dividends received from subsidiaries	724,648	627,330
B07100	Decrease (Increase) in prepayments for equipment	3,150	(3,150)
B03800	Increase in refundable deposits	(<u>119</u>)	(<u>1,291</u>)
BBBB	Net cash inflow (outflow) from investment activities	<u>431,785</u>	(<u>174,844</u>)
	Cash flows from financing activities		
C00100	Increase (Decrease) in short-term borrowings	46,000	(710,000)
C01200	Proceeds from issuance of convertible corporate bonds	-	6,007,148
C01300	Repayments of corporate bonds payables	-	(6,242,205)
C03000	Guarantee deposits received (returned)	(21)	21
C04020	Repayment of lease principal	(6,791)	(2,345)
C04500	Distribution of cash dividend	(331,678)	(580,436)
C04600	Issuance of ordinary shares for cash	<u>-</u>	<u>1,319,000</u>
CCCC	Net cash outflow from financing activities	(<u>292,490</u>)	(<u>208,817</u>)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH and cash equivalents HELD IN FOREIGN CURRENCIES	(<u>28,365</u>)	(<u>8,181</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	189,475	(27,796)
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>341,659</u>	<u>369,455</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 531,134</u>	<u>\$ 341,659</u>

The attached notes are part of this parent company only financial report.

(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

**Attachment 4:
Comparison between Original and Amendments to the Rules of
Procedures for Shareholders' Meeting**

Amended Provisions	Before Amendments	Explanation
<p>Article 3 (Paragraphs 1, 2, and 3 omitted) Matters pertaining to election or dismissal of Directors, change of the Article of Association, <u>reduction of capital, application for cessation of public offering, lifting of the noncompetete clause for the Company' Directors, capital increase from earnings, capitalization of capital surplus,</u> dissolution, merger, spin-off, or any matters as set forth in Paragraph1 of Article 185, Articles 26-1 and Article 43-6 of the Securities and Exchange Act, as well as Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reasons for convening the meeting and cannot be proposed through an extempore motion; <u>its main content can be placed on the website designated by the competent securities authority or the Company; such a website shall be stated in the notice. Where the reasons to convene the Shareholders' Meeting has specified the re-election of Directors and Supervisors as well as the on-board dates, after the election in the Shareholders' Meeting, the on-board date cannot be changed via a special motion or other means in the same meeting.</u></p>	<p>Article 3 (Paragraphs 1, 2, and 3 omitted) Election or dismissal of Directors, amendments to the Articles of Association, the dissolution, merger, or demerger of the Company, or any matter under Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the Shareholders' Meeting. None of the above matters may be raised by an extraordinary motion.</p>	<ol style="list-style-type: none"> 1. In response to the amendment of Paragraph 5 of Article 172 of the Company Act., Paragraph 4 was amended. 2. Per August 6, 2018, Letter No. Jin-Shang-Zi 10702417500 by the MOEA, Paragraph 5 of this Article was added. 3. In response to the amendment, the former Paragraph 5 was amended into Paragraph 6. In response to the new amendment of Paragraph 1 of Article 172-1 of the Company Act and the addition of Paragraph 5, relevant texts were amended. 4. In response to the amendment, the former Paragraph 6 was amended into Paragraph 7. In response to the amendment of Paragraph 2 of Article 172-1 of the Company Act, amendment was made.

Amended Provisions	Before Amendments	Explanation
<p>A shareholder holding 1 percent or more of the total number of issued shares may submit only one proposal at the Company's regular Shareholders' Meeting. If more than one proposals are submitted by such shareholder, it will not be included in discussion. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p><u>Shareholders may put forward proposals urging the Company to promote public interests or fulfill its social responsibilities.</u></p> <p><u>The procedure shall be in accordance with the relevant provisions of Article 172-1 of the Company Act, and any proposal exceeding one item shall not be included in the motion.</u></p> <p>Prior to the book closure date before a regular Shareholders' Meeting is held, the Company shall publicly announce that it will receive shareholder proposals, <u>in written or electronic method</u>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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</p>	<p>A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular Shareholders' Meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a regular Shareholders' Meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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</p>	<p>5. In response to the amendment, the former Paragraph 7 was amended into Paragraph 8.</p> <p>6. In response to the amendment, the former Paragraph 8 was amended into Paragraph 9.</p>

Amended Provisions	Before Amendments	Explanation
<p>proposal shall be present in person or by proxy at the regular Shareholders' Meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a Shareholders' Meeting, the Company 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.</p> <p>(The following is omitted.)</p>	<p>proposal shall be present in person or by proxy at the regular Shareholders' Meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a Shareholders' Meeting, the Company 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.</p> <p>(The following is omitted.)</p>	
<p>Article 9 Paragraph 1: Omitted.</p> <p>Upon the meeting time, the chairperson shall declare a meeting open immediately, <u>and shall at the same time announce the information on the number of shares without voting rights and the number of shares present.</u> However, if not enough shareholders representing more than half of the total number of issued shares are present, said chairperson may declare a postponement of the meeting for not more than two times and the total time of the postponement shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson</p>	<p>Article 9 Paragraph 1: Omitted.</p> <p>Upon the meeting time, the chairperson shall declare a meeting open immediately. However, if not enough shareholders representing more than half of the total number of issued shares are present, said chairperson may declare a postponement of the meeting for not more than two times and the total time of the postponement shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled.</p>	<p>In order to enhance corporate governance and safeguard the rights and interests of shareholders, amendments are made to paragraph 2.</p>

Amended Provisions	Before Amendments	Explanation
<p>may announce that the meeting should be canceled.</p> <p>(The following is omitted.)</p>	<p>(The following is omitted.)</p>	
<p>Article 10</p> <p>The agenda for the Shareholders' Meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. Unless otherwise resolved by resolution at the meeting, <u>relevant proposals (including provisional proposals and amendments to the original proposals) shall be determined by voting on a case-by-case basis</u>, and the meeting shall be carried out in accordance with the scheduled agenda.</p> <p>Paragraphs 2 and 3: Omitted.</p> <p>The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote, and arrange a sufficient voting time.</p> <p>(The following is omitted.)</p>	<p>Article 10</p> <p>The agenda for the Shareholders' Meeting shall be set by the Board of Directors if such Meeting is convened by the Board of Directors. Unless otherwise resolved by resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda.</p> <p>Paragraphs 2 and 3: Omitted.</p> <p>The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote.</p> <p>(The following is omitted.)</p>	<p>1. In response to the comprehensive implementation of electronic voting for listed and OTC Companies since 2018, and the enforcement of the spirit of voting on a case-by-case basis, Paragraph 1 was amended.</p> <p>2. To allow sufficient voting time to exercise shareholders' voting rights and to prevent the convener of a Shareholders' Meeting from restraining voting time and affecting shareholders' voting rights, Paragraph 4, Article 10 of the Company's "Rules of Procedures for Shareholders' Meeting" is revised accordingly.</p>

