

NOVA TECHNOLOGY CORP.

2021 Annual Shareholders' Meeting Agenda

(Translation)

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Time : 9:00 a.m on Thursday, July 22, 2021

Place : No. 265, E Section 1, Guangming 6th Rd, Zhubei City, Hsinchu County 302044, Taiwan (Sheraton Hsinchu Hotel West Jasmine Hall & Lotus Hall)

Total outstanding shares : 33,928,000 shares

Total shares represented by shareholders present :

22,017,179 shares (the number of shares attended through electronic means is 22,017,179 shares)

Percentage of shares represented by shareholders present : 64.89%

Directors in attendances :

Chin-Li Liang, Chairman of the Board of Directors

Chung-Cheng Hsu, Director (Presented by visual communication network)

Bi-Hui Wu, Director (Presented by visual communication network)

Hui-Yin Chiu, Independent Director, the Convener of Audit Committee (Presented by visual communication network)

Sheng-Yung Yang, Independent Director (Presented by visual communication network)

Chih-Yi Chi, Independent Director (Presented by visual communication network)

Cheng Li, Independent Director (Presented by visual communication network)

All of directors were in attendance at the Annual Shareholders' Meeting

Attending as Delegates:

Wei Ma, President

Chun-Yen Ou, CFO

Chairman : Chin-Li Liang

Recorded by : Chun-Yen Ou

Call the Meeting to Order : The aggregate shareholding of the shareholders present constituted a quorum. The chairman called the meeting to order.

1. Chairman Remarkss (omitted)

2. Report Items:

Report No. 1 : To report the business of 2020. (Proposed by the Board of Directors)

Explanation : For the company's 2020 business reports and financial related statements are attached hereto as Attachments I, II.

Report No. 2 : 2020 Audit Committee's Review Report. (Proposed by the Board of Directors)

Explanation : The Audit Committee's Review Report is attached hereto as Attachments III.

Report No. 3: To report 2020 remuneration to directors and employees' compensation. (Proposed by the Board of Directors)

Explanation : According to the Article 19-1 of the "Articles of Incorporation".The company proposed to allocate 5% for employee compensation (not less than 3%) in the amount of NTD 27,568,965. It also planned to allocate 2% for the remuneration of directors (not higher than 5%) in the amount of NTD 11,027,586. The employees' and directors' remuneration are to be distributed in cash. There is no difference between the amount of employees' and directors' remuneration recognized in the 2020 financial statements.

Report No. 4 : To report the cash dividend distribution of 2020. (Proposed by the Board of Directors)

Explanation : According to the "Articles of Incorporation", Board of directors approved to distribute 2020 cash dividends of NT\$ 8 per share, with a total amount of NT\$ 271,424,000 on February 22, 2021. When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

If the number of total outstanding shares has changed due to any related matter and hence causes changes in dividend payout ratio, it is planned that the Chairman be authorized to make such adjustments.

Report No. 5 : To report the amendment of the Company's "Rules of Procedure for Board of Directors Meeting", "Corporate Governance Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Corporate Social Responsibility Best Practice Principles" and "Code of Ethical Conduct". (Proposed by the Board of Directors)

Explanation : In order to conform to the amendments of related laws the company hereby amended "Rules of Procedure for Board of Directors Meeting", "Corporate Governance Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Corporate Social Responsibility Best Practice Principles" and "Code of Ethical Conduct" are attached hereto as Attachments IV~VIII.

3. Proposed Resolutions:

Proposal No. 1 : To approve 2020 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Explanation :

- (1) The Company's Financial Statements were audited and certified by Hai-Ning Huang and Tzu-Hsin Chang the CPA of KPMG Firm. The above-mentioned documents subsequently examined by Audit Committee.
- (2) 2020 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto as Attachments I, II.

Voting Results : Shares represented at the time of voting : 22,017,179

Voting Results*	% of the total represented share present
Votes in favor: 22,006,447 votes (22,006,447 votes)	99.95%
Votes against: 5,023 votes (5,023 votes)	0.02%
Votes invalid: 0 votes	0.00%
Votes abstained: 5,709 votes (5,709 votes)	0.02%

* including votes casted electronically (number in brackets)

Resolution : The 2020 Business Report and Financial Statements be and hereby were ratified as submitted.

Proposal No. 2 : To approve the proposal for distribution of 2020 profits.
(Proposed by the Board of Directors)

Explanation : The 2020 Profit Distribution Table as follows:

**NOVA TECHNOLOGY CORP.
PROFIT DISTRIBUTION TABLE
Year 2020**

	Unit: NTD
Beginning retained earnings	425,525,785
Less: Reversal of special reserve	9,887,281
Less: Remeasurement of Defined Benefit Obligation	3,445,000
Add: Net Income of 2020	407,392,488
Less: 10% Legal reserve	41,083,749
Retained Earnings Available for Distribution as of December 31, 2020	805,166,805
Distribution items:	
Cash Dividend to shareholders (\$ 8 per share)(Note 1)	271,424,000
Unappropriated retained earnings	533,742,805

Note 1: Cash dividend distribution has been resolved by the Board of Directors and reported to this shareholder's meeting.

Voting Results : Shares represented at the time of voting : 22,017,179

Voting Results*	% of the total represented share present
Votes in favor: 22,008,307 votes (22,008,307 votes)	99.95%
Votes against: 3,163 votes (3,163 votes)	0.01%
Votes invalid: 0 votes	0.00%
Votes abstained: 5,709 votes (5,709 votes)	0.02%

* including votes casted electronically (number in brackets)

Resolution : The Company's distribution of 2020 profits be and hereby was atifiedas submitted.

4.Discussion Items

Proposal No. 1 : To amend the Company's "Articles of Incorporation".
(Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related laws and meet the needs of the company's operations, the company hereby proposes to amend "Articles of Incorporation".
- (2) The Comparison Table for the "Articles of Incorporation" Before and After Revision is attached hereto as Attachment IX.

Voting Results : Shares represented at the time of voting : 22,017,179

Voting Results*	% of the total represented share present
Votes in favor: 22,002,397 votes (22,002,397 votes)	99.93%
Votes against: 5,023 votes (5,023 votes)	0.02%
Votes invalid: 0 votes	0.00%
Votes abstained: 9,759 votes (9,759 votes)	0.04%

* including votes casted electronically (number in brackets)

Resolution : The above proposal be and hereby was apporved as proposed.

Proposal No. 2 : To amend the Company's "Rules of Procedure for Shareholder Meetings". (Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related laws and meet the needs of the company's operations, the company hereby proposes to amend "Rules of Procedure for Shareholder Meetings".
- (2) The Comparison Table for the "Rules of Procedure for Shareholder Meetings" Before and After Revision is attached hereto as Attachment X.

Voting Results : Shares represented at the time of voting : 22,017,179

Voting Results*	% of the total represented share present
Votes in favor: 22,002,397 votes (22,002,397 votes)	99.93%
Votes against: 5,023 votes (5,023 votes)	0.02%
Votes invalid: 0 votes	0.00%
Votes abstained: 9,759 votes (9,759 votes)	0.04%

* including votes casted electronically (number in brackets)

Resolution : The above proposal be and hereby was approved as proposed.

Proposal No. 3 : To amend the Company's "Procedure for Acquisition or Disposal of Assets". (Proposed by the Board of Directors)

Explanation :

- (1) In order to meet the needs of the company's operations, the company hereby proposes to amend "Procedure for Acquisition or Disposal of Assets".
- (2) The Comparison Table for the "Procedure for Acquisition or Disposal of Assets" Before and After Revision is attached hereto as Attachment XI.

Voting Results : Shares represented at the time of voting : 22,017,179

Voting Results*	% of the total represented share present
Votes in favor: 22,004,397 votes (22,004,397 votes)	99.94%
Votes against: 5,023 votes (5,023 votes)	0.02%
Votes invalid: 0 votes	0.00%
Votes abstained: 7,759 votes (7,759 votes)	0.03%

* including votes casted electronically (number in brackets)

Resolution : The above proposal be and hereby was approved as proposed.

Proposal No. 4 : To amend the Company's "Procedures for Election of Directors"
(Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related laws, the company hereby proposes to amend "Procedures for Election of Directors".
- (2) The Comparison Table for the "Procedures for Election of Directors" Before and After Revision is attached hereto as Attachment XII.

Voting Results : Shares represented at the time of voting : 22,017,179

Voting Results*	% of the total represented share present
Votes in favor: 22,002,397 votes (22,002,397 votes)	99.93%
Votes against: 5,023 votes (5,023 votes)	0.02%
Votes invalid: 0 votes	0.00%
Votes abstained: 9,759 votes (9,759 votes)	0.04%

* including votes casted electronically (number in brackets)

Resolution : The above proposal be and hereby was approved as proposed.

