



Elite Material Co., Ltd.

2021 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Date: May 28, 2021

Time: 9:00am Taipei time

Place: No. 18, Datong 1st Road,
Guanyin District, Taoyuan City
Taiwan

Table of Contents

A. Meeting Agenda	2
B. Report Items	3
I. Year 2020 Business Report and Financial Statements	3
II. Year 2020 review report by the Audit Committee	22
III. Year 2020 employees' compensation and Directors' remuneration	23
IV. Amendment Report of the Company's "Codes of Ethical Conduct "	23
C. Proposed Resolutions	24
I. To accept the Year 2020 Business Report and Financial Statements	24
II. To approve the proposal for 2020 earnings distribution	24
D. Discussion Items	26
I. To amend the company bylaw of "Articles of Incorporation of Elite Material Co., Ltd."	26
II. To amend the company bylaw of "Procedures of Acquisition and Disposition of Assets of Elite Material Co., Ltd."	29
III. To amend the company bylaw of "Procedures of Capital Lending to Others of Elite Material Co., Ltd."	36
IV. To amend the company bylaw of "Rules for Election of Directors"	37
E. Extemporary Motion	38
F. Attachments	39
I. Overview of "Articles of Incorporation of Elite Material Co., Ltd." (Before-revised)	39
II. Meeting rules of stockholders of Elite Material Co., Ltd.	47
III. Current shareholding of Directors and Independent Directors	50

**Meeting Agenda
for
2021 Annual General Shareholders' Meeting
of
Elite Material Co., Ltd.**

- 1. Call Meeting to Order**
- 2. Chairman takes Chair**
- 3. Chairman's Address**
- 4. Report Items**
- 5. Proposed Resolutions**
- 6. Discussion Items**
- 7. Extemporary Motion**
- 8. Meeting Adjourned**

Report Items

1. To report Year 2020 business operations and Financial Statements

Year 2020 Business Report

I. Year 2020 business results

Unit: NT\$ thousands

Items	Year 2020	Year 2019	
Revenue	27,200,786	24,865,522	9.39%
Gross profit	7,040,029	6,100,303	15.4%
Operating profit	4,683,451	4,079,550	14.8%
Income before tax	4,843,563	4,203,826	15.22%
Net income	3,694,270	3,245,301	13.83%

Note: The net income of year 2020 includes NT\$5,271 thousand which belongs to the minority interests.

Execution results of business plan

- Guanyin/Hsinchu production site of Taiwan: Monthly production capacity has achieved 650,000 sheets.
- Kunshan production site of Jiangsu Province, China: Monthly production capacity has achieved 1.35 million sheets. (Expected capacity of 1.65 million sheet/month in Q3 2022)
- Zhongshan production site of Guangdong Province, China: Monthly production capacity has achieved 950,000 sheets.
- Huangshi production site of Hubei Province, China: Monthly production capacity has achieved 600,000 sheets. (Expected capacity of 0.9 million sheet/month in Q3 2022)

ii. Summary of Cash Flow Statements

Unit: NT\$ thousands

Items	Year 2020
Net cash provided by operating activities	3,517,212
Net cash used in investing activities	1,959,127
Net cash used in financing activities	2,113,193
Effects of changes in foreign exchange rate on cash and cash equivalents	(63,820)
Increase in cash in reporting period	618,928

iii. Analysis of profitability

Items	Year 2020	Year 2019
Return on assets (%)	13.98	13.77
Return on equities (%)	24.39	25.50
Percentage of paid-in capital (%)	Operating profit	140.68
	Income before tax	127.60
		145.49
		131.49

Net margin (%)	13.58	13.05
Earnings per share (NT Dollar)	11.33	10.14

iv. Results of research and development:

New products successfully developed by the Company in 2020:

1. High-end substrate material consumed by IC packaging
2. High frequency material consumed by mmWave
3. New environmental-friendly laminates, consumed by PCB fabricators for the 5G satellite communication system
4. Outdoor antenna laminate consumed by 5G base station
5. New environmental-friendly laminates, consumed by PCB fabricators for the high-end 5G smartphone

Embracing the upcoming 5G era, the optimal materials of 5G handheld devices/ base station/ server/ networking have been developed and enter mass production, with aggressive capacity expansions across the straits. In the future, EMC will continue to put resources in developing high speed, high frequency and high-end package materials, to fulfill the growing demand from its global clients.

II. Summary of Year 2020 business plan

i. Planning of sales and production

- a. Capacity expansion
- b. Promote eco-friendly materials, laminates
- c. Balancing sales and production, flexible inventory adjustment and activate cash management

ii. Operating strategy

- a. To introduce eco-friendly materials for 5G infrastructure, and introduce HDI fabricating process to produce PCBs used for high speed, high frequency 5G equipment, datacenter and networking infrastructures.
- b. To develop laminates consumed by automotive vehicles.
- c. To maintain lion's share in high-end HDI segment.

iii. Sales volume target

- a. Expected sales volume target:

Copper Clad Laminates (CCLs):	43 million sheets/year
Prepreg (PP):	900 thousand rolls/year
Mass Lam (M/L):	1.9 million panels/year

III. Effects from changes in competitions, regulations, and business environment on the future development strategy of the company

i. Future development strategy of EMC:

- a. To develop varieties of materials consumed by high-speed, high-frequency and low-loss laminates, in cope with the rising demand from the proliferation of hyper-scale data center, artificial intelligence, AIoT and edge computing infrastructure, and demand from the rollout of 5G network.
- b. To secure the leading position of EMC's materials consumed by HDI PCBs in the global market.
- c. To expand overseas market and diversify risks.

ii. Perfectness of Internal control, enhance management efficiency

iii. Effects from changes in competitions, regulations, and business environment:

Since the outbreak of Covid-19 starting January, 2020, the company and its sites have been following the quarantine protocols strictly to ensure the company's normal operations.

From the future perspective, the industry has been facing two key trends, 1. As the global communication industry has been upgrading from 4G to 5G, the specification requirements of high-end laminates get higher, and companies with sufficient capacities and strong R&D capabilities will become bigger and bigger. 2. The demand for halogen-free materials keeps growing, on the back of strict environmental regulations. EMC continues to maintain its global leading position in eco-friendly laminates, equipped with long-lasting strength in HDI technology and environmental-friendly materials. After years of efforts, it has finally been recognized by the market and taken into a must-have consideration by the customers, enabling the company to have the competitive edge to succeed.

Chairman & President: Ding-Yu Dong

Director of Accounting Department: Sara Yen

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

2. Year 2020 Financial Statements

1. Balance Sheets of Year 2019 and 2020
2. Statements of Comprehensive Income of Year 2019 and 2020
3. Statements of Changes in Equity of Year 2019 and 2020
4. Statements of Cash Flows of Year 2019 and 2020

The full financial reports prepared and audited by KPMG can be viewed and downloaded at the company website: <https://www.emctw.com/en-global/report/index>; or at the website of MOPS operated by the Taiwan Stock Exchange: <http://mops.twse.com.tw>

Independent Auditors' Report

To the Board of Directors of ELITE MATERIAL CO., LTD.:

Opinion

We have audited the financial statements of ELITE MATERIAL CO., LTD. ("the Company"), which comprise the statement of financial position as of December 31, 2020 and 2019, and the statement of comprehensive income, changes in equity and cash flows for the years ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the year ended December 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to Note 4(n) "Revenue" and Note 6(q) "Revenue" of the consolidated financial statements.

Description of key audit matter:

The recognition of revenue is based on the fact that the Company has transferred all its ownership and the significant risk of its products to the customers. The judgment on the arrival date of the products involves uncertainty under the FOB destination which is stated in the sales contracts between the Company and the customers. The Company still needs to take the risk of the products before they are delivered to customers.

Therefore, the recognition of revenue was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the accounting policies on the recognition timing of sales revenue and the appropriateness of related internal controls; testing the effectiveness of implementation of internal control; performing cut-off test for recognition of revenue on the period before and after the reporting date to assess the rationality to the recognition timing of sales revenue.

2. Allowance for Inventory Valuation

Please refer to Note (4)(g) "Inventories" and Note (6)(e) "Inventories" of the consolidated financial statements.

Description of key audit matter:

The printed circuit board and other electronic components are the major products of the Company. Inventories have specific life cycle due to their attributes. Apart from this, the Company prepared certain amounts of security stock to meet the delivery date required by the customers. Inventories are stated at the lower of cost or net realizable value. Consequently, there may be situations that the net realizable value of inventory will exceed its cost. In addition, the Company would purchase the materials in advance for the expected sales orders. The cancellation or the change of orders, and the change of the material used or quantities of the material may lead to product obsolescence. Therefore, the recognition on allowance for inventory valuation and obsolescence loss was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policy of the Company is applied; selecting samples to examine their net realizable values to verify the accuracy and completeness of inventory aging report; reassessing the accuracy of allowance for inventory valuation and obsolescence loss according to the Company's accounting policy; performing a retrospective review to evaluate the completeness of disclosure for allowance for inventories.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2021

The accompanying notes are an integral part of the financial statements.

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

ELITE MATERIAL CO., LTD.