Amended Provisions	Before Amendments	Explanation
<p>Article 13 (Paragraph 1: Omitted.) When the Company convenes a Shareholders' Meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be described in the Shareholders' Meeting notice. A shareholder who exercises his/her voting power at a Shareholders' Meeting in writing or by way of electronic transmission shall be deemed to have attended the said Shareholders' Meeting in person. However, in respect of the extempore and motions and amendments to the original proposals of that Meeting, the shareholder shall be deemed to have waived his/her rights and it is therefore advisable that the Company avoid the submission of provisional motions and amendments to the original proposals.</p> <p>(The following is omitted.)</p>	<p>Article 13 (Paragraph 1: Omitted.) <u>When the Company convenes a Shareholders' Meeting, the proposal shall be deemed as approved by all shareholders and shall have the same effect as if it is voted by ballot, if the shareholders present have no objections thereto after the chairperson consulted their opinions.</u> <u>As for voting, shareholders may exercise their voting power in writing or by way of electronic transmission (Where the Company shall conduct voting by way of electronic transmission in accordance with Paragraph 1 of Article 177-1:</u> When the Company convenes a Shareholders' Meeting, shareholders shall exercise their voting power in writing and by way of electronic transmission; the method of exercising their voting power shall be specified in the Shareholders' Meeting notice); If the Company's shareholders exercise their voting power in writing or by way of electronic transmission, the method of exercising their voting power shall be specified in the Shareholders' Meeting notice. A shareholder who exercises his/her voting power at a Shareholders' Meeting in writing or by way of electronic transmission shall be deemed to</p>	<p>In response to the comprehensive implementation of electronic voting for listed and OTC Companies since 2018, Paragraph 2 was amended.</p>

Amended Provisions	Before Amendments	Explanation
	<p>have attended the said Shareholders' Meeting in person. However, in respect of the extempore and motions and amendments to the original proposals of that Meeting, the shareholder shall be deemed to have waived his/her rights and it is therefore advisable that the Company avoid the submission of provisional motions and amendments to the original proposals.</p> <p>(The following is omitted.)</p>	
<p>Article 14 When an election of Directors is held at a Shareholders' Meeting, it shall be conducted in accordance with the relevant election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors <u>and those losing the election and the numbers of votes with which they were elected or lose the election.</u> (The following is omitted.)</p>	<p>Article 14 The election of Directors at the Shareholders' Meeting, if any, shall be handled according to the relevant regulations on election made by the Company, and the voting results shall be announced on the spot including the list of elected Directors and the numbers of votes.</p> <p>(The following is omitted.)</p>	<p>In order to enhance corporate governance and safeguard the rights and interests of shareholders, amendments are made to paragraph 1.</p>
<p>Article 15 (Paragraphs 1 and 2: Omitted.) The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's name, the methods by which resolutions were adopted, and a summary of the deliberations and their results <u>(including statistical number of votes).</u> The</p>	<p>Article 15 (Paragraphs 1 and 2: Omitted.) The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the</p>	<p>To uphold the spirit of voting on a case-by-case basis, Paragraph 3 is amended with reference to the advice of the Asian Corporate Governance Association.</p>

Amended Provisions	Before Amendments	Explanation
<u>affirmative votes obtained by each candidate shall be disclosed for election of Directors.</u> The records shall be kept for the duration of the existence of the Company.	survival of the Company.	

Attachment 5:

Comparison between Original and Amendments to the "Rules for Election of Directors"

Amended Provisions	Before Amendments	Explanation
<p>Article 2</p> <p>The overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. The Company shall consider the diversity of its Board of Directors' composition and develop guidelines on diversity based on the operations, nature of business activities, and development needs of the Company, including but not limited to the following two aspects:</p> <ol style="list-style-type: none"> 1. Basic requirements and values: Gender, age, nationality, and culture. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc. <p>The members of the Board of Directors shall generally have the knowledge, skills, and quality required for performing their duties, and the entire Board of Directors shall possess the following abilities:</p> <ol style="list-style-type: none"> 1. Business judgment ability. 2. Accounting and financial analysis ability. 3. Business management 	<p>Article 2</p> <p><u>The Company's Directors shall be elected by means of single recording and cumulative election. When electing Directors, each share is entitled to the number of votes which are equivalent to the number of Directors to be elected. One candidate may be elected collectively, or several candidates may be elected by distribution. The name of the voters may be represented by the attendance certificate number printed on their ballots.</u></p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", the context of former Article 2 of the Procedures was deleted and amended.</p>

Amended Provisions	Before Amendments	Explanation
<p>ability.</p> <p>4. Crisis management ability.</p> <p>5. Knowledge of the industry.</p> <p>6. International market perspective.</p> <p>7. Leadership.</p> <p>8. Decision-making ability.</p> <p>Over half of the total number of Director seats shall not be served by the ones in the relationship of a spouse or a relative within the second degree of kinship.</p>		
<p>Article 3</p> <p>The qualifications of the Independent Directors of the Company shall be in accordance with the provisions of Articles II, III, and IV of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>The selection of the Independent Directors of the Company shall comply with the provisions of Article V, Article IV, Article VII, Article VIII, and Article IX of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article XXIV of the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies".</p>	<p>Article 3</p> <p><u>Upon the beginning of the election, the chairperson shall designate a number of shareholders to supervise the casting of ballots, count the ballots, and perform their relevant tasks.</u></p> <p><u>The Board of Directors shall set up a ballot box, which shall be examined in public by the persons supervising the casting of ballots, before the ballots are cast.</u></p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", the context of former Article 3 of the Procedures was deleted and amended.</p>