5. Questions and Motions : None.

6. Adjournment : 9:20 a.m

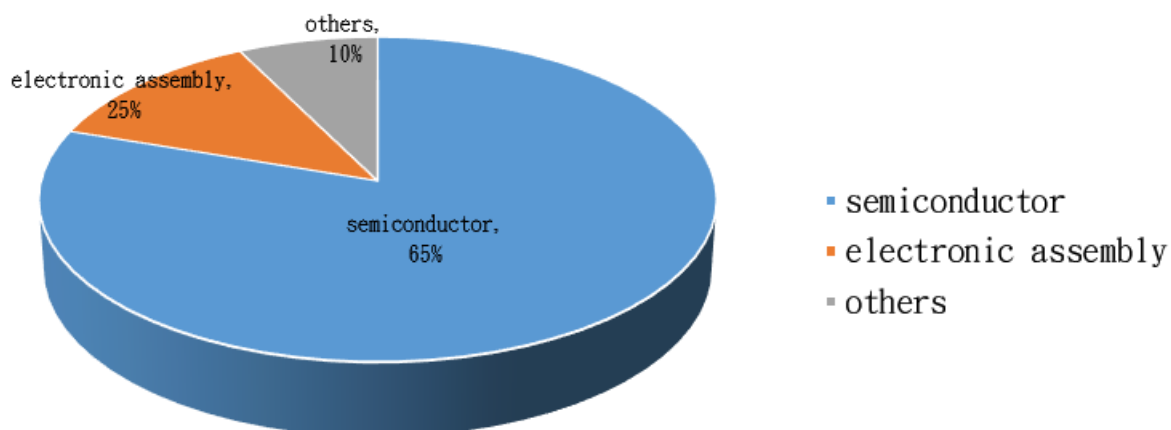
Business Report of 2020

2020 Business Review

A. Implementation results of business plan

In 2020, the trade war between China and the United States and covid-19 pandemic led to a decrease in overall revenue. The consolidated operating revenue in 2020 reached NTD 3,877 million, which declined 12% compared to last year. In terms of profit, the consolidated net profit after tax of 2020 was NTD 407 million, dropped 19% compared to last year.

Operating Revenue Type Ratio



Unit: NTD thousands, %

Item	2020	2019	Diff.
Operating revenue	3,877,444	4,406,270	(12.0)
Operating Cost	2,921,911	3,339,223	(12.5)
Gross profit	955,533	1,067,047	(10.5)
Operating expenses	361,037	400,911	(9.9)
Operating income	594,496	666,136	(10.8)
Non-Operating income and expenses	(21,924)	40,396	(154.3)
Income before income taxes	572,572	706,532	(19.0)

(1) State of 2020 budget implementation :

This item is not applicable since Nova Tech has not disclosed any financial forecasts.

(2) Financial structure and profitability

Item		2019	2018	
Financial Structure	Debt to asset ratio (%)	52.03	48.13	
	Long-term capital to property, plant and equipment (%)	1,957.56	1,801.48	
Solvency	Current ratio (%)	203.00	227.59	
	Quick ratio (%)	159.84	178.86	
Profitability	Return on assets (%)	8.91	11.42	
	Return on stockholders' equity (%)	17.81	21.83	
	Ratio to issued capital (%)	Operating income	175.22	196.34
		Pre-tax income	168.76	208.24
	Profit ratio (%)	10.51	11.28	
Basic after-tax EPS (NTD)	12.01	14.65		

B. Technology and R&D Overview:

Although facing the overall economic slump, Nova Tech actively invests in R&D aspect. The R&D department continuously develops various innovative engineering methods and equipment improvements for different industries and projects in order to meet customers' needs and enhance our advantages. Described as below:

- (1) Process waste solvent and waste TMAH recycling and reuse: cooperate with foreign companies and domestic institutes to develop high-purification and reuse of chemicals with rectification technology as the core technology.

The amount of process TMAH is increasing day by day. Our company cooperate with top domestic institutes to focus on the high-concentration waste TMAH solution recovery system that can be handled by the customers in their plants. Followings are the advantages:

- Reduce the cost of removing sludge and waste liquid for electro-optical customers.
- Reduce the operation cost of wastewater treatment plant for electro-optical customers.
- In purpose of reaching circular economy, recycling valuable chemicals in waste liquids, such as H₃PO₄, aluminum, etc.
- Produce other chemicals with high economic value, such as Iron(II) phosphate, Tricalcium phosphate, etc.

Applied in the current electro-optical customers' plants to help they reduce production costs and improve process recovery rate to achieve the circular economy. Using fractional distillation to separate residual liquid and distillate, then generate ferric phosphate via low temperature crystallization technique. This technology has preliminary results in TMAH recycling and the related patent is under application.

- (2) Recent years, global climate anomalies and environment changes have increasingly attracted worldwide attention. The Company actively cooperates with various universities, colleges and companies to evaluate the recycling and reuse technology of chemicals in high-tech industries. In view of the fact that organic solvents escape into the air, in addition to polluting the environment, they can also cause many hazards such as carcinogenicity, mutagenicity, acute toxicity, harm the human central nervous system, and result in skin diseases. The Company has cooperated with German manufacturers to introduce a thin-film VOC recovery system, which can be effectively installed in sites contain volatile organic compound to prevent volatile pollutants from escaping into the atmosphere, reduce environmental pollution, and eliminate harm to the human body.

- (3) HPC High pressure single wafer cleaner

Purpose: For wet and related process of higher performance and cleanliness. In other words, verify air & liquid pattern in Chamber.

Function: By automatic transferring, perform high pressure/ dual media/ dry type cleaning to single wafer in particular chamber to achieve requirement of high level cleanliness.

Critical technology: Unique chamber design/ media pattern control/ swing infeeding ARM/ fully automatic transferring system. This development can be widely used in the Final Clean for 4"&6" wafer, cleaning process for 8"&12" wafer in high-end packaging. Based on this technology, it can also be developed into high-end 12" wafer process applications such as Lift-off & PR Stripper & UBM Etch... etc.

(4) Optimization design for fully type robot arm in Wet Bench

Purpose: By optimizing the robot arm, the mechanical performance will be improved meanwhile assembly can be simplified to lower the cost of robot implementation and improve performance of related process.

Function: Movement of X(transferring), Y(lifting), R(gripping) axis are built by servo driven Rack and ball screw system.

Critical technology: New design mechanism in robot arm to reduce shape for adapting small size application with higher requirement of precision. Such as cassetteless type bench application in the advanced front-end wafer production, etc. This development can be also used in wet bench and high precision transferring.

Business Plan for 2021

A. Business objectives

- (1) Implement corporate governance and deepen corporate culture.
- (2) Sustaining the relationship with existing customers in Taiwan, mainland China and Southeast Asia, developing new customers to improve operational efficiency.
- (3) Strengthen cooperation with international partners and deepen the professional and technical capabilities of green energy, water resources engineering as well as high-tech manufacture equipment.
- (4) Recruiting multiple talents and actively training management teams.

B. Sales forecast and sales policy

According to estimation from SEMI, the strong growth of global semiconductor equipment market continues. Besides the demand for semiconductor front-end and back-end equipment, the growth trend is expected to go on in year of 2021 and 2022 under the support of application from technologies such as 5G and high-performance computing. The global market will grow in the next two years.

The market for front-end fab equipment (including wafer process, fab facilities, and mask equipment) will grow by 15% in 2020 to reach 59.4 billion US dollars. It is expected to have 4% and 6% growth in 2021 and 2022 respectively. And the foundry and logic department, which accounts for about half of the total sales of wafer manufacturing equipment, whose year expenditure has shown a double-digit mid-range growth rate of 30 billion US dollars thanks to the massive investment in advanced technology; the growth of expenditures in NAND flash memory manufacturing equipment is 30%, exceeding 14 billion US dollars, DRAM is expected to stimulate the growth in year of 2021 and 2022.

In terms of regions, China, Taiwan, and South Korea are the leading groups in the equipment spending in 2020. With continued investment in foundry and memory sectors, China will rank first place in the overall semiconductor equipment market for the first time this year; South Korea is expected to lead the world in 2021 due to the recovery of memory investment and increasing logic investment. The equipment spending in Taiwan remains strong because of continuous investment in advanced logic foundry. The report also possesses optimistic attitude that other regions will also grow in the next two years.

Future development strategy

High-tech process supply systems are mainly used in semiconductor, optoelectronics, and other high-investment industries, where safety and quality requirements are competitive. The technology and demand of high-tech industries are changing with each passing day, which can adapt to the changes in the market and raise the development of the business, so that they can survive and grow rapidly under the elimination mechanism of market. In the situation where the competition between domestic and foreign peers has become more intense, technological capabilities, scale economies, efficiency enhancement, and integration services are the winning factors. In view of this, the company continued to carry out research and development of related products, seeking cooperation between domestic and foreign advanced products and manufacturers, and constantly self-improvement, in response to market demand and future development. The Company will seek for the opportunities in integration of industrial up-stream and down-stream to increase the overall synergy.

Due to climate and environmental changes, water shortages are spreading throughout the world. The World Meteorological Organization predicts that one billion people will face drinking water crisis in the global coastal areas in 2050. Our company has cooperated with international water resources professional companies to develop water resources related system equipment and engineering to provide customers with the best solutions and services, and to take the responsibilities of global citizens.

The impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Conditions

A. External competitive environment

In the situation where the competition between domestic and foreign peers has become more intense, technological capabilities, economies of scale, efficiency enhancement, and integration services are the winning factors. The implementation of professional technology is the only ways to expand the space for career development and create vitality. In current industrial competition pattern, we can quickly grasp the source of raw materials and provide customers with faster and more advanced products and services, which are the important factors related to being the leader in the industry. In view of this, our company continued to carry out research and development of related products, seeking cooperation and products through domestic and foreign, and constantly self-improvement, in response to market demand and future development.

B. Regulatory environment

Our company regularly reviews changes in laws and regulations and complies with the requirements of the competent authorities and upholds the concept of upright management. As a whole, changes in the regulatory environment will have no great impact on our company.

C. Macroeconomic conditions

Looking forward to 2021, the global economy and industries still face the threat of the epidemic and other factors. Semiconductors, electric vehicles, scenario of price increases and 5G, long-distance demand are regarded as the star industries for 2021. It is optimistic that the harsh supply and demand situation in the semiconductor industry in 2020 will continue in 2021. The World Semiconductor Trade Statistics (WSTS) estimates that the global semiconductor market value is expected to increase by about 8.4% in 2021; the research institute IC Insights also predicts that the semiconductor market will grow by more than 10% in 2021.

Important production and sales policies

In recent years, our company has continuously researched and developed high-tech industrial process equipment and the surrounding pipeline engineering design and overall system to provide customers with competitive customized equipment and services. In addition to working in Mainland China for many years, we also follow government's promotion of South moving policy and the trend

of the rise in Southeast Asian region, company has set up a subsidiary in Singapore to help expand overseas markets.

Production and sales policies will keep bringing out advantages and grasp current opportunities, we will continue to meet customers' needs to consolidate existing customers and develop new customers in order to maintain steady growth in company business and profitability. As a production, we continue to strengthen our design capabilities, and on the premise of ensuring the production of high-quality equipment, we have expanded equipment manufacturing capacity in mainland China and steadily move forward.

Corporate Social Responsibility

"Happy employees, satisfied customers, and sustainable environment" is the goal and responsibility of Nova Technology. Adhering to the goal is to start from the surrounding stakeholders, create team benefits, and create a sustainable Nova Technology. The customer's attempt is our mission, to reach goal is the spirit of Nova Technology, satisfying customers and applying core skills as well as adding the environmental protection elements to customer needs, reducing the environmental impact of the production process, and pursuing win-win symbiosis.

In addition, "Sincerity, Trustworthy, Simple, Steady" has always been the consistent corporate culture of Nova Technology to pursuit of sustainable management. We know that the sustainable development of the company is maintained by good communication and interaction with all stakeholders. We also hope to gradually integrate corporate social responsibility into daily operations and corporate behavior, so that every member of our company will feedback to society and be friendly to the environment. In terms of talent cultivation, we cooperate with institutes to provide students with opportunities to enter the industry. At the same time, we will promote the mentoring system, new employee orientation, promote the elite school, and create a growth stage.

Nova Technology implements the government's promotion of work safety and health management, requesting each project to be based on standard operating mode, ensuring the safety management of the site's work, and promoting notices. We strictly request the safety equipment and protection to be checked from time to time during the construction process to ensure that all executives successfully complete the project and return home safely.

All the personnel of Nova Technology uphold the company's "Tomorrow to be Better" concept and continue to overcome difficulties. We hope to provide customers with satisfactory services and the greatest benefit for shareholders with excellent products, better solutions and quality.

Sincerely,

Chairman: Chin-Li Liang

President: Wei Ma

Financial and Accounting Manager: Chun-Yen Ou

Independent Auditors' Report

To the Board of Directors of Nova Corporation:

Opinion

We have audited the consolidated financial statements of Nova Corporation (the "Company") 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 years then ended, 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 of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 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. 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 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 consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Recognition of construction contract revenue (including estimated total budget cost)

Please refer to Note 4(9) "Revenue (Revenue from contract with customers) ", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(16) "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter:

The Group recognized its revenue by using the percentage of completion method. The completion level is based on the cost for each contract at year-end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as one of the key matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: reviewing significant contracts to understand the specific terms and risks of each contract; testing the key internal controls of the revenue cycle to confirm the significant risk of the abnormality. Also, enquiring with the management and updating the preparation and approval process of the estimated cost of the contracts; understanding the process of accounting estimates made by the management and considering other evidences to evaluate the management's assumptions on the completeness of construction revenue; checking the differences between the estimated total budget cost and the actual cost of the construction contract. Furthermore, considering whether the management has estimated the cost that had not been invested before the completion date, and the possibility of reversal on the expected price are appropriate and reasonable; as well as assessing whether the revenue is in accordance with the relevant regulations, and the cost is appropriately disclosed.

2. Valuation of receivables

Please refer to Note 4(7) "Financial instruments", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(3) "Notes receivable, Accounts receivable and overdue receivable, net" to the consolidated financial statements.

Description of key audit matter:

The recoverability of the Group's accounts receivable is related to the economic cycle and customer operations. The management measures the financial position of the customers and assesses the expected credit losses arising from all possible defaults during the expected life of the accounts receivable. The assessment of the impairment loss of receivables is determined by management judgment. Therefore, the valuation of accounts receivable is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: checking the completeness and accuracy of the aging analysis; understanding and evaluating the assessment performed by management relating to receivables that are overdue; vouching to the receipt after the year end, and understanding the collectability of remaining amount ; assessing the adequacy of loss allowance provided by the Group; and evaluating the adequacy of the Group's disclosures in the accounts.

3. Accrual of construction contract losses

Please refer to Note 4(9) "Revenue (Cost from contracts with customers) ", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 9(4) "Significant Commitments and Contingencies" to the consolidated financial statements.

Description of key audit matter:

If the Group assesses that the contract cost that has been incurred is “unlikely to be recovered” then will make an accrual for the loss and recognize it as an expense immediately. The accrual of the losses involves management judgment so that the estimation of construction contract losses is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: Comparing the actual amount of construction contract losses and loss provisions accrued in the past; assessing and understanding how the management estimates the losses, including the method of assessment, whether the source of the information is appropriate, and the possibility to correct the accounting estimates; evaluating the appropriateness of accounting principles and related disclosures. In addition, if the completion of the contract is subject to the outcome of pending litigation or legislation, the construction contract losses will also be evaluated in accordance with IAS 37.

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect 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 (including the Audit committee) 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Tzu-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2021

Notes to Readers

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

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

Nova Corporation and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
4000	Net Operating revenue (notes 6(16) and 7)	\$ 3,877,444	100	4,406,270	100
5000	Operating costs (notes 6(4), (10), (12) and 7)	<u>2,921,911</u>	<u>75</u>	<u>3,339,223</u>	<u>76</u>
	Gross profit	<u>955,533</u>	<u>25</u>	<u>1,067,047</u>	<u>24</u>
	Operating expenses (notes 6(3), (10), (12), (18) and 7):				
6100	Selling expenses	68,042	2	77,513	2
6200	Administrative expenses	186,089	5	192,040	4
6300	Research and development expenses	118,335	3	108,326	2
6450	Expected credit impairment loss (gain)	<u>(11,429)</u>	<u>-</u>	<u>23,032</u>	<u>1</u>
		<u>361,037</u>	<u>10</u>	<u>400,911</u>	<u>9</u>
	Net operating income	<u>594,496</u>	<u>15</u>	<u>666,136</u>	<u>15</u>
	Non-operating income and expenses:				
7100	Interest income(note 6(17))	15,425	1	19,423	-
7020	Other gains and losses, net (note 6(17))	(35,284)	(1)	22,233	1
7050	Finance costs (notes 6(10) and (17))	<u>(2,065)</u>	<u>-</u>	<u>(1,260)</u>	<u>-</u>
		<u>(21,924)</u>	<u>-</u>	<u>40,396</u>	<u>1</u>
7900	Income before income tax	572,572	15	706,532	16
7950	Less: income tax expenses (note 6(13))	<u>165,180</u>	<u>4</u>	<u>209,591</u>	<u>5</u>
	Net Income	<u>407,392</u>	<u>11</u>	<u>496,941</u>	<u>11</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans (note 6(12))	3,445	-	(9,478)	-
8349	Income tax related to items that will not be reclassified subsequently	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>3,445</u>	<u>-</u>	<u>(9,478)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	12,359	-	(46,990)	(1)
8399	Income tax related to items that may be reclassified subsequently (note 6(13))	<u>(2,472)</u>	<u>-</u>	<u>9,398</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>9,887</u>	<u>-</u>	<u>(37,592)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>13,332</u>	<u>-</u>	<u>(47,070)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 420,724</u>	<u>11</u>	<u>449,871</u>	<u>10</u>
	Earnings per share (New Taiwan Dollars) (note 6(15))				
9750	Basic earnings per share	<u>\$ 12.01</u>		<u>14.65</u>	
9850	Diluted earnings per share	<u>\$ 11.93</u>		<u>14.57</u>	

See accompanying notes to consolidated financial statements.