Statements of Comprehensive Income
For the Years Ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note (6)(g) and Note (7))	\$ 6,930,636	100	7,186,702	100
5000	Operating costs (Note (6)(a) and Note (7))	(5,562,112)	(80)	(5,677,528)	(80)
	Gross profit from operations	1,368,523	20	1,509,174	18
5910	Less: Unrealized profit from sales	(4,051)	-	(4,300)	-
5920	Add: Realized profit from sales	4,300	-	11,488	-
	Gross profit from operations	1,368,772	20	1,516,362	18
	Operating expenses:				
6100	Total selling expenses	(256,032)	(4)	(198,994)	(3)
6200	Total administrative expenses	(473,491)	(7)	(356,637)	(5)
6300	Total research and development expenses	(255,430)	(4)	(168,928)	(2)
6450	Expected credit loss	(66)	-	(95)	-
6300	Total operating expenses	(985,019)	(15)	(724,654)	(10)
	Net operating income	383,753	5	591,708	8
	Non-operating income and expenses:				
7100	Total interest income	1,026	-	1,248	-
7020	Other gains and losses, net (Note (6)(c))	(15,223)	-	13,268	-
7370	Share of profit of associates and joint ventures accounted for using equity method	3,838,173	55	3,086,423	43
7050	Finance costs (Note (6)(d))	(23,185)	-	(38,126)	-
	Total non-operating income and expenses	3,800,791	55	3,062,813	43
	Profit from continuing operations before tax	4,184,544	60	3,654,521	51
7950	Less: Income tax expenses (Note (6)(a))	(492,545)	(7)	(413,676)	(6)
	Profit	3,691,999	53	3,240,845	45
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	675	-	(4,106)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	-	-	(369)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(135)	-	821	-
	Components of other comprehensive income that will not be reclassified to profit or loss	540	-	(3,654)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	94,378	1	(510,587)	(7)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(18,876)	-	102,117	1
	Components of other comprehensive income that will be reclassified to profit or loss	75,502	1	(408,470)	(6)
8300	Other comprehensive income, net	76,042	1	(412,124)	(6)
	Total comprehensive income	\$ 3,768,041	54	\$ 2,828,721	39
	Basic earnings per share (Note (6)(p))(dollars)	\$ 11.33		\$ 10.14	
	Diluted earnings per share (Note (6)(p))(dollars)	\$ 11.07		\$ 9.93	

The accompanying notes are an integral part of the financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 4,184,544	3,654,521
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	191,491	179,258
Amortization expense	5,095	2,451
Expected credit loss	66	95
Net gain on financial assets or liabilities at fair value through profit or loss	(1,853)	(15,606)
Interest expense	9,145	13,030
Interest income	(1,026)	(1,248)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	(3,838,173)	(3,086,423)
Gain on disposal of property, plant and equipment	(34)	(5)
Amortized discounted corporate bonds payable-interest expense	14,040	25,096
Total adjustments to reconcile profit	(3,621,249)	(2,883,352)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	1,084	26,960
Accounts receivable	153,281	(349,038)
Accounts receivable due from related parties	208,954	3,038
Other receivable	83,596	(529,411)
Inventories	(274,425)	(168,931)
Deferred revenues	3,667	(6,675)
Other current assets	6,663	(11,991)
Other assets	(17,717)	2,904
Total changes in operating assets	170,083	(1,033,544)
Changes in operating liabilities:		
Accounts payable	(174,679)	215,838
Accounts payable to related parties	(22,056)	32,005
Other payable	83,475	678,325
Current refund liabilities	6,948	7,773
Other current liabilities	1,165	85
Net defined benefit liability	(10,646)	(9,255)
Total changes in operating liabilities	(113,793)	924,771
Total changes in operating assets and liabilities	56,290	(108,773)
Total adjustments	(3,564,959)	(2,992,123)
Cash inflow generated from operations	619,585	662,396
Interest received	960	1,248
Dividends received	3,327,861	1,430,538
Interest paid	(9,076)	(13,371)
Income taxes paid	(762,854)	(178,542)
Net cash flows from (used in) operating activities	3,176,496	1,902,269
Cash flows from investing activities:		
Acquisition of investments accounted for using equity method	(761,482)	(329,412)
Acquisition of property, plant and equipment	(168,639)	(61,893)
Proceeds from disposal of property, plant and equipment	34	5
(Increase) decrease in refundable deposits	(7)	1,262
Acquisition of intangible assets	(17,270)	(4,135)
Net cash flows used in investing activities	(947,364)	(394,173)
Cash flows from financing activities:		
(Decrease) increase in short-term loans	(179,961)	61,810
Decrease in short-term notes and bills payable	(100,000)	(100,000)
Proceeds from long-term debt	950,000	450,000
Repayments of long-term debt	(500,000)	(500,000)
(Increase) decrease in guarantee deposits received	857	(271)
Cash dividends paid	(1,918,248)	(1,714,680)
Net cash flows used in financing activities	(1,747,352)	(1,803,541)
Net increase (decrease) in cash and cash equivalents	481,780	204,955
Cash and cash equivalents at beginning of period	480,252	275,297
Cash and cash equivalents at end of period	\$ 962,032	480,252

The accompanying notes are an integral part of the financial statements.

Independent Auditors' Report

To the Board of Directors of Elite Material Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Elite Material Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the Consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

1. Revenue recognition

Please refer to Note 4(o) "Revenue" and Note 6(s) "Revenue" of the consolidated financial statements.

Description of key audit matter:

The recognition of revenue is based on the fact that the Group has transferred all its ownership and the significant risk of its products to the customers. The judgment on the arrival date of the products involves uncertainty under the FOB destination which is stated in the sales contracts between the Group and the customers. The Group still needs to take the risk of the products before they are delivered to customers.

Therefore, the recognition of revenue was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the accounting policies on the recognition timing of sales revenue and the appropriateness of related internal controls; testing the effectiveness of implementation of internal control ; performing cut-off test for recognition of revenue on the period before and after the reporting date to assess the rationality to the recognition timing of sales revenue.

2. Allowance for Inventory Valuation

Please refer to Note (4)(b) "Inventories" and Note (5)(f) "Inventories" of the consolidated financial statements.

Description of key audit matter:

The printed circuit board and other electronic components are the major products of the Group. Inventories have specific life cycle due to their attributes. Apart from this, the Group prepared certain amounts of security stock to meet the delivery date required by the customers. Inventories are stated at the lower of cost or net realizable value. Consequently, there may be situations that the net realizable value of inventory will exceed its cost. In addition, the Group would purchase the materials in advance for the expected sales orders. The cancellation or the change of orders, and the change of the material used or quantities of the material may lead to product obsolescence. Therefore, the recognition on allowance for inventory valuation and obsolescence loss was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policy of the Group is applied; selecting samples to examine their net realizable values to verify the accuracy and completeness of inventory aging report; reassessing the accuracy of allowance for inventory valuation and obsolescence loss according to the Group' s accounting policy; performing a retrospective review to evaluate the completeness of disclosure for allowance for inventories.

Other Matter

Elite Material Co., Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2021

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		2020.12.31		2019.12.31		LIABILITIES AND STOCKHOLDERS' EQUITY	
		Amount	%	Amount	%	Current Liabilities:	
ASSETS							
Current Assets:							
1100	Cash and cash equivalents (Note (6)(a))	\$ 5,731,862	20	6,350,790	25	2100	Short-term borrowings (Note (6)(k))
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	-	-	4,561	-	2110	Short-term notes payable (Note (6)(l))
1150	Notes receivable, net (Note (6)(d))	291,991	1	293,914	1	2170	Accounts payable
1170	Accounts receivable, net (Note (6)(d))	9,642,069	35	8,898,138	35	2200	Other payables
1200	Other receivables, net (Note (6)(e))	49,011	-	56,946	-	2230	Current tax liabilities
1310	Inventories, manufacturing business, net (Note (6)(f))	3,702,172	13	2,904,701	11	2321	Bonds payable, current portion (Note (6)(n))
1479	Other current assets, others	151,452	1	324,208	1	2322	Long-term borrowings, current portion (Note (6)(m))
		19,568,357	70	18,833,258	73	2365	Current refund liability (Note (6)(o))
						2399	Other current liabilities, others
	Non-Current Assets:						
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(g))	15,681	-	16,507	-		
							Non-Current liabilities:
1550	Investments accounted for using equity method, net (Note (6)(c))	10,115	-	21,714	-	2540	Long-term borrowings (Note (6)(m))
1600	Property, plant and equipment (Note (6)(i))	6,531,008	23	5,857,817	23	2551	Non-current provisions for employee benefits (Note (6)(p))
1755	Right-of-use asset (Note (6)(j))	238,157	1	240,188	1	2570	Deferred tax liabilities (Note (6)(q))
1805	Goodwill (Note (6)(h))	436,389	2	-	-	2645	Guarantee deposits received
1822	Other intangible assets (Note (6)(h))	235,311	1	10,316	-		
1840	Deferred tax assets (Note (6)(q))	225,052	1	231,497	1		Total liabilities
1900	Other non-current assets	572,999	2	471,050	2		
1920	Guarantee deposits paid	19,383	-	21,984	-		
1975	Net defined benefit asset, non-current (Note (6)(p))	3,754	-	-	-	3100	Capital stock
		8,288,249	30	6,871,073	27	3200	Capital surplus
							Retained earnings:
						3310	Legal reserve
						3320	Special reserve
						3351	Accumulated profit and loss
						3400	Other equity interest
						36XX	Non-controlling interests
							Total equity
							Total liabilities and equity
Total assets		\$ 27,856,806	100	\$ 25,704,331	100		

The accompanying notes are an integral part of the consolidated financial statements.