Amended Provisions	Before Amendments	Explanation
<p>Article 4 The Company's election of Directors shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act.</p> <p>If there are less than five Directors due to termination from the position of a Director with cause, the Company shall fill the vacant Board of Directors' seat at the next Shareholders' Meeting. If the vacancies of Directors reach one-third of the number of Directors specified in the Articles of Association, an extraordinary Shareholders' Meeting shall be called within 60 days from the date of occurrence and hold a by-election to fill the vacancies.</p> <p>When the number of Independent Directors falls below that required as stipulated in Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, an extraordinary Shareholders' Meeting shall be called within 60 days from the date of occurrence and hold a by-election to fill the vacancies.</p>	<p><u>Article 4</u> <u>(I) The Company's Board of Directors may provide the recommendation list of Directors for the next term and re-election as reference in election of Directors.</u> <u>When the Board of Directors provides the recommendation list, it also shall provide relevant information such as the candidate's academic qualifications, experiences, the amount of shares held, the government represented, the name of the legal person, and the independence status to facilitate reference by shareholders. The number of Directors will be as specified in the Company's Articles of Association, with voting rights separately calculated for Independent and Non-Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially. When two or more persons receive the ballots representing the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.</u> <u>(I) The overall configuration of the Board of Directors shall be taken</u></p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", the context of former Article 4 of the Procedures was deleted and amended.</p>

Amended Provisions	Before Amendments	Explanation
	<p><u>into consideration in the selection of the Company's Directors. The composition and abilities of the Board of Directors' members shall comply with Article 20-3 and 20-4 as well as Article 21 of the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies", and the composition of the Board of Directors' members shall be considered to be adjusted based on performance evaluation result.</u></p> <p><u>(III) The qualifications and selection of the Company's Independent Directors shall comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be handled in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies".</u></p> <p><u>Where a listed Independent Director candidate has already served as an Independent Director of the Company for three consecutive terms, the Company shall publicly disclose, together with the review results, the reasons why the candidate is nominated again for the Independent Directorship, and present the reasons to shareholders at the time of</u></p>	

Amended Provisions	Before Amendments	Explanation
	<p><u>the election at the Shareholders' Meeting.</u> <u>(IV) The Company shall adopt the candidate nomination system for the election of Directors in accordance with Article 192-1 of the Company Act, and shall comply with Article 22 of the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies".</u> <u>(V) The one who is elected as an Independent Director by the Shareholders' Meeting shall not change his/her status into a Non-independent Director if he/she is dismissed due to violation of Article 4 of the Rules during his/her term of office. The one who is elected as a Non-independent Director by the Shareholders' Meeting shall not be changed into an Independent Director during his/her term of office.</u></p>	
<p>Article 5 The Company's Directors shall be elected by means of cumulative voting. Each share is entitled to the number of votes which are equivalent to the number of Directors to be elected. One candidate may be elected collectively, or several candidates may be elected by distribution.</p>	<p>Article 5 <u>Voting ballots shall be prepared and distributed by the Board of Directors to each voter with a number on the attendance certificate based on the number of Directors to be elected. Each ballot proportionally contains the number of voting rights of each shareholder.</u></p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", the context of former Article 5 of the Procedures was deleted and amended.</p>
<p>Article 6 The Board of Directors</p>	<p>Article 6 <u>In the event that the</u></p>	<p>Per Order No. Jin-Guan-Zheng-Jiao-Zi</p>

Amended Provisions	Before Amendments	Explanation
<p>shall prepare the ballots in the number equal to the number of Directors to be elected, with the number of voting rights being noted on the ballots, and distribute the ballots to the shareholders present at the Shareholders' Meeting. The name of the voters may be represented by the attendance certificate number printed on their ballots.</p>	<p><u>candidate is a shareholder of the Company, the voters voting for such candidate shall fill out in the "candidate" column on the ballot such candidate's account name and shareholder account number.</u> <u>In the event that the candidate is not a shareholder of the Company, the voters voting for such candidate shall fill out in the "candidate" column on the ballot such candidate's name and ID number.</u> <u>In the event that the candidate is a government or a corporate shareholder, the voters voting for such candidate shall fill in the full name of such government or corporate shareholder; when there are multiple representatives, the names of all representatives shall be filled in respectively.</u></p>	<p>1080311451 issued by the Financial Supervisory Commission on April 25, 2019, the election of Directors by TWSE and TPEX-listed companies shall adopt the candidate nomination system from 2021 and shareholders shall elect Directors from the list of Director candidates. Shareholders shall be able to obtain information such as the candidates' names, education, and work experience from the list of candidates prior to the Shareholders' Meeting. Identifying candidates with their shareholders' account numbers or ID card numbers become unnecessary. Thus, this article is deleted. And in response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", Article 6 of the Procedures was added.</p>
<p>Article 7 A ballot is deemed as void if any of the following circumstances occurs: I. Ballot that is not prepared by parties entitled to convene the meeting. II. Blank ballot that is cast into the ballot box. III. Ballot with illegible</p>	<p>Article 7 A ballot is deemed as void if any of the following circumstances occurs: <u>(I) Ballot that is not prepared by the Board of Directors.</u> <u>(II) Ballot that is not cast into the ballot box.</u> <u>(III) Blank ballot that is not completed by</u></p>	<p>Pursuant to regulations in Article 173 of the Company Act, shareholders may, upon approval from the competent authority, convene a meeting under special circumstances (for instance, when a notice that the Board of Directors will not convene a meeting has been received). Paragraph 1 in this Article has therefore</p>

Amended Provisions	Before Amendments	Explanation
<p>writing rendering it unrecognizable, or ballot that is altered or corrected.</p> <p>IV. The name of a candidate entered into the ballot is verified as not being included in the candidate list.</p> <p>V. A ballot with other words or marks is entered in addition to the number of voting rights allocated.</p>	<p><u>the voter.</u></p> <p><u>(IV) Ballot with illegible writing rendering it unrecognizable.</u></p> <p><u>(V) Ballot that is completed with words other than the candidate's account name (name) or shareholder account number (ID number) and the allocated number of voting rights.</u></p> <p><u>(VI) The account name (name) of the candidates filled in the ballots is identical to that of another candidate's account name (name), and their shareholder's account numbers (ID numbers) are not filled in to distinguish them.</u></p> <p><u>(VII) Where the candidate voted for is a shareholder of the Company, such candidate's account name and account number filled out in the ballot is inconsistent with that on the shareholder registry; Where the candidate voted for is not a shareholder of the Company, such candidate's name or ID number is verified to be</u></p>	<p>been amended accordingly. In addition, per Order No. Jin-Guan-Zheng-Jiao-Zi 1080311451 issued by the Financial Supervisory Commission on April 25, 2019 that the election of Directors by TWSE and TPEX-listed companies shall adopt the candidate nomination system from 2021 and shareholders shall elect Directors from the list of Director candidates, Clause IV and V of this Article were adjusted, and Clause VI to IX were deleted.</p>