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

Nova Corporation and subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share capital	Capital surplus	Retained earnings			Total	Exchange differences on translation of foreign financial statements	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings			
Balance as of January 1, 2019	\$ 339,280	866,545	170,449	26,176	943,803	1,140,428	(40,442)	2,305,811
Net income for the period	-	-	-	-	496,941	496,941	-	496,941
Other comprehensive income for the period	-	-	-	-	(9,478)	(9,478)	(37,592)	(47,070)
Total comprehensive income for the period	-	-	-	-	487,463	487,463	(37,592)	449,871
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	55,985	-	(55,985)	-	-	-
Appropriation Special reserve	-	-	-	14,266	(14,266)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(508,920)	(508,920)	-	(508,920)
Balance as of December 31, 2019	<u>339,280</u>	<u>866,545</u>	<u>226,434</u>	<u>40,442</u>	<u>852,095</u>	<u>1,118,971</u>	<u>(78,034)</u>	<u>2,246,762</u>
Net income for the period	-	-	-	-	407,392	407,392	-	407,392
Other comprehensive income for the period	-	-	-	-	3,445	3,445	9,887	13,332
Total comprehensive income for the period	-	-	-	-	410,837	410,837	9,887	420,724
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	49,695	-	(49,695)	-	-	-
Appropriation for special reserve	-	-	-	37,592	(37,592)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(339,280)	(339,280)	-	(339,280)
Balance as of December 31, 2020	<u>\$ 339,280</u>	<u>866,545</u>	<u>276,129</u>	<u>78,034</u>	<u>836,365</u>	<u>1,190,528</u>	<u>(68,147)</u>	<u>2,328,206</u>

See accompanying notes to consolidated financial statements.

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

Nova Corporation and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 572,572	706,532
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	35,487	31,185
Expected credit Impairment loss (gain)	(11,429)	23,032
Net gain on reclassification of financial assets	(1,038)	(31)
Interest expense	2,065	1,260
Provision for inventory devaluation loss (reversal)	3,246	(196)
Interest income	(15,425)	(19,423)
Others	2,926	2,861
Total adjustments to reconcile profit (loss)	15,832	38,688
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(264,422)	235,382
Contract assets	(361,622)	(265,322)
Inventories	310,594	(167,219)
Other current assets	(22,149)	252,402
Total changes in operating assets	(337,599)	55,243
Changes in operating liabilities:		
Contract liabilities	487,555	(232,704)
Notes and accounts payable	(370,600)	152,867
Accounts payable-related parties	-	(2,961)
Accrued expenses and other current liabilities	20,525	(12,924)
Total changes in operating liabilities	137,480	(95,722)
Total adjustments	(184,287)	(1,791)
Cash flows generated from operations	388,285	704,741
Interest received	15,425	19,423
Interest paid	(2,065)	(1,260)
Income taxes paid	(179,285)	(151,736)
Net cash flows from operating activities	222,360	571,168
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(32,132)	(30,000)
Proceeds from disposal of financial assets at fair value through profit or loss	16,706	-
Acquisition of investments accounted for using equity method	(112,500)	-
Acquisition of property, plant and equipment	(7,087)	(9,261)
Proceeds from disposal of property, plant and equipment	13	-
Decrease (increase) in other financial assets-current	21,682	(50,000)
Increase in other non-current assets	(730)	(1,431)
Net cash flows used in investing activities	(114,048)	(90,692)
Cash flows from financing activities:		
Increase in short-term loans	301,000	-
Payment of lease liabilities	(21,897)	(18,967)
Cash dividends paid	(339,280)	(508,920)
Net cash flows used in financing activities	(60,177)	(527,887)
Effect of exchange rate changes	13,565	(50,613)
Net increase (decrease) in cash and cash equivalents	61,700	(98,024)
Cash and cash equivalents at beginning of period	1,619,701	1,717,725
Cash and cash equivalents at end of period	\$ 1,681,401	1,619,701

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Nova Technology Corporation:

Opinion

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

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

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of 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 parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Recognition of construction contract revenue (including estimated total budget cost)

Please refer to Note 4(8) "Revenue (Revenue from contract with customers)", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(16) "Revenue from contracts with customers" to the parent company only financial statements.

Description of key audit matter:

The Company recognized its revenue by using the percentage of completion method. The completion level is based on the cost for each contract at year-end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as one of the key matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: reviewing significant contracts to understand the specific terms and risks of each contract; testing the key internal controls of the revenue cycle to confirm the significant risk of the abnormality. Also, enquiring with the management and updating the preparation and approval process of the estimated cost of the contracts; understanding the process of accounting estimates made by the management and considering other evidences to evaluate the management's assumptions on the completeness of construction revenue; checking the differences between the estimated total budget cost and the actual cost of the construction contract. Furthermore, considering whether the management has estimated the cost that had not been invested before the completion date, and the possibility of reversal on the expected price are appropriate and reasonable; as well as assessing whether the revenue is in accordance with the relevant regulations, and the cost is appropriately disclosed.

2. Valuation of receivables

Please refer to Note 4(6) "Financial instruments", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(3) "Notes receivable, Accounts receivable and overdue receivable, net" to the parent company only financial statements.

Description of key audit matter:

The recoverability of the Company's accounts receivable is related to the economic cycle and customer operations. The management measures the financial position of the customers and assesses the expected credit losses arising from all possible defaults during the expected life of the accounts receivable. The assessment of the impairment loss of receivables is determined by management judgment. Therefore, the valuation of accounts receivable is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: checking the completeness and accuracy of the aging analysis; understanding and evaluating the assessment performed by management relating to receivables that are overdue; vouching to the receipt after the year end, and understanding the collectability of remaining amount; assessing the adequacy of loss allowance provided by the Company; and evaluating the adequacy of the Company's disclosures in the accounts.

3. Accrual of construction contract losses

Please refer to Note 4(8) "Revenue (Cost from contracts with customers)", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 9(4) "Significant Commitments and Contingencies" to the parent company only financial statements.

Description of key audit matter:

If the Company assesses that the contract cost that has been incurred is "unlikely to be recovered" then will make an accrual for the loss and recognize it as an expense immediately. The accrual of the losses involves management judgment so that the estimation of construction contract losses is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: Comparing the actual amount of construction contract losses and loss provisions accrued in the past; assessing and understanding how the management estimates the losses, including the method of assessment, whether the source of the information is appropriate, and the possibility to correct the accounting estimates; evaluating the appropriateness of accounting principles and related disclosures. In addition, if the completion of the contract is subject to the outcome of pending litigation or legislation, the construction contract losses will also be evaluated in accordance with IAS 37.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company 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 parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Tzu-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2021

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

Nova Technology Corporation

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 666,038	19	582,036	18	2100	Short-term borrowings (note 6(9))	\$ 301,000	9	-	-
1110	Current financial assets at fair value through profit or loss (note 6(2))	26,379	1	-	-	2150	Notes payable	34,823	1	21,418	1
1150	Notes receivable, net (note 6(3))	-	-	567	-	2170	Accounts payable	275,102	8	477,126	14
1170	Accounts receivable, net (note 6(3))	392,368	11	472,108	14	2180	Accounts payable - related parties (notes 7)	-	-	1,651	-
1180	Accounts receivable - related parties, net (notes 6(3) and 7)	1,355	-	-	-	2130	Current contract liabilities (notes 6(16) and 7)	105,583	3	161,913	5
1140	Current contract assets (notes 6(16) and 7)	372,706	11	493,548	15	2201	Salaries and bonus payable	67,848	2	79,512	2
1310	Inventories, net (note 6(4))	8,916	-	33,977	1	2250	Provision-current (note 6(11))	16,391	-	16,017	1
1421	Prepayments to suppliers	13,126	1	23,492	1	2280	Current lease liabilities (note 6(10))	4,686	-	5,575	-
1476	Other current financial assets (notes 6(5) and 8)	147,457	4	166,721	5	2399	Other current liabilities	23,079	1	44,258	1
1479	Other current assets	1,765	-	10,183	-			828,512	24	807,470	24
		<u>1,630,110</u>	<u>47</u>	<u>1,782,632</u>	<u>54</u>	Non-Current liabilities:					
Non-current assets:						2570	Deferred tax liabilities (note 6(13))	253,541	7	226,144	7
1550	Investments accounted for using equity method (note 6(6))	1,704,825	50	1,423,052	43	2580	Non-current lease liabilities (note 6(10))	6,492	-	5,358	-
1600	Property, plant and equipment (note 6(7))	63,686	2	66,001	2	2640	Net defined benefit liability, non-current (note 6(12))	30,021	1	33,628	1
1755	Right-of-use assets (note 6(8))	11,120	-	10,891	-			<u>290,054</u>	<u>8</u>	<u>265,130</u>	<u>8</u>
1840	Deferred tax assets (note 6(13))	35,036	1	33,322	1	Total liabilities		<u>1,118,566</u>	<u>32</u>	<u>1,072,600</u>	<u>32</u>
1990	Other non-current assets (note 6(3))	1,995	-	3,464	-	Equity (note 6(14)):					
		<u>1,816,662</u>	<u>53</u>	<u>1,536,730</u>	<u>46</u>	3100	Ordinary share capital	339,280	10	339,280	10
			3			3200	Capital surplus	866,545	25	866,545	26
						3300	Retained earnings	1,190,528	35	1,118,971	34
						3400	Other equity interest	(68,147)	(2)	(78,034)	(2)
						Total equity		<u>2,328,206</u>	<u>68</u>	<u>2,246,762</u>	<u>68</u>
Total assets		<u>\$ 3,446,772</u>	<u>100</u>	<u>3,319,362</u>	<u>100</u>	Total liabilities and equity		<u>\$ 3,446,772</u>	<u>100</u>	<u>3,319,362</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