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

ELITE MATERIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note (6)(f))	\$ 27,200,786	100	24,865,522	100
5000	Operating costs (Note (6)(f))	(20,160,757)	(74)	(18,765,219)	(75)
	Gross profit from operations	7,040,029	26	6,100,303	25
	Operating expenses:				
6100	Total selling expenses	(866,698)	(3)	(745,045)	(3)
6200	Total administrative expenses	(914,229)	(3)	(767,916)	(3)
6300	Total research and development expenses	(582,679)	(2)	(500,441)	(2)
6450	Impairment loss (Note (6)(d))	7,028	-	(7,351)	-
	Total operating expenses	(2,356,578)	(8)	(2,020,753)	(8)
	Net operating income	4,683,451	18	4,079,550	17
	Non-operating income and expenses (Note (6)(v)):				
7100	Total interest income	74,266	-	90,439	-
7020	Other gains and losses, net	157,482	-	77,072	-
7050	Finance costs, net	(60,724)	-	(47,069)	-
7370	Share of profit of associates and joint ventures accounted for using equity method	(10,912)	-	3,834	-
	Total non-operating income and expenses	160,112	-	124,276	-
7900	Profit from continuing operations before tax	4,843,563	18	4,203,826	17
7950	Less: Income tax expenses (Note (6)(q))	(1,149,293)	(4)	(958,525)	(4)
8200	Profit	3,694,270	14	3,245,301	13
	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	675	-	(4,106)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	-	-	(369)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(135)	-	821	-
	Components of other comprehensive income that will not be reclassified to profit or loss	540	-	(3,654)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	94,534	-	(511,213)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(18,876)	-	102,117	-
	Components of other comprehensive income that will be reclassified to profit or loss	75,658	-	(409,096)	(2)
	Other comprehensive income	76,198	-	(412,750)	(2)
	Total comprehensive income	\$ 3,770,468	14	2,832,551	11
	Loss attributable to:				
	Owners of the parent company	\$ 3,688,999	14	3,240,845	13
	Non-controlling interests	5,271	-	4,456	-
		\$ 3,694,270	14	3,245,301	13
	Comprehensive income attributable to:				
	Owners of the parent company	\$ 3,765,041	14	2,828,721	11
	Non-controlling interests	5,427	-	3,830	-
		\$ 3,770,468	14	2,832,551	11
	Earnings per share (Note (6)(x))				
	Basic earnings per share (dollars)	\$ 11.33		10.14	
	Diluted earnings per share (dollars)	\$ 11.07		9.72	

The accompanying notes are an integral part of the consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
 ELITE MATERIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Retained earnings					Total other equity interest				
	Share capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Transition of Foreign Statements	Unrealized gains (losses) on available for sale financial assets	Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total equity
Balance at January 1, 2019	\$ 3,196,524	603,721	1,535,792	237,192	6,720,522	(423,485)	(69)	11,900,197	14,593	11,914,790
Profit for the year ended December 31, 2019	-	-	-	-	3,240,845	-	-	3,240,845	4,456	3,245,301
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(3,285)	(408,470)	(362)	(412,124)	(626)	(412,750)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	3,237,560	(408,470)	(362)	2,828,721	3,830	2,832,551
Earnings distribution:										
Legal reserve	-	-	175,137	-	(175,137)	-	-	-	-	-
Special reserve	-	-	-	186,362	(186,362)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(1,214,680)	-	-	(1,214,680)	-	(1,214,680)
Other changes in capital surplus:										
Conversion of convertible bonds	556	5,137	-	-	-	-	-	5,693	-	5,693
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,785)	(1,785)
Balance at December 31, 2019	3,197,080	608,858	1,710,929	423,554	8,391,903	(831,955)	(438)	13,519,931	16,638	13,536,569
Profit for the year ended December 31, 2020	-	-	-	-	3,688,999	-	-	3,688,999	5,271	3,694,270
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	540	75,502	-	76,042	158	76,198
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	3,689,539	75,502	-	3,765,041	5,427	3,770,468
Earnings distribution:										
Legal reserve	-	-	324,085	-	(324,085)	-	-	-	-	-
Special reserve	-	-	-	408,839	(408,839)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(1,918,248)	-	-	(1,918,248)	-	(1,918,248)
Conversion of convertible bonds	132,103	1,239,803	-	-	-	-	-	1,371,906	-	1,371,906
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(5,186)	(5,186)
Balance at December 31, 2020	\$ 3,329,183	1,865,661	2,035,014	832,393	9,430,270	(756,453)	(438)	16,738,630	16,879	16,755,509

The accompanying notes are an integral part of the consolidated financial statements

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

ELITE MATERIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from/(used in) operating activities:		
Profit before tax	\$ 4,343,563	4,203,826
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	599,222	486,420
Amortization expense	9,391	5,637
Expected credit loss	(7,028)	7,351
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(1,853)	(15,606)
Interest expense	46,684	21,973
Interest income	(74,266)	(90,439)
Share of loss (profit) of associates and joint ventures accounted for using equity method	10,912	(3,834)
Loss on disposal of property, plant and equipment	571	533
Others	14,040	25,096
Dividend income	-	(29,778)
Total adjustments to reconcile profit (loss)	597,673	407,253
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	3,321	14,415
Accounts receivable	(484,607)	(1,873,862)
Other receivable	17,424	(36,652)
Inventories	(647,818)	(776,284)
Other current assets	175,253	(348,980)
Other operating assets	(93,425)	(99,407)
Total changes in operating assets	(1,029,852)	(2,911,870)
Changes in operating liabilities:		
Accounts payable	46,714	897,045
Other payable	343,235	408,199
Receipts in advance	74,823	53,727
Other current liabilities	(4,295)	27,039
Net defined benefit liability	(30,646)	(9,254)
Total changes in operating liabilities	449,831	1,376,756
Total changes in operating assets and liabilities	(580,021)	(1,535,114)
Total adjustments	17,652	(1,127,761)
Cash inflow generated from operations	4,861,215	3,076,065
Interest received	97,697	93,444
Dividends received	-	29,778
Interest paid	(47,189)	(36,346)
Income taxes paid	(1,394,511)	(697,035)
Net cash flows from operating activities	3,517,212	2,465,906
Cash flows from/(used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(18,624)
Net cash flow from acquisition of subsidiaries	(719,072)	-
Acquisition of property, plant and equipment	(1,199,655)	(1,128,155)
Proceeds from disposal of property, plant and equipment	101	412
Acquisition of intangible assets	(43,197)	(8,738)
Acquisition of right-of-use assets	-	(27,176)
Decrease in refundable deposits	2,696	2,313
Net cash flows used in investing activities	(1,959,127)	(1,179,968)
Cash flows from/(used in) financing activities:		
Decrease in short-term loans	(226,374)	(46,268)
Decrease in short-term notes and bills payable	(300,000)	(300,000)
Proceeds from long-term debt	1,052,712	1,303,005
Repayments of long-term debt	(917,965)	(500,000)
Increase in guarantee deposits received	1,868	335
Cash dividends paid	(1,973,434)	(1,216,465)
Net cash flows used in financing activities	(2,113,193)	(759,393)
Effect of exchange rate changes on cash and cash equivalents	(63,820)	(798,722)
Net increase in cash and cash equivalents	(638,928)	327,823
Cash and cash equivalents at beginning of period	6,350,790	6,022,967
Cash and cash equivalents at end of period	\$ 5,711,862	6,350,790

The accompanying notes are an integral part of the consolidated financial statements.

Review Report by the Audit Committee

To the 2021 Annual General Shareholders' Meeting of Elite Material Co., Ltd.,

In accordance with Article 219 of the Company Act, we have examined the Business Report, the Resolution for Allocation of Surplus Profit, the Financial Statements submitted by the Board of Directors for the year ending 2020 which had been audited by independent auditors, Ms. Chen, Yi-Chun and Mr. Calvin C. Y. Chiang of KPMG, and the auditing report signed by the said independent auditors, and found them in order. We thereby submit the report.

A handwritten signature in blue ink, appearing to read "Duen Chian Cheng", with a horizontal line underneath the signature.

Cheng, Duen-Chian

Convener of the Audit Committee of Elite Material Co., Ltd.

February 25, 2021

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Information of employees' compensation and Directors' remuneration in Year 2020

Unit: NT\$ Dollar

	Year 2020
Earnings before tax, employee's compensation, and Directors' remuneration	\$ 4,358,900,473
Accumulated losses	-
Distributable earnings to employees and Directors	\$ 4,358,900,473
Employees' compensation (3% of the distributable earnings)	\$ 130,767,014
Directors' remuneration (1% of the distributable earnings)	\$ 43,589,005

The said employees' compensation and Directors' remuneration will be distributed in cash.

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Overview of the Elite Material Co., Ltd. Bylaws on "Code of Ethical Conduct of Elite Material Co., Ltd." amendments

Item	Proposed Changes	Current Article	Reasons
Article 4	<p>Prevent conflict of interest</p> <p>The employees of the Company shall handle their official duties in an objective and efficient manner and shall not, by using their position in the Company, cause improper benefits to themselves, their spouses, or relatives within the second degree of kinship.</p> <p>When the Company and the related enterprises to which the above-mentioned persons have financial loans or provide them with guarantees, material asset transactions, in (sale) of goods and transactions, the relevant Company personnel should take the initiative to explain to the Company whether they have a potential conflict of interest with the Company, and in accordance with the Company's "Employee Code of Conduct" to prevent conflicts of interest.</p>	<p>Prevent conflict of interest</p> <p>The employees of the Company shall handle their official duties in an objective and efficient manner and shall not, by using their position in the Company, cause improper benefits to themselves, their spouses, parents, children or relatives within the second degree of kinship.</p> <p>When the Company and the related enterprises to which the above-mentioned persons have financial loans or provide them with guarantees, material asset transactions, in (sale) of goods and transactions, the relevant Company personnel should take the initiative to explain to the Company whether they have a potential conflict of interest with the Company, and in accordance with the Company's "Employee Code of Conduct" to prevent conflicts of interest.</p>	<p>Consider that both parents and children are relatives within the second degree of kinship, and the text should be streamlined at their discretion.</p>

Proposed Resolutions

1. To accept the Year 2020 Business Report and Financial Statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of the Year 2020 Business Report and Financial Statements.

Explanatory Notes:

- i. EMC's Year 2020 Business Report and Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, have been resolved in the 11th board meeting of the 11th term, and have been examined by and determined to be correct and accurate by the Audit Committee of EMC. We thereby submit this report.
- ii. Please approve the aforesaid Business Report and Financial Statements.

2. To approve the proposal for 2020 earnings distribution

The Board of Directors proposes and recommends that each shareholder vote FOR the 2020 earnings distribution.