Amended Provisions	Before Amendments	Explanation
	<p><u>incorrect.</u> (VIII) <u>The quota of candidates voted for exceeds the quota of candidates to be elected.</u> (IX) <u>The total voting rights allotted is more than a voter's total voting rights.</u></p>	
<p>Article 8 The number of Directors will be as specified in the Articles of Association, with voting rights separately calculated for Independent and Non-Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially. When more than two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.</p>	<p>Article 8 <u>Ballots shall be counted at the spot upon completion of casting the ballots, and the voting result including the list of the elected Directors and the number of their votes shall be announced by the chairperson at the spot. The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event of a lawsuit regarding the Directors election under Article 189 of the Company Act, those ballots shall be archived until the conclusion of the lawsuit.</u></p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", the context of former Article 8 of the Procedures was deleted and amended.</p>
<p>Article 9 Before the beginning of the election, the chairperson shall designate a number of shareholders to supervise the casting of ballots, count the ballots, and perform their relevant duties. The Board of Directors shall set up a ballot box, which shall be examined in public by the persons supervising the</p>	<p>Article 9 None</p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", Article 9 of the Procedures was added.</p>

Amended Provisions	Before Amendments	Explanation
casting of ballots, before the ballots are cast.		
<p>Article 10</p> <p>Ballots shall be counted at the spot upon completion of casting the ballots, and the voting result including the list of the elected Directors and the number of their votes shall be announced by the chairperson at the spot. The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event of a lawsuit regarding the Directors election under Article 189 of the Company Act, those ballots shall be archived until the conclusion of the lawsuit.</p>	<p>Article 10</p> <p>None</p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", Article 10 of the Procedures was added.</p>
<p>Article 11</p> <p>The Company's Board of Directors shall deliver an election notice to the elected Directors.</p>	<p>Article <u>9</u></p> <p>The Board of Directors shall deliver an election notice to the elected Directors respectively.</p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", Article 11 of the Procedures was added.</p>
<p>Article 12</p> <p>The Rules and any amendments thereafter shall become effective upon resolution at the Shareholders' Meeting.</p>	<p>Article <u>10</u></p> <p>The Rules and any amendments thereto shall be implemented after they are approved at the Shareholders' Meeting.</p>	<p>In response to Letter No. Taiwan-Stock-Governance-1090009468 issued by Taiwan Stock Exchange Corporation on June 3, 2020, to amend the "XXX Co., Ltd. Procedures for Election of Directors", Article 12 of the Procedures was added.</p>

Attachment 6:

Comparison between Original and Amendments to the Procedures for Endorsements and Guarantees

Amended Provisions	Before Amendments	Explanation
<p>Article 7 Procedures for Endorsements and Guarantees I. Review and determination authority (I) If the Company needs to make any endorsements and guarantees, it shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution before it is conducted. However, in order to meet time needs, the Board of Directors shall authorize the Chairman to first make decisions <u>within the amount of NT\$1 billion</u> before submitting them to the next Board of Directors' meeting for ratification.</p> <p>(The following is omitted.)</p>	<p>Article 7 Procedures for Endorsements and Guarantees I. Review and determination authority (I) If the Company needs to make any endorsements and guarantees, it shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution before it is conducted. However, in order to meet time needs, the Board of Directors shall authorize the Chairman to first make decisions <u>within a certain amount</u> before submitting them to the next Board of Directors' meeting for ratification.</p> <p>(The following is omitted.)</p>	<p>In response to the Company's daily business needs and its needs for operating time, it is clearly stipulated that the Chairman shall be authorized to first make decisions on endorsements and guarantees for the Company within the amount of NT\$1 billion before submitting them to the next Board of Directors' meeting for ratification.</p>

Attachment 7: Regulations for the First Repurchase of Company Stock and Transfer to Employees

Article 1: To motivate employees and improve their cohesiveness, the Company amended the Regulations for the Repurchase of Company Stock and Transfer to Employees in accordance with Paragraph 1-1 of the Article 28-2 of the Securities and Exchange Act, the “the Regulations Governing Share Repurchase by Listed and OTC Companies” issued by Financial Supervisory Commission, and related regulations. The Company shall repurchase and transfer shares to employees in such a way that is specified by the Regulations unless otherwise prescribed by applicable laws and regulations.

Article 2: Shares transferred to employees this time are common shares, and the rights and obligations therein are identical to those in other outstanding common shares, unless otherwise stipulated by relevant laws and regulations and the Regulations.

Article 3: Transfer Period

The shares repurchased this time shall be, in one or multiple times, transferred to employees within five years after the repurchase date, in accordance with the Regulations.

Article 4: Qualification of Transferee

Those who have been employees before the base date of subscription, and the full-time employees who have made special contributions to the Company and approved by the Board of Directors, are eligible to subscribe to the number of shares specified in Article V of the Regulations.

Article 5: The number of shares allowed for subscription by employees

The number of shares allowed for subscription by employees depends on the employees' positions, years of service, special contributions to the Company, and other criteria considered by the Company, to ascertain the number of shares transferrable to the employees. The Chairman shall determine the number of shares allowed for subscription by employees, depending on certain factors, such as the total repurchased shares that the Company holds on the base date of the subscription and the upper limit of shares that a single employee can subscribe. Employees who have not paid for the subscription upon expiration of the subscription payment period shall be deemed as waiver of their rights to the subscriptions. The Chairman is authorized to inquire other employees on whether they would like to purchase the remaining subscriptions.

Article 6 Transfer Procedures

Procedures for transferring the shares repurchased according to the Regulations to employees:

- I. Upon the approval of the Board of Directors, the Company shall announce and report the repurchase of its own shares within the period specified in the resolution.
- II. In accordance with the Regulations, the Board of Directors shall set and announce relevant procedures, including the record date of subscription, standards for the number of shares subscribable, the billing period of subscription, rights, and limitations.
- III. The Company shall collect the shares that be actually paid and subscribed, and proceeds with the share transfer and registration process.

Article 7: Price Per Share Transferred

For the transfer of the repurchased shares to employees, the actual average repurchase price shall be the transfer price. However, if there is any increase or decrease in the Company's issued common shares before the transfer, it may be adjusted according to the ratio of such increase or decrease.