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

Nova Technology Corporation

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
4000	Net Operating revenue (notes 6(16) and 7)	\$ 1,718,210	100	1,912,720	100
5000	Operating costs (notes 6(4), (10), (12) and 7)	<u>1,478,268</u>	<u>86</u>	<u>1,572,503</u>	<u>82</u>
	Gross profit	<u>239,942</u>	<u>14</u>	<u>340,217</u>	<u>18</u>
	Operating expenses (notes 6(3), (10), (12) and(18)):				
6100	Selling expenses	5,003	-	5,408	-
6200	Administrative expenses	125,029	7	133,258	7
6450	Expected credit Impairment loss (gain)	<u>(4,298)</u>	<u>-</u>	<u>(467)</u>	<u>-</u>
		<u>125,734</u>	<u>7</u>	<u>138,199</u>	<u>7</u>
	Net operating income	<u>114,208</u>	<u>7</u>	<u>202,018</u>	<u>11</u>
	Non-operating income and expenses:				
7100	Interest income(note 6(17))	1,584	-	2,652	-
7020	Other gains and losses, net (note 6(17))	(36,205)	(2)	(7,215)	-
7050	Finance costs (notes 6(10) and (17))	(889)	-	(107)	-
7070	Share of profit of equity-accounted investees (Note 6(6))	<u>434,084</u>	<u>25</u>	<u>425,744</u>	<u>22</u>
		<u>398,574</u>	<u>23</u>	<u>421,074</u>	<u>22</u>
7900	Income before income tax	512,782	30	623,092	33
7950	Less: income tax expenses (note 6(13))	<u>105,390</u>	<u>6</u>	<u>126,151</u>	<u>7</u>
	Net Income	<u>407,392</u>	<u>24</u>	<u>496,941</u>	<u>26</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans (note 6(12))	3,445	-	(9,478)	-
8349	Income tax related to items that will not be reclassified subsequently	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>3,445</u>	<u>-</u>	<u>(9,478)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	12,359	1	(46,990)	(2)
8399	Income tax related to items that may be reclassified subsequently (note 6(13))	<u>(2,472)</u>	<u>-</u>	<u>9,398</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>9,887</u>	<u>1</u>	<u>(37,592)</u>	<u>(2)</u>
8300	Other comprehensive income	<u>13,332</u>	<u>1</u>	<u>(47,070)</u>	<u>(2)</u>
	Total comprehensive income	<u>\$ 420,724</u>	<u>25</u>	<u>449,871</u>	<u>24</u>
	Earnings per share (New Taiwan Dollars) (note 6(15))				
9750	Basic earnings per share	<u>\$ 12.01</u>		<u>14.65</u>	
9850	Diluted earnings per share	<u>\$ 11.93</u>		<u>14.57</u>	

See accompanying notes to parent company only financial statements.

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

Nova Technology Corporation

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share capital	Capital surplus	Retained earnings			Total	Exchange differences on translation of foreign financial statements	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings			
Balance as of January 1, 2019	\$ 339,280	866,545	170,449	26,176	943,803	1,140,428	(40,442)	2,305,811
Net income for the period	-	-	-	-	496,941	496,941	-	496,941
Other comprehensive income for the period	-	-	-	-	(9,478)	(9,478)	(37,592)	(47,070)
Total comprehensive income for the period	-	-	-	-	487,463	487,463	(37,592)	449,871
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	55,985	-	(55,985)	-	-	-
Appropriation Special reserve	-	-	-	14,266	(14,266)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(508,920)	(508,920)	-	(508,920)
Balance as of December 31, 2019	<u>339,280</u>	<u>866,545</u>	<u>226,434</u>	<u>40,442</u>	<u>852,095</u>	<u>1,118,971</u>	<u>(78,034)</u>	<u>2,246,762</u>
Net income for the period	-	-	-	-	407,392	407,392	-	407,392
Other comprehensive income for the period	-	-	-	-	3,445	3,445	9,887	13,332
Total comprehensive income for the period	-	-	-	-	410,837	410,837	9,887	420,724
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	49,695	-	(49,695)	-	-	-
Appropriation for special reserve	-	-	-	37,592	(37,592)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(339,280)	(339,280)	-	(339,280)
Balance as of December 31, 2020	<u>\$ 339,280</u>	<u>866,545</u>	<u>276,129</u>	<u>78,034</u>	<u>836,365</u>	<u>1,190,528</u>	<u>(68,147)</u>	<u>2,328,206</u>

See accompanying notes to parent company only financial statements.

Nova Technology Corporation

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 512,782	623,092
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	9,140	8,092
Expected credit Impairment loss (gain)	(4,298)	(467)
Net gain on reclassification of financial assets	(917)	-
Interest expense	889	107
Provision for inventory devaluation loss (reversal)	(270)	145
Interest income	(1,584)	(2,652)
Investment income accounted for under the equity method	(434,084)	(425,744)
Others	1,640	1,777
Total adjustments to reconcile profit (loss)	(429,484)	(418,472)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	84,605	(176,644)
Contract assets	120,842	(300,027)
Accounts receivable-related parties	(1,355)	-
Inventories	25,331	(13,624)
Other current assets	16,366	115,821
Total changes in operating assets	245,789	(374,474)
Changes in operating liabilities:		
Notes and accounts payable	(188,619)	181,620
Accounts payable-related parties	(1,651)	1,651
Contract liabilities	(56,330)	76,306
Accrued expenses and other current liabilities	(10,546)	(24,298)
Total changes in operating liabilities	(257,146)	235,279
Total adjustments	(440,841)	(557,937)
Cash flows generated from operations	71,941	65,155
Interest received	1,584	2,652
Interest paid	(899)	(107)
Income taxes paid	(104,102)	(94,634)
Net cash flows from operating activities	(31,466)	(26,934)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(32,132)	-
Proceeds from disposal of financial assets at fair value through profit or loss	6,670	-
Acquisition of investments accounted for using equity method	(112,500)	-
Acquisition of property, plant and equipment	(349)	(1,403)
Dividends received	277,170	242,499
Decrease (increase) in other financial assets-current	21,682	(50,000)
Increase in other non-current assets	(338)	(640)
Net cash flows used in investing activities	(160,203)	190,456
Cash flows from financing activities:		
Increase in short-term loans	301,000	-
Payment of lease liabilities	(6,455)	(5,406)
Cash dividends paid	(339,280)	(508,920)
Net cash flows used in financing activities	(44,735)	(514,326)
Net increase (decrease) in cash and cash equivalents	84,002	(350,804)
Cash and cash equivalents at beginning of period	582,036	932,840
Cash and cash equivalents at end of period	\$ 666,038	582,036



朋億股份有限公司
NOVA TECHNOLOGY CORP.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements (included consolidated and individual), and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Nova Technology Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit committee members of Nova Technology Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

NOVA TECHNOLOGY CORPORATION

Chairman of the Audit Committee: Hui-Yin Chiu

A handwritten signature in black ink, appearing to read 'Chiu, Hui Yin'.

February 22, 2021

Comparison Table of the Rules of Procedure for Board of Directors Meeting

Article	After revision	Before revision
Article 5	<p>Preparation of documents such as scrapbooks and delegation of directors</p> <p>When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.</p> <p>Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person and should sign the card by fax to sign on behalf of the group.</p> <p>A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.</p> <p>The proxy referred to in paragraph 2 may be the appointed proxy of only one person.</p>	<p>Preparation of documents such as scrapbooks and delegation of directors</p> <p>When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.</p> <p>Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person and should sign the card by fax to sign on behalf of the group.</p> <p>A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.</p> <p>The proxy referred to in paragraph 2 may be the appointed proxy of only one person.</p>
Article 7	<p>Board of Directors' Chairperson and Agent</p> <p>Board meetings shall be <u>are</u> convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p><u>Where a board meeting is convened by a majority of the directors in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall select from among themselves one director to serve as chair.</u></p> <p>When the chairperson of the board is on leave or for any reason unable to exercise</p>	<p>Board of Directors' Chairperson and Agent</p> <p>Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the</p>

Article	After revision	Before revision
	<p>the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>
<p>Article 12</p>	<p>The following matters should be discussed in the Company Board of Directors:</p> <ol style="list-style-type: none"> 1. The company's operating plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be <u>financial reports, and financial reports for the second quarter,</u> audited and attested by a certified public accountant (CPA). <p style="text-align: center;">:</p>	<p>The following matters should be discussed in the Company Board of Directors:</p> <ol style="list-style-type: none"> 1. The company's operating plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA). <p style="text-align: center;">:</p>
<p>Article 15</p>	<p>Recusal system for directors</p> <p>If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p><u>A director is deemed to be an interested party with respect to an agenda item in respect of which its spouse or a blood relative within the second degree of kinship, or a company with a controlling or subordinate relation with the director, is an interested party.</u></p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at</p>	<p>Recusal system for directors</p> <p>If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.</p>