Explanatory Notes:

- i. Cash dividends to common shareholders: Total NT\$2,330,428,093. Each common shareholder will be entitled to receive a cash dividend of NT\$7.0 per share. The fractional dollar amount which is less than one New Taiwan Dollar, if there is any, will not be distributed and will be recognized by the company as other income.
- ii. After being approved at the Annual General Shareholders' Meeting, it is proposed that the Chairman of EMC be authorized to determine the record date and the payment date that the cash dividends will be distributed to common shareholders.
- iii. Should EMC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the Security Act and other relevant regulations, the total number of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Chairman of EMC be authorized to adjust the cash to be distributed to each common share, based on the total amount of earnings resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.
- iv. Please approve the aforesaid proposal for 2020 earnings distribution.

Elite Material Co., Ltd. Profit Allocation Proposal of Year 2020

Net income of 2020	3,688,999,332
Less:	
10% legal reserve	368,953,951
Plus:	
Unappropriated retained earnings of previous years	5,740,730,617
Special reserve of earnings	75,502,341
Other comprehensive loss (actuarial adjustment of defined benefit plan of Year 2020)	540,173
Earnings available for distribution as of 31 December 2020	9,136,818,512
Distribution items:	
Cash dividends to common share holders (NT\$7 per share)	2,330,428,093
Stock dividends to common share holders	
(Cash dividend per common share is calculated based on a total number of shares outstanding of 332,918,299)	
Total distribution	2,330,428,093
Unappropriated earnings	6,806,390,419

Note:

1. Pursuant to the Article 36 of Elite Material Co., Ltd. Articles of Incorporation, the distribution order of Year 2020 net income is prior to other distributable items.
2. The number of shares outstanding is decided based on the actual number of outstanding shares as of 30 March 2021.

Chairman & President: Ding-Yu Dong

Director of Accounting Department: Sara Yen

*In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

Discussion Items

1. To approve the amendment of “Articles of Incorporation of Elite Material Co., Ltd.”

Explanatory Notes:

一、In response to the Company's operational needs and practical operations, it is proposed to amend some of the provisions of the Company's Articles of Incorporation.

二、The list of provisions before and after the revision of the "Articles of Incorporation" of this amendment is shown below.

三、Resolution

Article	Revised	Current	Illustration
Article 4	When the Company is required to invest in another company and become a limited liability partner , the total amount of all investment shall not exceed the limit of 40 percent of the share capital received under Article 13 of the Company Law, and the relevant transfer of investment shall be handled by resolution of the Board of Directors.	The Company may, in response to the needs of its business, the total amount of its transfer investment shall not exceed 40 percent of the total amount of paid-in share capital as set out in Article 13 of the Company Law, and the relevant transfer investment shall be handled by resolution of the Board of Directors.	Amended in accordance with article 13 of the Companies Act.
Article 5	The headquarters of the Company is located in Taoyuan City, and may, depending on the actual needs of domestic and foreign appropriate locations to set up branches.	The Company is located in Taoyuan City, Taiwan Province , and may, depending on the actual needs of domestic and foreign appropriate locations to set up branches.	Taoyuan has been upgraded to the municipality.
Article 7	The Total Capital of the Company is set at NT\$6 billion, divided into NT\$600 million of shares, NT\$10 per share, and unissued shares shall be issued by the Board of Directors in sub-issues at a later date as necessary.	The Total Capital of the Company is set at NT\$4 billion, divided into NT\$400 million of shares, NT\$10 per share, and unissued shares shall be issued by the Board of Directors in sub-issues at a later date as necessary.	Considering future development requires an additional capital.
Article 8	Shares issued by the Company may be exempted from being printed, but should be contacted with the TDCC for stock registration.	The shares of the Company are all named and issued by more than three directors after signing or sealing or numbering their visas in accordance with the law.	Shares have been issued completely without entities
Article 8-1	Deleted	The company's public offering of named shares may be exempted from printing shares, but should be in contact with the TDCC for stock registration.	Combined into Article 8.
Article 9	The company's stock affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and other relevant laws and regulations.	Shareholders shall submit their real names or titles, together with their addresses, to the Company in the register of shareholders and retain the seal type with the Company. If the sealing stamp retained by the shareholders is lost or damaged, it shall immediately notify the Company in writing and apply to the Company for a replacement of the new sealing stamp after it has been invalidated in the announcement of the General Daily at the place where the headquarters is located.	The relevant operations of the stock affairs have standardized the Guidelines for the Handling of Shares of Publicly Issued Stock Companies, so the relevant provisions have been deleted.
Article 10	Deleted	The transfer of the Company's shares shall be approved by the transferee of the stock, and the name or name of the transferred party shall be recorded in the stock, and the transfer procedure shall be completed after the company has recorded the name	Ditto

Article	Revised	Current	Illustration
		or name of the transferred party and the domicile or residence of the transferred party in the shareholders' register. The Transfer shall not be used against the Company before the transfer procedures have been completed.	
Article 11	Deleted	In the event of loss or damage to a stock that is illegible, the application for the exchange or replacement of new shares shall be handled in accordance with the guidelines of a Regulations Governing the Administration of Shareholder Services of Public Companies"	Ditto
Article 12	Deleted	The Company may charge the cost of work for the change of name, transfer or replacement of new shares.	Ditto
Article 19	When a shareholder entrusts an agent to attend a shareholders' meeting, he shall issue a power of attorney issued by the Company, which shall be delivered to the Company five days before the shareholders' meeting, and a shareholder shall issue a power of attorney and entrust one person to a limit. Where the power of attorney is duplicated, it shall prevail to the person who served first, but the principal before the declaration is revoked shall not be limited to this limit. Except for a trust business or a <u>share transfer agency and registrar approved by the securities authority</u> , when a person is entrusted by two or more shareholders at the same time, the voting power of his agent shall not exceed three percent of the total number of shares issued, and his voting power shall not be calculated if it exceeds that amount. The method of entrusting shareholders to attend shall, unless otherwise provided in the Company Law, be handled <u>in accordance with the Rules on the Use of Power of Attorney by TDCC to attend shareholders' meetings.</u>	When a shareholder entrusts an agent to attend a shareholders' meeting, he shall issue a power of attorney issued by the Company, which shall be delivered to the Company five days before the shareholders' meeting, and a shareholder shall issue a power of attorney and entrust one person to a limit. Where the power of attorney is duplicated, it shall prevail to the person who served first, but the principal before the declaration is revoked shall not be limited to this limit. Except for the trust business, when a person is entrusted by two or more shareholders at the same time, the voting power of his agent shall not exceed three percent of the total number of shares issued, and his voting rights shall not be calculated if he exceeds it. The agent is not limited to the shareholders of the Company. °	Amended under section 177 of the Companies Act.
Article 20	During the shareholders' meeting, except Company Law and these Articles of Association, it shall be handled in accordance with the rules of procedure of the shareholders' meeting of the Company.	The shareholders' meeting shall be attended by the chairman of the company, if the chairman of the board of directors is not present for any reason, and if the vice-chairman is not present for any reason, by the appointed director, whose unappointed person shall be represented by one person from each other. By other persons outside the board of director convenor, the chairman shall be the convenor of the meeting, the convenor of more than two people, shall be mutually elected one person to serve.	Discretionary text correction.
Article 21	The resolutions of the shareholders' meeting shall be made into a meeting minutes, signed or sealed by the	The resolutions of the shareholders' meeting shall be made into a meeting minutes, signed or sealed by the	Discretionary text correction.

Article	Revised	Current	Illustration
	Chairman, and distributed to the shareholders within 20 days after the meeting. The minutes shall record the year, month, day, place, name of the Chairman and the method of resolution of the meeting, and shall record the keys of the proceedings and their results, and shall be kept in the Company with the <u>signature sheet</u> of the shareholders present and the power of attorney for the attendance of the agent. The distribution of the minutes shall be made in such a manner of public announcement.	Chairman, and distributed to the shareholders within 20 days after the meeting. The minutes shall record the year, month, day, place, name of the Chairman and the method of resolution of the meeting, and shall record the keys of the proceedings and their results, and shall be kept in the Company with the signature book of the shareholders present and the power of attorney for the attendance of the agent. The distribution of the minutes shall be made in such a manner of public announcement.	
Article 22	The Company has seven to nine directors, all of which are appointed by the Shareholders' meeting with a capacity for conduct. Of the aforementioned directorships, <u>there shall be at least three independent directors and no less than 1/5 of board seats.</u>	The Company has seven to nine directors, all of which are appointed by the Shareholders' meeting with a capacity for conduct. Of the aforementioned directorships, there shall be three independent directors.	In accordance with section 24 of the Code of Practice on Corporate Governance of the Company.
Article 38	This Charter was amended with the existing provisions (slightly) on February 25, 1992 by unanimous agreement of all the promoters. The 1st to 23rd amendments were the same as current clause (Omitted). <u>The 24th amendment was made on May 28, 2021.</u>	This Charter was amended with the existing provisions (slightly) on February 25th, 1992 by unanimous agreement of all the promoters. The 1st to 23rd amendments were the same as current clause (Omitted).	Add the date and number of revisions.