If the shares need to be transferred to employees at a price lower than the actual average repurchase price in accordance with the provisions of the Company's Articles of Association, it shall be approved before the transfer by the shareholders representing more than two-thirds of the voting rights of the shareholders present at the next Shareholders' Meeting attended by the shareholders representing over half of total issued shares, and the matters stated in Article 10-1 of the "Regulations Governing Share Repurchase by Listed and OTC Companies" shall be specified in the "Reason for Convening the Shareholders' Meeting".

Adjustment formula for transfer price:

Adjusted transfer price = average price for actual repurchase of the shares x total number of common shares issued at the time of reporting the share repurchase / total number of common shares issued before transferring the repurchased shares to the employee.

Article 8: Rights and obligations after the transfer

The repurchased shares transferred to employees shall carry the same rights and obligations as the original shares after the transfer is registered unless otherwise stipulated.

Article 9: Other matters relating to the rights and obligations of the Company and its employees

The Company may at its discretion make agreements with its employees depending on its needs, but shall not violate relevant laws and regulations such as the Securities and Exchange Act and Company Act, etc.

Article 10: The Regulations shall become effective after they are approved by the resolution of the Board of Directors, and any amendment hereto shall be reported to the Board of Directors for resolution.

Article 11: The Regulations and any amendments thereto shall be reported to the Shareholders' Meeting.

Appendices

Appendix 1: Rules and Procedures of Shareholders' Meeting

Article 1

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.

Article 2

The rules of procedures for this Corporation's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors.

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 or supervisors, 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 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.

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.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, 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 and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances

of any subparagraph of 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.

Prior to the book closure date before a regular shareholders' meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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 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.

Article 4

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.

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 5 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.

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 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6

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.

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. 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.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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 supervisors, 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.

Article 7

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 vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or 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.

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, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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 may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8

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 shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 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.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The

number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.

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

Article 10

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene 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 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, 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.

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 and call for a vote.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech 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.

Article 12

Voting at a shareholders' meeting shall be calculated based the number of shares.

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.

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.

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.

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

Article 13

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.

When this Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

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 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a

declaration is made to cancel the earlier declaration of intent.

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 2 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.

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, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14

The election of directors or supervisors 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 as directors and supervisors and the numbers of votes with which they were elected.

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

Article 15

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.

This Corporation may distribute the meeting minutes of the preceding paragraph by

means of a public announcement made through the MOPS.

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 results, and shall be retained for the duration of the existence of this Corporation.

Article 16

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.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

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.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

These rules and procedures shall be effective after ratification at the shareholders' meetings. The same applies to modifications.

Appendix 2: Articles of Incorporation

Chapter 1 : General Provisions

Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 樺漢科技股份有限公司 in Chinese and Ennoconn Corporation in English.

Article 2

The Company's scope of business is as follows:

1. F118010 Wholesale of Computer Software
2. F218010 Retail Sale of Computer Software
3. F401010 International Trade ◦
4. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import ◦
5. CC01080 Electronic Parts and Components Manufacturing ◦
6. CC01110 Computers and Computing Peripheral Equipments Manufacturing
7. CC01120 Data Storage Media Manufacturing and Duplicating
8. I301010 Software Design Services
9. I301020 Data Processing Services
10. I301030 Digital Information Supply Services

Article 3

The Company is headquartered in New Taipei City, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.

Article 4

Public announcements of the Company shall be made in accordance with the provisions of Article 28 of the Companies Act.

Article 4-1

The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40 percent of paid-up capital described in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

Article 4-2

The Company may provide endorsements and guarantees and act as a guarantor in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company.

Chapter 2 : Shares

Article 5

The authorized capital of the Company is NT\$2.5 billion, consisting of 250 million shares, all of common stock, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required, of which 5 million shares are reserved for stock options with warrants for the exercise of stock options. The board of directors is also authorized to issue shares in separate installments as required.

Article 5-1

The Company may transfer stock to employees at a price that is lower than the actual average price of the shares, or the Company may issue employee stock options at a price that is lower than the common stock closing price of the issue date, pursuant to a resolution approved by the majority of total issued shares represented at the shareholders'

meeting and the consent of more than two-thirds of the attending shareholders' voting rights.

Article 6

The Company buy back its shares and the qualification requirements of employees including the employees of parents or subsidiaries of the company meeting certain specific requirements. The condition of transfer stock authorized by Board of meeting.

The Company issue employee stock option and The qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements. The condition of issue stock authorized by Board of meeting.

The Company issue restricted stock for employees and The qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements. The condition of issue stock authorized by Board of meeting.

The Company issuance of new shares reserve for employees and the qualification requirements of employees including the employees of parents or subsidiaries of the company meeting certain specific requirements. The condition of Subscription authorized by Board of meeting.

Article 7

The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority upon issuance.

Shares issued by the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities custodian institution.

Article 8

All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders' meeting, or for 30 days prior to an extraordinary shareholders' meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Chapter 3 : Shareholders' Meeting

Article 9

Shareholders' meetings of the Company are of two kinds: regular shareholders' meetings and extraordinary shareholders' meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders' meetings may be called in accordance with applicable laws and regulations whenever necessary.

Article 10

For any shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy.

Shareholders attend shareholders' meeting by proxy in accordance with Article 177 of the Company Law and The Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 11

Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

Article 12

Unless otherwise provided by applicable law or regulation, a resolution of the

shareholders' meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Chapter 4 : Board of Directors

Article 13

The Company shall have seven to nine directors, with three-year office term. Directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system of Article 192-1 of the Company Act. Candidate(s) may continue in office if re-elected.

The aggregate shareholding percentages of the entire bodies of directors shall comply with the regulations prescribed by the securities supervisory authorities.

The aforesaid Board of Directors must have at least three independent directors.

The nomination of directors and related announcement shall comply with the relevant regulations of the Company Law and the Securities and Exchange Law. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately.

The professional qualifications, restrictions on shareholding and concurrent post, affirmation of independence, nomination and election processes, exercise of authority and other requirements of independent directors shall be determined and executed in accordance with the Securities and Exchange Law and related regulations.

Article 13-1

In compliance with Articles 14-4 of the Securities and Exchange Law, the Corporation shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations.

Article 14

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

Each director shall attend the meeting of the board of directors in person. Where a director is unable to attend the meeting of the board of directors, he may appoint another director as his proxy to attend the meeting by issuing a letter of proxy. Each director can act as a proxy for only one other director.