Article	After revision	Before revision
	a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.	
Article 16	<p style="text-align: center;">:</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>	<p style="text-align: center;">:</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>

Comparison Table of the Corporate Governance Best Practice Principles

Article	After revision	Before revision
Article 3	<p style="text-align: center;">:</p> <p>The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters. Directors and Audit Committee shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company shall establish channels and mechanisms of communication between their independent directors, audit committees, and chief internal auditors, and the convener of the audit committee shall report their communication with the independent directors <u>the communications between members of the audit committees</u> and chief internal auditors at the shareholders' meeting.</p> <p>The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.</p> <p>Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.</p>	<p style="text-align: center;">:</p> <p>The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters. Directors and Audit Committee shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company shall establish channels and mechanisms of communication between their independent directors, audit committees, and chief internal auditors, and the convener of the audit committee shall report their communication with the independent directors and chief internal auditors at the shareholders' meeting.</p> <p>The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.</p> <p>Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.</p>

Article	After revision	Before revision
Article 3-1	<p>The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company, business situations and management needs, and to appoint <u>shall appoint in accordance with the requirements of the competent authorities or TPEX</u> a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in securities, financial, or futures related institution or a public company in handling legal affairs, <u>legal compliance, internal audit</u>, financial affairs, stock affairs, or corporate governance affairs.</p> <p style="text-align: center;">:</p>	<p>The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company, business situations and management needs, and to appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in securities, financial, or futures related institution or a public company in handling legal affairs, financial affairs, stock affairs, or corporate governance affairs.</p> <p style="text-align: center;">:</p>
Article 7	<p style="text-align: center;">:</p> <p>The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting, and is advised to adopt a candidate nomination system for the election of directors.</p> <p>The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.</p>	<p style="text-align: center;">:</p> <p>The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting, and is advised to adopt a candidate nomination system for the election of directors.</p> <p>The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.</p>
Article 10	<p>The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.</p> <p>To treat all shareholders equally, it is advisable that the Company concurrently disclose the information under the</p>	<p>The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.</p> <p>To treat all shareholders equally, it is advisable that the Company concurrently disclose the information under the</p>

Article	After revision	Before revision
	<p>preceding paragraph in English.</p> <p>To protect its shareholders' rights and interests and ensure their equal treatment, the Company adopts internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p> <p><u>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the Company's financial reports or relevant results.</u></p>	<p>preceding paragraph in English.</p> <p>To protect its shareholders' rights and interests and ensure their equal treatment, the Company adopts internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p>
Article 13	<p style="text-align: center;">:</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors, supervisors or managers in performing their duties.</p> <p style="text-align: center;">:</p>	<p style="text-align: center;">:</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors, supervisors or managers in performing their duties.</p> <p style="text-align: center;">:</p>
Article 18	<p style="text-align: center;">:</p> <p>6. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.</p> <p style="text-align: center;">:</p>	<p style="text-align: center;">:</p> <p>6. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.</p> <p style="text-align: center;">:</p>
Article 22	<p>The Company is advised to <u>shall</u> specify in its Articles of Incorporation <u>in accordance with the laws and regulations of the competent authorities</u> that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.</p>	<p>The Company is advised to specify in its Articles of Incorporation that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.</p>

Article	After revision	Before revision
Article 23	<p>Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.</p> <p>It is inappropriate for the chairperson to also act as the general manager or <u>an equivalent post</u>other equivalent position (highest managerial position). If the chairperson also acts as the general manager or other equivalent position (highest managerial position) or the chairperson and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased and there be a majority of the members of the board of directors who are not employees or managers.</p> <p>The Company with a functional committee shall clearly define the responsibilities and duties of the committee.</p>	<p>Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.</p> <p>It is inappropriate for the chairperson to also act as the general manager or other equivalent position (highest managerial position). If the chairperson also acts as the general manager or other equivalent position (highest managerial position) or the chairperson and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased and there be a majority of the members of the board of directors who are not employees or managers.</p> <p>The Company with a functional committee shall clearly define the responsibilities and duties of the committee.</p>
Article 28-2	<p><u>The company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.</u></p>	None.
<u>Article 28-3</u>	<p>A whistleblowing system</p> <p>The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the Company's internal control system for management purposes.</p>	<p>A whistleblowing system</p> <p>The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the Company's internal control system for management purposes.</p>
Article 37	<p style="text-align: center;">:</p> <p>The Company formulate rules and procedures for board of directors performance assessments, and that each year it conduct regularly scheduled performance assessments of the board of directors, functional committees, and</p>	<p style="text-align: center;">:</p> <p>The Company formulate rules and procedures for board of directors performance assessments, and that each year it conduct regularly scheduled performance assessments of the board of directors, functional committees, and</p>

Article	After revision	Before revision
	<p>individual directors through self-assessment, <u>or peer-to-peer assessments, engaging and may also do so through</u> outside professional institutions, or in any other appropriate manner. It is advisable that the <u>A</u> performance assessment of the board of directors <u>shall</u> include the following aspects, and that appropriate assessment indicators <u>shall</u> be developed in consideration of the Company's needs:</p> <ol style="list-style-type: none"> 1. The degree of participation in the Company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. <p>It is advisable that <u>The</u> performance assessments of board members (self-assessments or peer-to-peer assessments) <u>shall</u> include the following aspects, with appropriate adjustments made on the basis of the Company's needs:</p> <ol style="list-style-type: none"> 1. Their grasp of the Company's goals and missions. 2. Their recognition of director's duties. 3. Their degree of participation in the Company's operations. 4. Their management of internal relationships and communication. 5. Their professionalism and continuing professional education. 6. Internal controls. <p>It is advisable that the performance assessment of a functional committee cover the following aspects, subject to changes according to <u>with appropriate adjustments made on the basis of</u> the Company's needs:</p> <ol style="list-style-type: none"> 1. Their degree of participation in the Company's operations. 2. Their recognition of the duties of the functional committee. 3. Improvement in the quality of decision making by the functional committee. 4. The composition of the functional committee, and election and 	<p>individual directors through self-assessment, peer-to-peer assessments, engaging outside professional institutions, or in any other appropriate manner. It is advisable that the performance assessment of the board of directors include the following aspects, and that appropriate assessment indicators be developed in consideration of the Company's needs:</p> <ol style="list-style-type: none"> 1. The degree of participation in the Company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. <p>It is advisable that performance assessments of board members (self-assessments or peer-to-peer assessments) include the following aspects, with appropriate adjustments made on the basis of the Company's needs:</p> <ol style="list-style-type: none"> 1. Their grasp of the Company's goals and missions. 2. Their recognition of director's duties. 3. Their degree of participation in the Company's operations. 4. Their management of internal relationships and communication. 5. Their professionalism and continuing professional education. 6. Internal controls. <p>It is advisable that the performance assessment of a functional committee cover the following aspects, subject to changes according to the Company's needs:</p> <ol style="list-style-type: none"> 1. Their degree of participation in the Company's operations. 2. Their recognition of the duties of the functional committee. 3. Improvement in the quality of decision making by the functional committee. 4. The composition of the functional committee, and election and appointment of committee members.

Article	After revision	Before revision
	<p>appointment of committee members.</p> <p>5. Internal control.</p> <p>The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.</p>	<p>5. Internal control.</p> <p>The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.</p>
<p><u>Article 37-2</u></p>	<p><u>The board of directors is advised to evaluate and monitor the following aspects of the Company’s direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:</u></p> <ol style="list-style-type: none"> <u>1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.</u> <u>2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.</u> <u>3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.</u> <u>4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.</u> <u>5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company’s expectations.</u> 	<p>None.</p>

Comparison Table of the Procedures for Ethical Management and Guidelines for Conduct

Article	After revision	Before revision
Article 5	<p>The Company shall designate the President as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and <u>provide it with sufficient resources and competent personnel to be in</u> charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports <u>(at least once a year)</u> to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. <u>Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting</u> Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 	<p>The Company shall designate the President as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively

Article	After revision	Before revision
	<p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>7. <u>Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</u></p>	<p>operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>
Article 11	<p>When the Company's director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p style="text-align: center;">:</p>	<p>When the Company's director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p style="text-align: center;">:</p>
Article 16	<p><u>The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u></p> <p>The Company shall disclose its policy of ethical management in its internal rules,</p>	<p>The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its</p>

Article	After revision	Before revision
	<p>annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<p>suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>
<p>Article 21</p>	<p style="text-align: center;">:</p> <p>The Company shall internally establish and publicly announce on its website, or provide through an independent mailbox or hotline, for Company insiders to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> 1. The whistleblower's name and I.D. number (<u>whistleblowing reports may be submitted anonymously</u>), and an address, telephone number and e-mail address where it can be reached. <p style="text-align: center;">:</p> <p>The responsible unit of the Company shall observe the following procedure <u>in handling whistleblowing matters</u>:</p> <ol style="list-style-type: none"> 1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. 2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will <u>report to the competent authority, refer said person to judicial authority for</u> 	<p style="text-align: center;">:</p> <p>The Company shall internally establish and publicly announce on its website, or provide through an independent mailbox or hotline, for Company insiders to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> 1. The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached. <p style="text-align: center;">:</p> <p>The responsible unit of the Company shall observe the following procedure:</p> <ol style="list-style-type: none"> 1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. 2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. <p style="text-align: center;">:</p>