2. To approve the amendment of “Procedures of Acquisition and Disposition of Assets of Elite Material Co., Ltd.”

- 一、In response to the Company's operational and investment needs, it is proposed to merge “Procedure to Engage in the Transactions of Financial Derivative Products of Elite Material Co., Ltd.” into “Procedures of Acquisition and Disposition of Assets of Elite Material Co., and amend partial articles of “Procedures of Acquisition and Disposition of Assets of Elite Material Co.,
- 二、The list of provisions before and after the revision of the " Procedures of Acquisition and Disposition of Assets " is shown below.
- 三、Resolution

Article	Revised	Current	Illustration
Article 2	The company's acquisition to or disposition of assets shall be handled in accordance with the provisions of these procedures. However, the relevant financial decrees provide otherwise, comply with its provisions.	The company's acquisition to or disposition of assets shall be handled in accordance with the provisions of these procedures. However, the relevant financial decrees provide otherwise, comply with its provisions. Banks, insurance companies, bills finance companies, securities dealers, futures dealers and leveraged dealers and other financial concessions to conduct derivative commodity trading business or engage in derivative commodity trading, shall be in accordance with their industry shall be subject to other laws and regulations.	Remove banking and insurance regulations
Article 7	<p>一、The acquisition of real estate, equipment or its right-to-use assets shall be handled by procurement division, <u>financial and accounting division</u> and other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after assessing the reasons for the proposed acquisition of the assets, the underlying objects, the relatives of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>二、The disposition of real estate, equipment or its right-to-use assets shall be handled by <u>financial and accounting division</u> or other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after the administrative department or other relevant units have assessed the subject matter, the relative of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>五、The procedure for obtaining or disposing of short-term marketable securities shall be handled in accordance with the provisions of paragraph 4 of this Article, however, the board of directors may authorize the subject of the investment and the amount of investment in accordance with the provisions of the internal authorization within the limits set out in Article 28, paragraphs 2 to <u>5</u>, of this Procedure</p> <p>三~四</p>	<p>一、The acquisition of real estate, equipment or its right-to-use assets shall be handled by procurement division, administrative-division and other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after assessing the reasons for the proposed acquisition of the assets, the underlying objects, the relatives of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>二、The disposition of real estate, equipment or its right-to-use assets shall be handled by administrative-division or other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after the administrative department or other relevant units have assessed the subject matter, the relative of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>五、The procedure for obtaining or disposing of short-term marketable securities shall be handled in accordance with the provisions of paragraph 4 of this Article, however, the board of directors may authorize the subject of the investment and the amount of investment in accordance with the provisions of the internal authorization within the limits set out in Article 28, paragraphs 2 to <u>3</u>, of this Procedure.</p> <p>三~四</p>	Adjust and set the line of credit in response to the organizational department

Article	Revised	Current	Illustration
	Unchanged (Omitted)	Unchanged (Omitted)	
Article 28	<p>The Limits of the Company's acquisition of real estate, other fixed assets, other assets and marketable securities for business use are as follows:</p> <ol style="list-style-type: none"> 1. The total amount of real estate, other fixed assets and other assets not for business use shall not exceed <u>50% of the equity attributable to the owners of parent company in the Company's recent financial statements.</u> 2. The total amount of investment in marketable securities shall not exceed <u>200% of the equity attributable to the owners of parent company in the company's recent financial statements. The total amount of short-term investment in marketable securities shall not exceed 10% of the equity attributable to the owners of parent company in the company's recent financial statements.</u> 3. The total amount invested in individual marketable securities shall not exceed <u>100% of the equity attributable to the owners of parent company in the Company's recent financial statements. The total amount invested in short-term individual marketable securities shall not exceed 5% of the equity attributable to the owners of parent company in the Company's recent financial statements.</u> 4. <u>The total amount of securities invested by the Company and its subsidiaries shall not exceed 200% of the equity attributable to the owners of the parent company in the Company's most recent financial statements. The total amount of short-term securities invested by the Company and its subsidiaries shall not exceed 10% of the equity attributable to the owners of the parent company in the Company's most recent financial statements.</u> 5. <u>The individual total amount of securities invested by the Company's subsidiaries shall not exceed 100% of the equity attributable to the owners of the parent company in the Company's most recent financial statements. The short-term individual total amount of securities invested by the Company's subsidiaries shall not exceed 5% of the equity attributable to the owners of the parent company in the Company's most recent financial statements.</u> 	<p>The Limits of the Company's acquisition of real estate, other fixed assets, other assets and short-term marketable securities for business use are as follows:</p> <ol style="list-style-type: none"> 1. The total amount of real estate, other fixed assets and other assets that are not for business use shall not exceed 10% of the— capital received by the Company. 2. The total amount of investment in short-term marketable securities shall not exceed the limit of 10% of the paid-in capital of the Company. 3. The total amount invested in individual short-term marketable securities shall not exceed 5% of the paid-in capital of the company. <p>Short-term marketable securities refer to securities held only for the purpose of investment transactions, as recognized in Article 3, paragraph 1, of this Procedure.</p>	Set the credit line of acquired securities.
Procedure to Engage in the Transactions of Financial Derivative Products			
Article	Revised	Current	Illustration
Chapter I General Rules			
Article 1	In conjunction with the existing provisions	This procedure is amended in accordance with the 'Guidelines for the Acquisition or Disposition of Assets by the Financial Supervision	

Article	Revised	Current	Illustration
		Committee of the Executive Yuan.	
Article 2		Derivative commodities referred to trading covenants (e.g. forward covenants, options, futures, leverage margin, exchange, combination of such contracts, or embedded derivatives, or structured commodities) whose value is derived from a particular interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating or credit index, or other variables.	
Article 3		The forward contract referred does not include insurance contract, execution contract, after-sales service contract, long-term lease contract and long-term purchase (sale) contract.	
Article 4		The relevant matters relating to bond margin trading shall be handled in accordance with the relevant provisions of this procedure.	
Chapter II Operational procedure			
Article 5	When trading derivatives, the types of transactions are as follows: 1. Risk aversion easy: foreign currency forward foreign exchange and option commodities. 2. B. Other specific purpose transactions.	When trading derivatives, the types of transactions are as follows: 1. Risk aversion easy: foreign currency forward foreign exchange and option commodities. 2. Other specific purpose transactions, Principal guaranteed financial products.	
Article 6	In conjunction with the existing provisions	Business strategy 1. The foreign exchange operations carried out by safe-haven easy, only to avoid the risk of exchange in operation, shall not engage in any speculation easy, and hold different currencies, must be in line with the actual foreign currency demand of the company. 2. Other transactions for specific purposes shall be approved by the competent authority and responsibility.	
Article 7	In conjunction with the existing provisions	Responsibilities Finance personnel shall, on a monthly basis, submit future operational strategies according to the foreign currency location statistics table and credit certificate to the single schedule, and act according to the strategy after submitting the approval of the competent authority and responsibility in accordance with the internal authorization provisions. If there is a foreign exchange operation different from the predetermined strategy, the finance personnel shall again submit to the head of authority and responsibility for approval in accordance with the internal authorization provisions, and then proceed with the relevant transactions.	
Article 8	The amount of the total amount of the contract and the maximum amount of the loss that can be engaged 1. Hedging transaction: (1) The total amount of the contract relating to the safe-haven operation of foreign exchange shall not exceed the total foreign currency demand for the	The amount of the total amount of the contract and the maximum amount of the loss that can be engaged 1. Hedging transaction: (1) The total amount of the contract relating to the safe-haven operation of foreign exchange shall not exceed the total foreign currency demand for the	

Article	Revised	Current	Illustration
	<p>actual import and export of the company.</p> <p>(2) The maximum contractual losses on foreign exchange risk-averse operations are as follows:</p> <p>(i) Contracts for individual targets: losses are capped at 20% of the contract amount.</p> <p>(ii) Total contract: The maximum loss is 20% of the total contract amount.</p> <p>(iii) If the individual contract or total contract of an individual hedge target is assessed at the end of two consecutive months to the maximum amount of the loss, the supervisor of authority shall decide whether to enforce the suspension and report the situation to the Board of Directors afterwards.</p> <p>2. Other specific purpose transactions:</p> <p>(i) The transaction plan shall be formulated on demand and implemented <u>with the approval of the Board of Directors.</u></p> <p>(ii) The transaction plan shall be prepared on demand and implemented upon approval.</p> <p>3. <u>Total contract amounts: The total amounts of all derivative transactions shall be capped at 50% of the equity attributable to the owners of the parent company in the most recent financial statements, and if the underlying of derivative contracts is a marketable security, the limit shall be applied in accordance with the limit stipulated in Article 28, Paragraphs 2 to 5 of the Procedures for the Acquisition and Disposition of Assets.</u></p>	<p>actual import and export of the company.</p> <p>(2) The maximum contractual losses on foreign exchange risk-averse operations are as follows:</p> <p>(i) Contracts for individual targets: losses are capped at 20% of the contract amount.</p> <p>(ii) Total contract: The maximum loss is 20% of the total contract amount.</p> <p>(iii) If the individual contract or total contract of an individual hedge target is assessed at the end of two consecutive months to the maximum amount of the loss, the supervisor of authority shall decide whether to enforce the suspension and report the situation to the Board of Directors afterwards.</p> <p>2. Other specific purpose transactions:</p> <p>(i) The transaction plan shall be prepared on demand and implemented upon approval.</p> <p>(ii) Individual contract losses are capped at 5% of the amount and all contractual losses are capped at 5% of the amount.</p>	
Article 9	In conjunction with the existing provisions	<p>Performance evaluation</p> <p>1. Hedging transaction: Finance personnel should assess and review operational performance at market prices on a weekly basis, and assess the two times a month to regularly report operational performance to the head of authority and responsibility, in order to review and improve the operation strategy of hedging strategy.</p> <p>2. Other specific purpose transactions: The area held should be evaluated at least once a week, and its assessment report shall be submitted to the Head of Authority and Responsibility.</p>	
Article 10	In conjunction with the existing provisions	<p>The Company engages in derivatives trading, the responsibilities of the supervisors and operators are as follows:</p> <p>1. Heads at all business units:</p> <p>1. Control of the company-wide authorized limits established by the Board of Directors.</p> <p>2. The nuclear decision of the trader's</p>	