Each director shall be notified at least seven days in advance of the reasons for calling a Board of Directors meeting. In emergency circumstances, however, a meeting may be called on shorter notice. The aforesaid meeting notice may be prepared in either written or electronic format.

The notice of the meeting may be made by electronic mail or facsimile transmission

Any Director attending the meeting via video conference shall be deemed attending the meeting in person.

Article 15

Where the chairman of the board of directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Law.

Article 16

The Board of Directors is authorized to decide the compensation to all directors at a rate consistent with general practices in the industry. The Board of Directors is authorized to purchase liability insurance for directors, in accordance with a resolution of the board of directors adopted by consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.

Chapter 5 : Manager

Article 17

The Company may appoint one Chief Executive Officer, whose commissioning, decommissioning and pay rate shall be as pursuant to Article 29 of the Company Act.

Chapter 6 : Accounting

Article 18

After the close of each fiscal year, the following reports shall be prepared by the board of directors and submitted to the regular shareholders' meeting for ratification. 1. Business Report. 2. Financial Statements. 3. Proposal Concerning Appropriation of Net Profits or Recovering of Losses.

Article 19 (deleted)

Article 20

Where the Company has a profit before tax for each fiscal year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and then set aside no less than 2% of the remaining profit for distribution to the employees of parents or subsidiaries of the company as remuneration and no more than 2% of the remaining profit for distribution to directors as remuneration.

The Company may allocate employees' remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of an affiliated company meeting certain conditions. The Board or the person duly designated by the Board is authorized to decide the conditions and allocation method.

Article 20-1

The current year earnings, if any, the allocation shall be prioritized by following:

1. Offset prior years' accumulated losses.
2. Setting aside 10% for legal reserve, except for the accumulated legal reserve has reached the Company's paid-in capital.
3. Setting aside or reversing a certain amount as a special reserve according to the relevant regulations.
4. The remaining which is deducted item 1 to 3 from the current year earning, plus the previous year's undistributed earnings and the adjustment of undistributed earnings, could be allocated to shareholders as dividends according to the distribution plan proposed by the board of directors and approved by the shareholders' meeting.

Considering the Company's current status and future development, the earning distribution need to be took into account future capital expenditure and fund requirements, the distribution plan need to be proposed by the board of directors and approved by the shareholders' meeting. The cash dividends shall not be less than 10% of the total dividends.

Article 20-2

The company if cancel stock offering should be approved by shareholders' meeting. As the Company is still listed company, or emerging shouldn't amend this article.

Chapter 7 : Supplementary Provisions

Article 21

Any matters not sufficiently provided for in these Articles of Incorporation shall be

handled in accordance with the Company Act and other applicable laws or regulations.

Article 22

These Articles of Incorporation were enacted on June 30, 1999.

The 1st amendment was made on December 1, 2000.

The 2nd amendment was made on April 12, 2001.

The 3rd amendment was made on October 29, 2004.

The 4th amendment was made on April 7, 2005.

The 5th amendment was made on April 7, 2005.

The 6th amendment was made on April 24, 2006

The 7th amendment was made on May 28, 2007.

The 8th amendment was made on February 9, 2011.

The 9th amendment was made on June 28, 2011.

The 10th amendment was made on June 27, 2012.

The 11th amendment was made on October 4, 2012.

The 12th amendment was made on January 22, 2013.

The 13th amendment was made on June 4, 2013.

The 14th amendment was made on April 29, 2014.

The 15th amendment was made on May 12, 2015.

The 16th amendment was made on May 20, 2016.

The 17th amendment was made on June 28, 2018.

The 18th amendment was made on June 28, 2019.

The 19th amendment was made on June 23, 2020.

Appendix 3: Rules for Election of Directors

- Article 1: Unless otherwise provided by laws and regulations or Articles of Association, the Company's Directors shall be elected in accordance with the Rules.
- Article 2: The Company's Directors shall be elected by means of single recording and cumulative election. When electing Directors, each share is entitled to the number of votes which are equivalent to the number of Directors to be elected. One candidate may be elected collectively, or several candidates may be elected by distribution. The name of the voters may be represented by the attendance certificate number printed on their ballots.
- Article 3: Upon the beginning of the election, the chairperson shall designate a number of shareholders to supervise the casting of ballots, count the ballots, and perform their relevant tasks. The Board of Directors shall set up a ballot box, which shall be examined in public by the persons supervising the casting of ballots, before the ballots are cast.
- Article 4: (1) The Company's Board of Directors may provide the recommendation list of Directors for the next term and re-election as a reference in the election of Directors.
- (2) The overall configuration of the Board of Directors shall be taken into consideration in the selection of the Company's Directors. The composition and abilities of the Board of Directors' members shall comply with Article 20-3 and 20-4 as well as Article 21 of the "Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies", and the composition of the Board of Directors' members shall be considered to be adjusted based on performance evaluation result.
- (3) The qualifications and selection of the Company's Independent Directors shall comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be handled in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE & TPEx Listed

Companies". Where a listed Independent Director candidate has already served as an Independent Director of the Company for three consecutive terms, the Company shall publicly disclose, together with the review results, the reasons why the candidate is nominated again for the Independent Directorship, and present the reasons to shareholders at the time of the election at the Shareholders' Meeting.

- (4) The Company shall adopt the candidate nomination system for the election of Directors in accordance with Article 192-1 of the Company Act, and shall comply with Article 22 of the "Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies".
- (5) The one who is elected as an Independent Director by the Shareholders' Meeting shall not change his/her status into a Non-independent Director if he/she is dismissed due to violation of Article 4 of the Rules during his/her term of office. The one who is elected as a Non-independent Director by the Shareholders' Meeting shall not be changed into an Independent Director during his/her term of office.

Article 5: Voting ballots shall be prepared and distributed by the Board of Directors to each voter with a number on the attendance certificate based on the number of Directors to be elected. Each ballot proportionally contains the number of voting rights of each shareholder.

Article 6: In the event that the candidate is a shareholder of the Company, the voters voting for such candidate shall fill out in the "candidate" column on the ballot such candidate's account name and shareholder account number. In the event that the candidate is not a shareholder of the Company, the voters voting for such candidate shall fill out in the "candidate" column on the ballot such candidate's name and ID number. In the event that the candidate is a government or a corporate shareholder, the voters voting for such candidate shall fill in the full name of such government or corporate shareholder; when there are multiple representatives, the names of all representatives shall be filled in respectively.