Article	After revision	Before revision
	<p><u>investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</u></p> <p style="text-align: center;">:</p>	
<p>Article 24</p>	<p>The Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.</p> <p>When the Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p> <p><u>The provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.</u></p>	<p>The Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.</p> <p>When the Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p>
<p>Article 25</p>	<p>The Procedures and Guidelines was set up on October 18, 2016.</p>	<p>The Procedures and Guidelines was set up on October 18, 2016.</p>

Comparison Table of the Corporate Social Responsibility Best Practice Principles

Article	After revision	Before revision
Article 3	<p>In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management and business operations, give due consideration to the social mores and the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p><u>In accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</u></p>	<p>In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management and business operations, give due consideration to the social mores and the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>
Article 18	<p><u>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.</u></p> <p><u>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</u></p> <ol style="list-style-type: none"> 1. <u>Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</u> 2. <u>Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u> <p><u>The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.</u></p>	<p>The Company is advised to monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and the result of a greenhouse gas volume check. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on the natural environment.</p>

Article	After revision	Before revision
	<p>The Company is advised to monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and the result of a greenhouse gas volume check. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on the natural environment.</p>	
Article 21	<p>The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.</p> <p><u>The Company advised to organize training on safety and health for their employees on a regular basis.</u></p>	<p>The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.</p>
Article 22	<p>The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.</p> <p><u>The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</u></p>	<p>The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.</p>
Article 23	<p>The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.</p> <p><u>The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee</u></p>	<p>The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.</p>

Article	After revision	Before revision
	<p><u>representatives.</u></p> <p><u>The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.</u></p>	
Article 24	<p><u>The companies shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.</u></p> <p>To maintain the Company's service responsibility and uphold marketing ethics, the Company is advised to establish and disclose policies on consumer rights and interests and enforce such consumer rights and interests policies.</p>	To maintain the Company's service responsibility and uphold marketing ethics, the Company is advised to establish and disclose policies on consumer rights and interests and enforce such consumer rights and interests policies.
Article 25	<p>The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.</p> <p><u>The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</u></p> <p>the laws and regulations of the government and relevant international guidelines when marketing or advertising its products or services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.</p> <p>The Company shall follow the laws and regulations of the government and relevant international guidelines when marketing or advertising its products or services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>
Article 26	<p><u>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.</u></p> <p>The Company is advised to provide a clear</p>	The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with relevant laws and regulations for

Article	After revision	Before revision
	and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with relevant laws and regulations for respecting consumers' rights of privacy and shall protect personal data provided by consumers.	respecting consumers' rights of privacy and shall protect personal data provided by consumers.
Article 27	<p>The Company is advised to assess the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers on environmental protection, safety, or health, etc. to jointly foster a stronger sense of corporate social responsibility.</p> <p><u>The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</u></p> <p><u>When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</u></p>	<p>The Company is advised to assess the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers on environmental protection, safety, or health, etc. to jointly foster a stronger sense of corporate social responsibility.</p>
Article 29	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.</p> <p>Relevant information relating to corporate social responsibility which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems and relevant 	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.</p> <p>Relevant information relating to corporate social responsibility which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems and relevant

Article	After revision	Before revision
	<p>management guidelines for corporate social responsibility initiatives, as resolved by the board of directors.</p> <ol style="list-style-type: none"> 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company. 4. <u>Major stakeholders and their concerns. Result of implementing corporate social responsibility initiatives.</u> 5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. Result of implementing corporate social responsibility initiatives.</u> <p>56. Other information relating to corporate social responsibility initiatives.</p>	<p>management guidelines for corporate social responsibility initiatives, as resolved by the board of directors.</p> <ol style="list-style-type: none"> 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company. 4. Result of implementing corporate social responsibility initiatives. 5. Other information relating to corporate social responsibility initiatives.
Article 30	<p>The Company is advised to <u>shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.</u> produce corporate social responsibility report disclosing the status of its implementation of the corporate social responsibility policy. The report is advised to include:</p> <ol style="list-style-type: none"> 1. <u>The framework, policy and proposal of The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.</u> 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment and preservation of public welfare. 4. Future improvements and goals. 	<p>The Company is advised to produce corporate social responsibility report disclosing the status of its implementation of the corporate social responsibility policy. The report is advised to include:</p> <ol style="list-style-type: none"> 1. The framework, policy and proposal of implementing corporate social responsibility initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment and preservation of public welfare. 4. Future improvements and goals.

Article	After revision	Before revision
Article 32	These principles, and any amendments hereto, shall be implemented upon approval by board of directors, <u>and shall be reported to the shareholders meeting.</u>	These principles, and any amendments hereto, shall be implemented upon approval by board of directors.

Comparison Table of the Code of Ethical Conduct

Article	After revision	Before revision
Article 4	<p>Prevention of Conflict of Interest</p> <p>Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members <u>relatives</u> within second degree of kinship.</p> <p>In order to prevent conflict of interest, any capital lending, endorsement and guarantee or significant transaction of asset between the company and the above persons or their affiliated enterprises shall be subject to prior approval by the board of directors and shall be carried out in accordance with relevant legislations and company rules. Product purchase (sale) shall be based on best interest of the company and conducted in accordance with relevant rules of the company's procurement and sales cycles.</p> <p>No manager or any of the affiliates shall serve in the same department as any employee who is a spouse or family member within second degrees of kinship, nor shall they serve any duties that should be managed separately under the internal control mechanism. If there is any special need for the above employee who is a spouse or family member within second degrees of kinship to serve the function, report to and approval by the board of directors shall be required.</p>	<p>Prevention of Conflict of Interest</p> <p>Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members within second degree of kinship.</p> <p>In order to prevent conflict of interest, any capital lending, endorsement and guarantee or significant transaction of asset between the company and the above persons or their affiliated enterprises shall be subject to prior approval by the board of directors and shall be carried out in accordance with relevant legislations and company rules. Product purchase (sale) shall be based on best interest of the company and conducted in accordance with relevant rules of the company's procurement and sales cycles.</p> <p>No manager or any of the affiliates shall serve in the same department as any employee who is a spouse or family member within second degrees of kinship, nor shall they serve any duties that should be managed separately under the internal control mechanism. If there is any special need for the above employee who is a spouse or family member within second degrees of kinship to serve the function, report to and approval by the board of directors shall be required.</p>

Comparison Table of the Articles of Incorporation

Article	After revision	Before revision
Article 4	<p>The total amount of investment made by the company in other invested companies shall not be restricted by Article 13 of the Company Law. When the Company becomes a shareholder of limited liability of another company, the total amount of the Company's investment will not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Act. The board of directors is authorized to make such investment.</p>	<p>The total amount of investment made by the company in other invested companies shall not be restricted by Article 13 of the Company Law. The board of directors is authorized to make such investment.</p>
Article 6	<p>The Company can guarantee externally that it is not subject to the Article 16 of the Company Act and that the endorsement of the endorsement is carried out with the consent of the Shareholders' meeting. The Company may provide endorsement and guarantee and act as a guarantor.</p>	<p>The Company can guarantee externally that it is not subject to the Article 16 of the Company Act and that the endorsement of the endorsement is carried out with the consent of the Shareholders' meeting.</p>
Article 7-1	<p>Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Company. <u>The Board shall be authorized to resolve on the requirements, distribution and purchase methods.</u></p>	<p>Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Company.</p>
Article 11	<p>When the shareholders are unable to attend the Shareholders' meeting for any reason, they are issued a letter of authorization issued by the company, indicating the scope of the authorization, entrusting the agent, attending the Shareholders' meeting. In addition to the provisions of Article 177 of the Company Act and other relevant laws and regulations, the method of appointing a shareholder to attend shall be handled in accordance with the "Procedures" of the "Public Issuing Company to Attend the Shareholders' meeting" issued by the competent authority. In case a shareholder is unable to attend a shareholders' meeting, he or she</p>	<p>When the shareholders are unable to attend the Shareholders' meeting for any reason, they are issued a letter of authorization issued by the company, indicating the scope of the authorization, entrusting the agent, attending the Shareholders' meeting. In addition to the provisions of Article 177 of the Company Act and other relevant laws and regulations, the method of appointing a shareholder to attend shall be handled in accordance with the "Procedures" of the "Public Issuing Company to Attend the Shareholders' meeting" issued by the competent authority.</p>