Article	Revised	Current	Illustration
		<p>appointment and removal and the regulation of the trading department and the amount of the trader's authorization.</p> <p>3. The format of the risk report.</p> <p>4. The development of risk assessment models and performance appraisal models.</p> <p>2. Trading department personnel:</p> <p>(1) The determination of trading strategies within the scope of authorization and the direct trading with counterparties.</p> <p>(2) Instant availability of transaction documents and vouchers.</p>	
Chapter III Accounting Principles			
Article 11	In conjunction with the existing provisions	The main objective of the Company's derivative commodity accounting treatment policy is to express the transaction process and economic results in accordance with generally accepted accounting principles and relevant laws and regulations, with complete book vouchers and accounting records, in accordance with the nature of different transactions and the manner in which they are handled.	
Article 12		The accounting treatment of derivative easy commodities shall be carried out at different time points, such as deposit margin, purchase and sale transactions, contract expiration, contract settlement, etc., and the transaction procedure shall prepare appropriate accounting entries according to the vouchers.	
Article 13		The accounting treatment of commodities engaged in derivative transactions shall be handled at the end of each month in accordance with the bulletin of the relevant accounting standards.	
Article 14		In preparing periodic financial reports (including annual, semi-annual, quarterly financial reports and consolidated financial reports), the Company discloses its general related matters by category in the notes to the financial statements in accordance with the 'Guidelines for the Acquisition or Disposition of Assets by Public Offering Company' published by the Financial Supervision Committee.	
Chapter IIII Announcement Declaration Procedure			
Article 15	In conjunction with the existing provisions	The Company shall, before the 10th of each month, make an announcement on the relevant contents of the derivatives transactions conducted by the Company in the previous month in accordance with the 'Guidelines for the Acquisition or Disposition of Assets by the Public Offering Company' of the Financial Supervision Committee.	
Article 16		In accordance with this procedure, all items shall be re-published and declared if there are gaps in the announcement and they should be corrected.	
Article 17	In conjunction with the existing provisions	The Company shall, before the end of February of each year, declare the implementation of the audit plan for derivative commodity	

Article	Revised	Current	Illustration
		transactions for the previous year in accordance with the prescribed format and report to the Financial Supervision Committee for reference in accordance with the prescribed format.	
Article 18	In conjunction with the existing provisions	The Company shall, before the end of May of each year, report to the Financial Supervision Committee in accordance with the prescribed format for the improvement of internal controls and anomalies seen in the audit of derivative commodity transactions in the previous year.	
Chapter V Internal control system			
Article 19	In conjunction with the existing provisions	The scope of risk management should include credit, market prices, liquidity, cash flow, operations and legal.	
Article 20		Trading personnel engaged in derivative commodities and operators such as confirmation and delivery shall not concurrently work with each other.	
Article 21		The Treasurer shall pay attention to the supervision and control of the risks of derivative commodity transactions at all times, and shall regularly assess whether the performance of engaging in derivative commodity transactions is in accordance with established business strategies, whether the risks assumed are within the limits of the Company's tolerance, and shall regularly assess the appropriateness of the risk management procedures currently in use and indeed in accordance with the relevant provisions of this procedure.	
Article 22		The Company engages in derivative commodity trading and shall conduct simultaneous trading evaluation according to the trader's category, commodity category, and the company's overall trading status.	
Article 23		The Company shall regularly evaluate and adjust its credit rating and quota with the Company's counterparties for derivatives and commodities, and set trading restrictions in real time for those in exceptional circumstances.	
Article 24		In engaging in derivative commodity trading, the Company shall establish a reference book and publish in detail the type, amount, date of approval of the Board of Directors and the assessment of the preceding items in the inventory.	
Article 25		The Company engages in derivative transactions shall report them to the Board of Directors afterwards.	
Chapter VI Internal Audit System			
Article 26	In conjunction with the existing provisions	Internal auditors shall regularly understand the perverse nature of internal controls in derivative commodity transactions and check the compliance of financial personnel with the 'handling procedures for dealing with derivative commodities' on a monthly basis and analyze the transaction cycle, which shall be submitted to the Board of Directors as an audit report. If a material violation is found, the Audit Committee shall be notified in writing.	

Article	Revised	Current	Illustration
Article 27		The contents of the audit personnel's examination and testing shall include policies, trading limits, trading procedures, evaluation operations, risk control and so on.	
Article 28		Auditors shall review transactions that deviate from market prices, unusual trading volumes, and special transactions outside the premises after business hours, and issue reports on their possible impact on the Company.	
Chapter VII By-laws			
Article 29	In conjunction with the existing provisions	Amendments to this procedure shall be approved by the Audit Committee and then submitted to the Shareholders' Meeting upon approval by the Resolution of the Board of Directors, and the Company shall send the Director's objection information to the Audit Committee if there is any objection from the Director and a recorded or written statement.	

3. To approve the amendment of “Procedures of Capital Lending to Others of Elite Material Co., Ltd.”

一、 In response to the need for the use of funds within the group, it is proposed to amend some provisions of the Company's procedures for lending funds to others.

二、 The list of provisions before and after the revision of the " Procedures of Capital Lending to Others of Elite Material Co., Ltd " is shown below.

三、 Resolution

Article	Revised	Current	Illustration
Article 4	<p>Limits:</p> <p>1. The total amount of capital lending shall not exceed 30 percent of the Net Value of the Company.</p> <p>2. The individual company in which is doing business with EMC shall not exceed 50% of the total amount of transactions (sold) in the most recent year and shall not exceed 3% of the company's net worth, and its total lending amount shall not exceed 30% of the company's net worth.</p> <p>3. An individual lending of a company for short-term financing <u>and</u> its total lending shall not exceed 30% of the company's net worth.</p> <p>4. The Company that directly and indirectly holds 100% of the voting shares of the foreign companies, the limits of the total amount of lending and individual objects shall not exceed 30% of the net value of the subsidiary.</p> <p>5. Foreign companies holding 100% of the voting shares of the Company, directly and indirectly, shall limit the amount of loans and individual objects to not more than 30% of the net value of the subsidiary when the Company engages in capital lending.</p> <p>Group capital lending shall not exceed 100 % of the Company's net worth.</p>	<p>Limits:</p> <p>1. The total amount of capital lending shall not exceed 30 percent of the Net Value of the Company.</p> <p>2. The individual company in which is doing business with EMC shall not exceed 50% of the total amount of transactions (sold) in the most recent year and shall not exceed 3% of the company's net worth, and its total lending amount shall not exceed 30% of the company's net worth.</p> <p>3. An individual lending of a company necessary for short-term financing shall not exceed 15% of the company's net worth and its total lending shall not exceed 30% of the company's net worth.</p> <p>4. The Company that directly and indirectly holds 100% of the voting shares of the foreign companies, the limits of the total amount of lending and individual objects shall not exceed 30% of the net value of the subsidiary.</p> <p>5. Foreign companies holding 100% of the voting shares of the Company, directly and indirectly, shall limit the amount of loans and individual objects to not more than 30% of the net value of the subsidiary when the Company engages in capital lending.</p> <p>Group capital lending shall not exceed 100 % of the Company's net worth.</p>	In response to inter-group capital funding needs.

4. To approve the amendment of "Rules for Election of Directors"

- 一、In accordance with letter No. 1090009468 of the Taiwan Certificate of Governance, it is proposed to amend some of the provisions of the Company's "Rules for Election of Directors".
- 二、The list of provisions before and after the revision of the " Rules for Election of Directors " is shown below.
- 三、Resolution

Article	Revised	Current	Illustration
Article 6	If the elected person is a natural person, the elected person shall fill in the name of the elected person on the electoral ballot. If an elected person is a shareholder of a government or legal person, the name of the shareholder of that government or legal person shall be filled in. If the elected person is the representative of the shareholder of the government or legal person, the name of the shareholder of the government or legal person and the name of its representative shall be filled in.	If the elector is a shareholder, he shall fill in the "Elected Person" column of the election ballot and add the name of the elected person and the name of the shareholder, and if he is not a shareholder, the name and business administration number of the elected person shall be filled in. However, if the government or the shareholder of a legal person is the elected person, the name of the government or legal person shall be included in the name of the elected person in the household name of the person to be elected, and the name of the government or legal person and the name of its representative shall also be included. Where there are several representatives, the names of the representatives shall be filled in separately.	Complied with FSC published on April 25, 2019, the issued decree No. 1080311451, The nomination system for the election of directors and supervisors of listed (OTC) companies shall be adopted from 2021 onwards, the shareholders shall be elected on the list of candidates for directors, and the shareholders shall know the names and academic experience of the candidates from the list of candidates before the meeting of the shareholders, and it is not necessary to identify the candidates by the number of the shareholders' account number or ID card.
Article 7	Election ballots are invalid if one of the following: (1) Ballots are not complied by these Measures. (2) Put blank electoral votes at the ballot box. (3) Blurred handwriting is unrecognizable or altered. (4) If the elected person is not matched with the candidate of directors. (5) Except for the elected person and electoral rights allocated, other words are written. (6) The same electoral vote is filled in for two or more of the elected persons.	Election ballots are invalid if one of the following: (1) Ballots are not complied by these Measures. (2) Put blank electoral votes at the ballot box. (3) Blurred handwriting is unrecognizable or altered. (4) If the elected person is a shareholder, his account name, shareholder's account number and those who do not conform to the shareholder's register of members; If the elected person is not a shareholder, he or she shall be elected—and business administration number are checked and not matched. (5) Except for the elected name account (name) or the number of the shareholder (business administration number), —That is, in addition to the number of electoral rights allocated, other words are written. (6) If the account name (name) of the elected person or the business administration number of the shareholder (uniform number) is not filled in. (7) The same electoral vote is filled in for two or more of the elected persons.	