Article 7: A ballot is deemed as void if any of the following circumstances occurs:

- (1) Ballot that is not prepared by the Board of Directors.
- (2) Ballot that is not cast into the ballot box.
- (3) Blank ballot that is not completed by the voter.
- (4) Ballot with illegible writing rendering it unrecognizable.
- (5) Ballot that is completed with words other than the candidate's account name (name) or shareholder account number (ID number) and the allocated number of voting rights.
- (6) The account name (name) of the candidates filled in the ballots is identical to that of another candidate's account name (name), and their shareholder's account numbers (ID numbers) are not filled in to distinguish them.
- (7) Where the candidate voted for is a shareholder of the Company, such candidate's account name and account number filled out in the ballot is inconsistent with that on the shareholder registry; Where the candidate voted for is not a shareholder of the Company, such candidate's name or ID number is verified to be incorrect.
- (8) The quota of candidates voted for exceeds the quota of candidates to be elected.
- (9) The total voting rights allotted is more than a voter's total voting rights.

Article 8: Ballots shall be counted at the spot upon completion of casting the ballots, and the voting result including the list of the elected Directors and the number of their votes shall be announced by the chairperson at the spot. The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event of a lawsuit regarding the Directors election under Article 189 of the Company Act, those ballots shall be archived until the conclusion of the lawsuit.

Article 9: The Board of Directors shall deliver an election notice to the elected Directors respectively.

Article 10: The Rules and any amendments thereto shall be implemented after they are approved at the Shareholders' Meeting.

Appendix 4: Procedures for Endorsements and Guarantees

Article 1 Legal Basis

The Procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing Loaning of Funds and Endorsements and Guarantees by Public Companies"(hereinafter referred to as "Governing Regulations") issued by competent authority.

Article 2: Applicable scope of the Rules

- I. The Company shall comply with the Procedures for making endorsements and guarantees for others. If relevant financial laws or regulations have provided otherwise, the laws or regulations shall prevail.
- II. If any subsidiary, in which the Company, directly and indirectly, holds more than 50% of voting shares, plans to make endorsements and guarantees for others, it shall formulate its procedures for endorsements and guarantees according to the Governing Regulations and the Company's Procedures. In case of any conflict between the Governing Regulations or the Procedures and such subsidiary's local laws or regulations, the latter shall prevail.

Article 3 Definitions

- I. "Subsidiary" and "parent company" referred to in the Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where public company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" referred to in the Procedures means the equity attributable to the owners of the parent company as specified in the Balance Sheet under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- II. The "announce and report" referred to in the Procedures means entering data into the information reporting website designated by the Financial Supervisory Commission (FSC).
The "occurrence date" referred to in the Procedures means contract signing date, date of payment, dates of making resolutions by Boards of Directors, or other dates that can confirm the counterparty and amount of endorsements or guarantees, whichever the earlier.

Article 4 Scope of Endorsements or Guarantees

The terms "endorsements and guarantees" used herein are defined as:

- I. Financing endorsements and guarantees, including:
 - (I) Customer bill discount financing

- (II) Endorsements and guarantees made for the purpose of financing for another company, including the creation by the Company of a pledge or mortgage on its chattel or real property as a guarantee for the loans of another company.
- (III) Endorsement and/or guarantee of the notes issued by the Company to non-financial institutions and entities to meet the financing needs of the Company.
- II. Customs duty endorsement/guarantee: means an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
- III. Other endorsements or guarantees: mean the endorsements or guarantees made in connection with matters which cannot be classified into the preceding two paragraphs.

Article 5 Endorsements or Guarantees Counterparty

- I. The Company may make endorsements or guarantees for the following companies:
 - (I) A company that the Company makes businesses with.
 - (II) A company in which the Company, directly and indirectly, holds more than 50% of voting shares.
 - (III) A company that directly and indirectly holds more than 50% of the Company's voting shares.
- II. The companies in which the Company, directly and indirectly, holds more than 50% of voting shares may make endorsements or guarantees for each other for the amount of no less than 10% of the Company's net worth. This restriction shall not apply to endorsements and guarantees made between companies where the Company holds, directly or indirectly, 100% of the voting shares.
- III. Where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves jointly and several securities for a performance guarantee of a sales contract for pre-sales houses pursuant to the Consumer Protection Act for each other, such endorsements and gua

rantees may be made free of the restriction of the preceding two paragraphs.

- IV. The "Capital Contribution" under the preceding paragraph refers to direct capital contribution by the Company or the capital contribution by the Company through its subsidiary in which the Company holds one hundred percent of the voting shares.

Article 6 Amount of Endorsements or Guarantees

- I. The total amount of endorsements or guarantees made by the Company for others shall not exceed 2% of the Company's net worth.
- II. The amount of endorsements or guarantees made by the Company for each individual object shall not exceed 150% of the Company's net worth.
- III. The total amount of endorsements or guarantees made by the Company and its subsidiaries as a whole for others shall not exceed 2% of the Company's net worth.
- IV. The amount of endorsements or guarantees made by the Company and its subsidiaries as a whole for each enterprise shall not exceed 150% of the Company's net worth.
- V. The said net worth shall be subject to that specified in the latest financial statement audited or reviewed by CAPs.
- VI. The accumulated amount of the endorsements or guarantees made for other enterprises due to businesses shall not exceed the total transaction amount of the businesses made with them in current year.
- VII. If the total amount of the endorsements or guarantees made by the Company and its subsidiaries as a whole reach 50% or more of the Company's net worth, an explanation of the necessity and reasonableness thereof shall be given at the Shareholders' Meeting.

Article 7 Procedures for Endorsements and Guarantees

I. Review and determination authority

- (1) If the Company needs to make any endorsements and guarantees

es, it shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution before it is conducted. However, in order to meet time needs, the Board of Directors shall authorize the Chairman to first make decisions within a certain amount before submitting them to the next Board of Directors' meeting for ratification.

If approval by more than half of all Audit Committee members as required in paragraph 1 is not obtained, it may be implemented after it is approved by more than two-thirds of all Directors, and the resolution made by the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

"All Audit Committee members" referred to in the Procedures and "all Directors" referred to in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

- (2) If a subsidiary governed by the Procedures in accordance with Article 2 needs to make endorsements or guarantees, it shall be approved by the resolution of such subsidiary's Board of Directors.
- (3) Before making any endorsements or guarantees pursuant to paragraph 2 of Article 5, a subsidiary in which the Company directly or indirectly holds 90% or more of the voting shares shall submit the proposed endorsements or guarantees to the Company's Board of Directors for a resolution before it may be conducted, but this restriction shall not apply to the endorsements or guarantees made between the companies in which the Company directly or indirectly holds 100% of the voting shares.
- (4) In case the Company needs to make any endorsements or guarantees beyond the amount limits on endorsements or guarantees due to business needs, it shall be first approved by more than half of all Audit Committee members, and then submitted to the Board of Directors for approval, and over half of all the Directors shall act as joint guarantors for it, before it can

be conducted. And amendments shall be made to the Procedures and submitted to the Shareholders' Meeting for ratification.