Extemporaneous Motion:

Attachments

I. Articles of Incorporation of Elite Material Co., Ltd.

As last amended on 13 June 2016

Chapter 1. General Provisions

- Article 1 The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called “台光電子材料股份有限公司” and “ELITE MATERIAL CO., LTD.” In English.
- Article 2 The Company's businesses are as follows:
- 1) CC01080 Manufacturing of electronic components
 - 2) CB01020 Manufacturing of business machines
 - 3) CC01110 Manufacturing of computers and the peripherals
 - 4) C801010 Basic chemical industry
 - 5) C801990 Manufacturing of other chemical materials
 - 6) C901990 Manufacturing of other non-metallic mineral products
 - 7) F401010 International commerce
 - 8) ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations
- Article 3 The Company may, where it businesses require, provide guarantee subject to approval of the Board of Directors.
- Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability; its total investment may exceed 40% of its paid-up capital as stipulated under Article 13 of the Company Law, subject to approval of the Board of Directors.
- Article 5 The Company is incorporated in Taoyuan City, Taiwan, the Republic of China. Other domestic and international branches may be established where it deems necessary.
- Article 6 Deleted.

Chapter 2. Shares

- Article 7 The Company's total capital shall be Four Billion New Taiwan Dollar (NT\$4,000,000,000) divided into 400,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue the un-issued shares in separate trenches.
- Out of the above total capital amount, One Hundred and Fifty Million New Taiwan Dollar (NT\$150,000,000) shall be divided into 15,000,000 shares of NT\$10 each, to be issued as stock options for employees to subscribe.
- Article 7-1 The Company may issue employees' stock options with an exercise price lower than the prevailing market price of the ordinary shares, provided such issue is approved by a resolution of the Shareholders' Meeting, and the

resolution shall be made with more than half of the total amount of shareholders with issued share present, and with the agreement of more than two third of the agreement of the shareholders present. The issue of the employees' stock options can be carried out at different stages within one year effective from the day proposal resolved by the Shareholders' Meeting.

Article 7-2 Should the Company buy back shares, it may resell those shares to employees at an price lower than the average buy-back price, provided, the resell shall be approved by a resolution at the upcoming Shareholders' Meeting, and the resolution shall be made with more than half of the total amount of shareholders with issued share presented, and with the agreement of more than two third of the agreement of the shareholders presented.

Article 8 The Company's share certificates shall be assigned with serial numbers, and shall be issued following the signatures or seals by three (3) Directors or more and the authentication by the relevant authorities or the registration organizations as approved by the authorities in compliance with law.

Article 8-1 Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.

Article 9 The shareholders shall register the real name/title and address/domicile at the shareholders' roster with the sample of the seal at the Company as the seal shall be considered as a certificate. If the shareholder's seal is lost or destroyed, the shareholder shall immediately notify the Company in written notification, and thereafter, the shareholder shall publicly announce the invalidation of the seal at newspapers circulating the location of the Company headquarters, and apply for the renewal of the seal to the Company.

Article 10 In terms of the stock certificates assignment/transfer of the Company, the assignor/transferor shall endorse at the stock certificates and register the name of the assignee at the certificates, and fill the stock transfer application form. After the Company registers the assignee's name and residential address at the shareholders' roster, the transfer shall be considered as accomplished. Assignment/transfer of shares shall not be set up as a defense against the Company, unless name/title and residence/domicile of the assignee/transferee have been recorded in the shareholders' roster.

Article 11 In case that the stock certificate is lost, destroyed or not being able to identify, matters about renewal or re-issuance of a new stock certificate shall be dealt with according to the provisions of "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 12 The Company may charge a fee depending on the costs for matters such as the change the owner's name, the transfer of ownership, the re-issuance, or the replacement of a stock certificate.

Article 13 Registration of share transfer shall be closed within sixty (60) days prior to General Shareholders' Meeting, or within thirty (30) days prior to Extraordinary Shareholders' Meeting or within five (5) days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3. Shareholders' Meeting

Article 14 The Company's Shareholders' Meeting is divided into two types: ordinary and extraordinary meetings. The ordinary meeting is convened at least once every year in compliance with the regulation within six months after

the end of the every fiscal year. The extraordinary meeting shall be convened when necessary.

Article 15 The procedure and execution matters at the Shareholders' Meeting are the following:

- 1) Formulation and amendment of the Articles of Incorporation.
- 2) Election of Directors.
- 3) The review and examination of the reports prepared by the Board of Directors and the auditing report prepared by the Audit Committee.
- 4) The decision to increase or decrease capital.
- 5) Resolution to allocate earnings and dividends.
- 6) Resolution of other important matters.

Article 16 Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice thirty (30) days before the General Shareholders' Meeting and fifteen (15) days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the Shareholders' Meeting.

Article 17 Unless otherwise stipulated by the Company Act, a quorum shall be present at the Shareholders' Meeting if shareholders representing more than half of the shares issued by the Company are in attendance, and resolutions at the said assembly shall be passed if approved by a majority of the shareholders in attendance. Pursuant to the regulations of the competent authority, the Company's shareholders may exercise the voting right via electronic transmission, and shall be deemed to have attended the said shareholders' meeting in person. Matters about electronic voting shall comply with all relevant laws and regulations. When the number of shareholders present does not constitute the quorum prescribed in this article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' Meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be an officially approved resolution.

Article 18 Except in the circumstances set forth in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 19 Shareholders may by way of power of attorney stamped with the seal of the Company appoint proxies to attend the said Shareholders' Meeting. A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than five (5) days prior to the meeting date of the Shareholders' Meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included. The person who acts as the proxy need not to be a shareholder of the Company.

Article 20 The Chairman of Board shall be the Chairman of the meeting in Shareholders Meeting convened by the Board of Directors. In case the Chairman is absent or cannot exercise the powers, the Vice Chairman shall act in behalf of it. In case the Chairman and the Vice Chairman are absent and cannot exercise the powers, the

Chairman shall assign a Director to act in behalf of it. If the Chairman does not assign any agent, the Directors shall assign one person to act in behalf of it.

Article 21 Resolutions adopted at a Shareholders' Meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of Shareholders' Meeting as aforesaid may be effected by means of public notice. The minutes of Shareholders' Meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the register of shareholders' attendance and the proxies' powers of attorney, shall be kept persistently throughout the life of the company.

Chapter 4. Directors

Article 22 There shall be seven (7) to nine (9) Directors of the Company, who are elected and appointed from the persons with disposing capacity at the Shareholders' Meeting.

There shall be three (3) Independent Directors among the total number of Directors in the preceding paragraph.

Directors shall be elected from among the nominees listed in the roster of director candidates by adopting the candidate nomination system specified in Article 192-1 of Company Act. The election of Directors and Independent Directors shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent and non-Independent Directors elected shall be calculated separately.

Article 22-1 In compliance with Article 14-4 of Securities and Exchange Act, the Company shall establish the Audit Committee comprising of all Independent Directors. The Committee, to substitute Supervisors, shall perform the duties specified in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Matters about members, powers and authorities, and other relevant functional procedures of the Audit Committee shall comply with relevant laws, regulations, and the Company's Articles and Procedures. The rules of organization of the Audit Committee shall be established otherwise by the Board of Directors.

Article 23 The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election. In case no election of new Directors is effected after expiration of the term of office of existing directors, the term of office of out-going Directors shall be extended until the time new Directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 24 The authorities that the Board of Directors may exercise and the business it may conduct are as follows:

- 1) Resolve to propose amendment of the Articles of Incorporation and to approve important procedures and rules.
- 2) To approve the establishment and abolition of business branch(es).
- 3) The approval of annual financial budget, the examination of financial statements, and the review, supervision and implementation of the annual business plan.
- 4) Resolve to propose earnings distribution, loss make-up, capital increase, or capital reduction.
- 5) Resolve to approve the investment on other businesses by the Company, and the acquisition of equity shares of others.

- 6) To appoint and discharge the certified public accountants of the Company.
- 7) To propose the transfer of the right of lien, selling, rental, pledge, mortgage or any other action to the whole or material parts of the Company's property or business.
- 8) To approve the financing application from, providing guarantee to, make acceptance payment to, make capital lending to or borrowing from financial institutions and any other third parties with a total amount of NT\$ Twenty Million or more. When the total dollar amount is less than NT\$ Twenty Million for the aforesaid business activities, the person-in-charge may execute in advance; however, shall report to the most upcoming meeting of the Board of Directors. Any monetary payment for a single purpose shall not be divided and made directly to avoid the examination of the Board of Directors.
- 9) To approve the capital expenditure, being included in the annual budget, of which the total amount is NT\$ Fifty Million or more and the capital expenditure, not being included in the annual budget, of which the total amount is NT\$ Ten Million or more. For capital expenditure of which the total amount is more than NT\$ Five Million and less than NT\$ Ten Million, the person-in-charge may make the payment in advance; however, shall report to the most upcoming meeting of the Board of Directors. Any capital expenditure payment made for a single purpose shall not be divided and made directly to avoid the examination of the Board of Directors.
- 10) To approve the endorsement/guarantee provided and make acceptance payment in the name of the Company, of which the total amount is NT\$ Ten Million or more.
- 11) To approve the signing of contracts of which the validness will sustain for one year or more and of which the total contemplated amount is NT\$ Fifty Million or more.
- 12) To approve major transactions between the Company and the related parties including affiliated enterprises.
- 13) To hire and dismiss the managerial personal with a level of Vice General Manager or higher for the Company.
- 14) To approve the acquisition, transfer, and authorization of the proprietary technologies, patents, trademarks, and copyrights, and to approve, amend, and terminate the contracts for technology cooperation.
- 15) Other powers and duties being authorized by laws, the Articles of Incorporation, and resolutions of the Shareholders' Meetings.

Article 25 The Board of Directors of the Company shall comprise all directors. A Chairman and a Vice Chairman to externally represent the Company shall be elected from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The duties and powers of Chairman and Vice Chairman shall comply with laws, the Articles of Incorporation, and resolutions of Board of Directors meetings and Shareholders' Meetings.

Article 26 Meetings of the Board of Directors shall be convened in compliance with the Company Act. A written notice of convening meetings shall be given to each Director by mail, fax, or electronic transmission.