If the Shareholders' Meeting does not approve, a plan shall be established to eliminate the amount in excess within a given time limit. If approval by more than half of all Audit Committee members as required in paragraph 1 is not obtained, it may be implemented after it is approved by more than two-thirds of all Directors, and the resolution made by the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

- II. When making endorsements or guarantees, Financial Department shall evaluate their necessity and reasonableness, and analyze the operating, financial, and credit status of the endorsement or guarantee counterparties, so as to evaluate the risks in the endorsements or guarantees and their impact on shareholder's interests, and shall obtain collateral if necessary.
- III. Financial Department shall establish a recording book to specify, in details, endorsement or guarantee counterparties, amounts, dates of approval by the Board of Directors or resolution by the Chairman, the dates of the endorsements or guarantees, and the items to be carefully assessed under relevant rules, and related notes, agreements, and other documents also shall be kept properly.
- IV. If, as a result of changes in circumstances, any endorsement or guarantees counterpart is no longer meets the requirements set forth in the Procedures, or the amount of the endorsement or guarantee exceeds the amount limit, corrective plans shall be established and submitted to the Audit Committee, and correction shall be completed within the time period specified in the plan.
- V. If any endorsement or guarantee counterparty is a subsidiary whose net worth is lower than half of its paid-in capital, it shall be specially specified in the application, and included in major audit for regular tracking. In determining the paid-in capital of the subsidiary whose stock has no par value or a par value other than NT\$10, the paid-in capital shall be

calculated as the amount of share capital plus capital surplus minus the issuance premium.

Article 8 Procedures for Use and Safekeeping of Seal

- I. The Company shall apply to the Ministry of Economic Affairs for registering its corporate seal as the dedicated seal for endorsements or guarantees. The seal shall be kept by a designated person and may be used to seal or issue instruments only according to the Company's rules for using the seal.
- II. When the Company makes endorsements or guarantees for a foreign company, the guarantee letter issued by the Company shall be executed by the Chairman or other person authorized by the Board of Directors.
- III. If a foreign subsidiary governed the Procedures in accordance with paragraph 2 intends to make endorsements or guarantees for others, the person authorized by the Board of Directors of such subsidiary shall be responsible for signing.

Article 9 Disclosure of Information

- I. The Company shall announce and report by the tenth day of each month the previous month's balance of endorsements and guarantees made by the Company and its subsidiaries.
- II. In the event that the balance of the endorsements or guarantees by the Company reaches any of the following standards, it shall be announced and reported within two days from the occurrence date:
 - (I) The balance of the endorsements or guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.
 - (II) The balance of the endorsements or guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.
 - (III) The balance of the endorsements or guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$ 10 million or more, and the total amount of the endorsements or guarantees for, the book value of investments accounted for using the equity method in, and balance of loans to, such enterprise reaches 30% or more of the Company's net w

orth as stated in its latest financial statement.

- (IV) The amount of new endorsements or guarantees by the Company or its subsidiaries reach NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.
- III. The Company shall announce and report the matters as required in paragraph IV, if any, for its subsidiary which is not a domestic public company.
- V. The Company shall evaluate and recognize the contingent loss arising from the endorsements or guarantees, properly disclose the information of such endorsements or guarantees in the financial report, and provide CPAs-related information for the CPAs to conduct a necessary audit and issue an appropriate audit report.

Article 10 Internal Audit

The Company's internal auditors shall perform audit on the Company's endorsements or guarantees procedures and their implementation at least quarterly, and make it into written records. In the event that a material violation is found, the internal auditors shall immediately notify the Audit Committee in writing.

Article 11 Penalty Rules

Where the Company's any Managerial Officers or persons in charge violate the Governing Regulations issued by the Financial Supervisory Commission or the Procedures, he/she shall be assessed in accordance with the Company's rules for rewarding and punishment, and punished depending on the seriousness of the violation.

Article 12 Miscellaneous

- I. The Procedures shall be approved by over half of all Audit Committee members, then reviewed and approved by the Board of Directors, and finally submitted to and approved by the Shareholders' Meeting before they are implemented. The same shall apply when any amendments are made. If approval by more than half of all Audit Committee members as required in paragraph 1 is

not obtained, it may be implemented after it is approved by more than two-thirds of all Directors, and the resolution made by the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

- II. "All Audit Committee members" and "all Directors" referred to in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.
- III. The procedures for control over the endorsements or guarantees made by the subsidiaries governed by the Procedures in accordance with Article 2 are as follows:
 - (I) If any subsidiary does not intend to make endorsements or guarantees for others, it may report and apply to the Board of Directors for exempting it from establishing the procedures for making endorsements or guarantees; otherwise, it shall establish the "Measures for Making Endorsements or Guarantees" according to relevant regulations, and report the same to Shareholders' Meeting after it is approved by the Board of Directors. The same shall apply when any amendments are made.
 - (II) If the Company's subsidiaries make endorsements or guarantees for others, they shall handle it in accordance with their respectively defined "Measures for Making Endorsements or Guarantees", and shall submit written reports to the Company by the 5th day of each month, specifying the balance, counterparties, and term, etc. of endorsements and guarantees.

Appendix 5: Shareholdings of All Directors

Shares held by all directors, date as of April 25, 2021

Title	Name	Shares held in share register
Chairman	CHU, FU-CHUAN	879,530
Director	CHU, CHENG-CHING	0
Director	Bao Shin International Investment Co., Ltd. representative: LOU, CHAO-TSUNG	31,933,417
Director	Bao Shin International Investment Co., Ltd. representative: TENG, CHIA-LIN	31,933,417
Independent Director	FANG, WEN-CHANG	0
Independent Director	SU, YU-HUI	0
Independent Director	WANG, CHIEN-MIN	0
Total		32,812,947

Note : Total outstanding shares are 96,812,019 shares which included 655,000 shares of treasury stock by April 25, 2021.