The Chairman of the Board of Directors shall internally preside the meeting of the Board of Directors. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. Where the Vice Chairman is also unavailable, the Chairman shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.

Article 27 Unless otherwise stipulated by the Company Act, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance.

When the number of vacancies in the Board of Directors of a company equals to one third of the total number of Directors, the Board of Directors shall call, within sixty (60) days, a special meeting of shareholders to elect succeeding Directors to fill the vacancies.

Article 28 When a Director is unable to personally attend the meeting of the Board of Directors, s/he may entrust another Director to represent her/him with a written proxy and therein the scope of authority with reference to the subjects to be discussed at the meeting is stated. A Director may accept the appointment to act as the proxy referred to in the paragraph of one other Director only. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 29 Deleted.

Article 30 Deleted.

Article 31 The remunerations of Chairman, Vice Chairman, and Directors who conduct the Company businesses are authorized the Board of Directors to determine, with reference to the levels of similar domestic and international industries.

Article 32 Upon the request of the Board of Directors, managerial personnel may attend meetings of the Board of Directors. Except Directors, attendees of meetings of the Board of Directors may not have voting rights.

Article 32-1 Liability insurance programs covering the Chairman, the Vice Chairman, and each Director may be purchased by the Company.

Chapter 5. Managers

Article 33 The Company may have managerial personnel. The appointment, dismissal, and compensation of managerial personnel shall comply with Article 29 of the Company Act.

Article 34 The President and General Managers of the Company shall not do anything for himself/herself/themselves or on behalf of another person that is within the scope of the company's business.

Chapter 6. Accounting

Article 35 At the end of fiscal year of the Company, the Board of Directors shall in accordance with law furnish 1) business reports; 2) financial statements; 3) profits distribution or loss makeup proposal and various documents and statements, and the same shall be submitted for approval at the General Shareholders' Meeting.

Article 36 The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the financial situation and the return on shareholders' equity that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends shall not be less than twenty per cent (20%) of the aggregate sum of

dividends distributed in the same year. During the year losses occur, the Company may choose not to pay dividends.

Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, ten per cent (10%) of which shall be set aside by the Company as legal reserve. The Company shall also set aside certain portion of the profits as special reserve as required by Article 41 of the Securities and Stock Exchange Act, or by resolutions of Shareholders' Meetings.

While the Company distributes earnings to the shareholders, the paid-out amount shall be more than ten per cent (10%) but less than seventy per cent (70%) of the distributable earnings, which equals to earnings realized after deducting legal, special and all other required reserves, but together with undistributed profits from previous years.

Depending on the business operating results, the earnings to be distributed to shareholders shall be proposed by the Board of Directors, and submitted to the Shareholders' Meeting and decided by the resolution from in the Shareholder's Meeting.

Judging from the actual business circumstances, the Board of Directors may propose to adjust the amount of earnings to be distributed to shareholders, and submit to the Shareholders' Meetings for the resolution to distribute.

Article 36-1 In case the Company makes profits for the year, three per cent (3%) shall be allocated for the employees compensation, and no more than one point two per cent (1.2%) for the remuneration of Directors. However, in case there are accumulated losses carried on the accounting book of the Company, profits shall be reserved for the make-up of accumulated losses before distribution.

In case shares or cash is distributed as employees' compensation, those employees can be distributed shall include the employees of affiliated enterprises meeting certain criteria. The distribution method shall otherwise be formed by the Board of Directors.

Chapter 7. Supplementary

Article 37 All matters not covered herein shall be undertaken in accordance with the Company Act of the Republic of China and the other relevant law and regulations.

Article 38 These Articles of Incorporation were drafted on February 25th 1992, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.

First amendment on March 12th, 1992,
Second amendment on January 5th, 1993,
Third amendment on July 7th, 1993,
Fourth amendment on January 23rd, 1995,
Fifth amendment on December 15th, 1995,
Sixth amendment on May 17th, 1996,
Seventh amendment on May 30th, 1997,
Eighth amendment on July 30th, 1997,
Ninth amendment on May 28th, 1999,
Tenth amendment on May 16th, 2000,

Eleventh amendment on May 25th, 2001,
Twelfth amendment on June 11th, 2002,
Thirteenth amendment on November 12th, 2003,
Fourteenth amendment on November 12th, 2004,
Fifteenth amendment on June 29th, 2005,
Sixteenth amendment on June 15th, 2006,
Seventeenth amendment on June 13th, 2007,
Eighteenth amendment on June 13th, 2008,
Nineteenth amendment on June 16th, 2009,
Twentieth amendment on June 14th, 2010,
Twenty-first amendment on June 13th, 2012
Twenty-second amendment on June 15th, 2015, and
Twenty-third amendment on June 13th, 2016.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

II. Meeting Rules of Stockholders of Elite Material Co., Ltd.

As last amended on 13 June 2016

1. Purpose: The meeting rules of stockholders (hereinafter as “Rules”) is to specify related matters for the Annual General Shareholders’ Meetings and the Extraordinary Shareholders’ Meetings.
2. Scope of application: General Shareholders’ Meeting and Extraordinary Shareholders’ Meetings.
3. Rules of Procedure:
 - 1) The Company’s Shareholders’ Meeting shall follow these “Rules” unless it is otherwise regulated by law and regulations.
 - 2) A signature book shall be provided for the shareholders who attend the Shareholders’ Meeting for signature, or the shareholders who attend the Shareholders Meeting shall hand in signed attendance cards in replacement of the signature. The number of attending shares shall be calculated with the signature book or the attendance cards. When Shareholders’ Meeting is convened, the voting power of a shareholder may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting power shall be described in the shareholders’ meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a Shareholders Meeting in writing or by way of electronic transmission as set forth in this Paragraph shall be deemed to have attended the said Shareholders’ Meeting in person, but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Shareholders’ Meeting.

The attendance of the shareholders at the meeting shall be calculated on the basis of shares. The total number of attending shares shall be calculated with the number of shares represented by attendance cards together with the number of shares of which shareholders exercising voting power via the electronic transmission.
 - 3) The shareholder’s presence and voting shall be calculated with the number of shares. The total number of attending shares shall be calculated with the number of shares represented by attendance cards together with the number of shares of which shareholders exercising voting power via the electronic transmission.
 - 4) The location for Stockholders’ Meeting shall be the Company’s place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

For a Shareholders’ Meeting convened by the Board of Directors, the Chairman of the Board of Directors shall preside at the meeting. If the Chairman of the Board of Directors is on leave or unable to exert the rights, the Vice Chairman of the Board of Directors shall preside instead. If the position of Vice Chairman is vacant or the Vice Chairman is on leave or unable to exert the rights, the Chairman of the Board of Directors shall designate a Managing Director to preside at the meeting. If the position of Managing Director is vacant, the Chairman shall designate a Director to preside at the meeting. If no director is so designated, the Chairman of the meeting shall be elected by the Board of Directors from among themselves.

For a Shareholders' Meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting.

- 5) The Company may appoint lawyers, accountants or related personnel to attend the Shareholders' Meeting.
The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.
- 6) The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year.
- 7) The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present, according to Paragraph 1 of Article 175 of the Company Act.

According to Article 174 of the Company Act, after proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.

- 8) If the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be designated by the Board of Directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.

If the meeting is convened by person, other than the Board of Directors, having the convening right, the provision set out in the preceding paragraph shall apply mutatis mutandis.

Except with stockholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded.

When the meeting is adjourned by resolution, the stockholders shall not elect another chairperson to continue the meeting at the same location or another venue. During the meeting, if the chairperson declares adjournment of the meeting in violation of the Rules, a new chairperson may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

- 9) The stockholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session.

No statement will be considered to have been made if the stockholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.

When a stockholder (or proxy) is speaking, other stockholder (or proxy) shall not interrupt without consent of the chairperson and the speaking stockholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson.

- 10) For the same proposal, each person shall not speak more than two (2) times. The lasting period for the said person to speak each time shall be limited to 5 minutes. The chairperson may restrain stockholders (or

proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal.

- 11) When a juristic person is a stockholder, only one representative shall be appointed to attend the meeting. If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak for the same proposal.
- 12) After speaking by the attending stockholder (or proxy), the chairperson may reply in person or assign relevant officer to reply.
- 13) Over the proposal discussion, the chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed. For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting.
- 14) The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson. The person responsible for vote overseeing shall be of the stockholder status. The results of voting shall be reported on the spot and kept for records.
- 15) During the meeting, the chairperson may at his/her discretion declare time for break.
- 16) In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's Articles of Incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.

When proposals are put to vote, the Chairman may decide to adopt to vote-by-case, or vote at one or different stages and counted respectively for each of the items (including the election).
- 17) If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.
- 18) The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.
- 19) The Rules herein take effect after approval at the Shareholders' Meeting, the same applies for any amendments.

III. Current Shareholding of Directors and Independent Directors

Book closure date: 30 March 2021

Position	Name of persons or companies	Date elected	Term (Years)	Shareholding when elected		Current shareholding	
				Share	%	Share	%
Chairman	Ding Yu Dong	10 June 2019	3	5,265,766	1.65	5,265,766	1.58
Vice Chairman	Yu Chang Investment Co., Ltd.	10 June 2019	3	25,471,477	7.97	25,471,477	7.65
	Representative appointed: Fei Liang Tsai			376,244	0.12	447,244	0.13
Director	Yu Chang Investment Co., Ltd.	10 June 2019	3	25,471,477	7.97	25,471,477	7.65
	Representative appointed: Wen Shiung Lee			0	0.00	0	0.00
Director	Mon Chong Hsieh	10 June 2019	3	0	0.00	0	0.00
Independent Director	Bing Shen	10 June 2019	3	0	0.00	0	0.00
Independent Director	Duen Chian Cheng	10 June 2019	3	0	0.00	0	0.00
Independent Director	Rong Dong Tsai	10 June 2019	3	0	0.00	0	0.00