Article	After revision	Before revision
	<p><u>may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy. The written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting.</u></p> <p>When the Company holds a Shareholders' meeting, it shall exercise its voting rights in writing or electronically The Company shall list electronically as one of the shareholder's voting rights. Shareholders who vote by electronic means shall be deemed to be present in person. According to the regulations of the Act.</p>	<p>When the Company holds a Shareholders' meeting, it shall exercise its voting rights in writing or electronically. The Company shall list electronically as one of the shareholder's voting rights. Shareholders who vote by electronic means shall be deemed to be present in person. According to the regulations of the Act.</p>
Article 13-1	<p>Resolutions of Shareholders' meeting shall be made as Minutes of Meeting, signed or sealed by Chairman and distributed to Minutes of Meeting within 20 days after the meeting. <u>The minutes' production can be made electronically and distributed by the announcement.</u> They shall be kept forever during the existence of the company. The production and distribution of Minutes of Meeting can be made electronically or by way of announcement.</p>	<p>Resolutions of Shareholders' meeting shall be made as Minutes of Meeting, signed or sealed by Chairman and distributed to Minutes of Meeting within 20 days after the meeting. They shall be kept forever during the existence of the company. The production and distribution of Minutes of Meeting can be made electronically or by way of announcement.</p>
Article 14	<p>The Company has five to nine directors for a term of three years. The shareholder's meeting will be selected by the person who has the ability to act and be reelected. The Company shall have 5 to 9 directors. The term of office of directors is three years after which they will be eligible for re-election and re-appointment. The election of the directors shall nominate a nominee system for election, which shall be selected by Shareholders' meeting on the list of candidates. When the term of director expires but not re-election, he will extend his executive duties until the reappointment of directors to take office, and the proportion of shares held by all directors will be handled according to the regulations of the securities regulatory authority.</p> <p>In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such</p>	<p>The Company has five to nine directors for a term of three years. The shareholder's meeting will be selected by the person who has the ability to act and be reelected. The election of the directors shall nominate a nominee system for election, which shall be selected by Shareholders' meeting on the list of candidates. When the term of director expires but not re-election, he will extend his executive duties until the reappointment of directors to take office, and the proportion of shares held by all directors will be handled according to the regulations of the securities regulatory authority.</p> <p>In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining</p>

Article	After revision	Before revision
	<p>vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.</p> <p>The nomination, selection method and related treatment of the Company directors shall be handled in accordance with the Company's "Directors Election Procedures" and related regulations.</p> <p>In the Company directors quota, the number of independent directors must not be less than three and not less than one-fifth of directors' seats. Independent director adopts the nomination system for candidates, which is selected by shareholders on the list of independent directors candidates. The professional qualifications of the independent director, shareholding, part-time restrictions, nomination and selection methods, and other matters to be followed are handled in accordance with the relevant regulations of the competent authority.</p>	<p>term of the predecessors.</p> <p>The nomination, selection method and related treatment of the Company directors shall be handled in accordance with the Company's "Directors Election Procedures" and related regulations.</p> <p>In the Company directors quota, the number of independent directors must not be less than three and not less than one-fifth of directors' seats. Independent director adopts the nomination system for candidates, which is selected by shareholders on the list of independent directors candidates. The professional qualifications of the independent director, shareholding, part-time restrictions, nomination and selection methods, and other matters to be followed are handled in accordance with the relevant regulations of the competent authority.</p>
Chapter 6	Final accounts of revenue <u>Accounting</u>	Final accounts of revenue
Article 19	<p>At the end of the fiscal year, the Company shall prepare the following lists by the Board of Directors. They shall be submitted to the Audit Committee for review by Shareholders' general meeting 30 days before the Shareholders' general meeting (I) Business Reports (II) Financial Statements (III) Proposals for Distribution of Surplus or Provision for Loss. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance. (I) Business Report; (II) Financial Statements; (III) Proposals of profit distribution or losses.</p>	<p>At the end of the fiscal year, the Company shall prepare the following lists by the Board of Directors. They shall be submitted to the Audit Committee for review by Shareholders' general meeting 30 days before the Shareholders' general meeting (I) Business Reports (II) Financial Statements (III) Proposals for Distribution of Surplus or Provision for Loss.</p>
Article 20	<p>If the company has a surplus for the year, it is distributed in the following order:</p> <ul style="list-style-type: none"> i. Withholding taxes; ii. make up for losses; iii. Deposit 10% of the statutory surplus reserve, except when the statutory reserve has reached the total paid-in 	<p>If the company has a surplus for the year, it is distributed in the following order:</p> <ul style="list-style-type: none"> i. Withholding taxes; ii. make up for losses; iii. Deposit 10% of the statutory surplus reserve, except when the statutory reserve has reached the total paid-in

Article	After revision	Before revision
	<p>capital;</p> <p>iv. Authorize or repatriate special surplus reserves in accordance with law or the competent authority;</p> <p>v. The balance depends on the company's environment, growth stage and long-term financial plan to retain some of the surplus. For its balance and accumulated undistributed earnings for the previous year, Board of Directors regards the financial situation and economic development of the current year, assigning shareholders. Dividends and bonuses are submitted by the Board of Directors to the Shareholders' meeting resolution.</p> <p><u>The Company authorizes the distributable dividends and bonuses, legal or capital reserve, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting, in this case the aforesaid resolution at the meeting of shareholders in the previous section will not apply. When allocating the net profits for each fiscal year, the Company shall first offset its accumulated losses and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve equals the total paid-in capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations. The remaining net profits and the retained earnings from previous years shall be distributed to shareholders according to the proposal made by the Board of Directors and submitted to the shareholders' meeting for approval.</u></p> <p><u>The amount of dividends distributed to shareholders shall be no less than 10% of distributable earnings for the year.</u></p> <p><u>Dividends to shareholders of the company shall be distributed in the form of cash or shares, provided that the proportion of cash dividends distributed shall not be less than 10% of the total dividends. The policy of dividend distribution shall be based on the</u></p>	<p>capital;</p> <p>iv. Authorize or repatriate special surplus reserves in accordance with law or the competent authority;</p> <p>v. The balance depends on the company's environment, growth stage and long-term financial plan to retain some of the surplus. For its balance and accumulated undistributed earnings for the previous year, Board of Directors regards the financial situation and economic development of the current year, assigning shareholders. Dividends and bonuses are submitted by the Board of Directors to the Shareholders' meeting resolution.</p> <p>The Company authorizes the distributable dividends and bonuses, legal or capital reserve, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting, in this case the aforesaid resolution at the meeting of shareholders in the previous section will not apply.</p>

Article	After revision	Before revision
	<p><u>company's current and future investment environment, capital needs, financial structure, surplus situation, and balance of dividends. The Board of Directors shall prepare a distribution plan and report to the shareholders' meeting on a yearly basis according to laws. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends.</u></p>	
Article 20-1	<p>The Company will consider the company's environment and growth stage. In response to the unsatisfied funding requirements, financial structure, surplus situation and balanced and stable dividend policy, depending on the funding needs and the dilution of the company's earnings per share, the Company will allocate the surplus for distribution each year. Not less than 10% of shareholder dividends are distributed. The Company may adopt a modest stock dividend or cash dividend method, of which the cash dividend shall not be less than 10% of the total dividends paid. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends. <u>The company may authorize the distributable dividends and bonuses, capital surplus reserve and the legal surplus reserve in part or in whole, to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the latest shareholders' meeting without applying the resolution of the shareholders' meeting under the preceding article.</u></p>	<p>The Company will consider the company's environment and growth stage. In response to the unsatisfied funding requirements, financial structure, surplus situation and balanced and stable dividend policy, depending on the funding needs and the dilution of the company's earnings per share, the Company will allocate the surplus for distribution each year. Not less than 10% of shareholder dividends are distributed. The Company may adopt a modest stock dividend or cash dividend method, of which the cash dividend shall not be less than 10% of the total dividends paid. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends.</p>
Article 22	<p>This Articles of Association was concluded on May 27, 1997.</p> <p style="text-align: center;">⋮</p> <p>The twenty-third revision was made on May 21, 2020. <u>The twenty-fourth revision was made on May 25, 2021.</u></p>	<p>This Articles of Association was concluded on May 27, 1997.</p> <p style="text-align: center;">⋮</p> <p>The twenty-third revision was made on May 21, 2020.</p>

Comparison Table of the Rules of Procedure for Shareholder Meetings

Article	After revision	Before revision
Article 4	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p style="text-align: center;">⋮</p> <p>(4) Election or dismissal of directors or, amendments to the articles of incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, <u>Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be set out in the notice of the reasons and main reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The content could be displayed on websites designated by regulatory authorities of stock market of the company, and the website should be manifested in a notification.</p> <p style="text-align: center;">⋮</p> <p>(6) A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When the shareholder's proposal is to promote the company's devotion in public welfare or its social responsibility, such limitation is lifted. <u>A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally</u></p>	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p style="text-align: center;">⋮</p> <p>(4) Election or dismissal of directors or, amendments to the articles of incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act shall be set out in the notice of the reasons and main reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The content could be displayed on websites designated by regulatory authorities of stock market of the company, and the website should be manifested in a notification.</p> <p style="text-align: center;">⋮</p> <p>(6) A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When the shareholder's proposal is to promote the company's devotion in public welfare or its social responsibility, such limitation is lifted. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p style="text-align: center;">⋮</p>

Article	After revision	Before revision
	<p><u>the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u> In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p style="text-align: center;">⋮</p>	
Article 10	<p>(Shareholders' meeting attendance calculations and meetings)</p> <p style="text-align: center;">⋮</p> <p>(2) The chair shall call the meeting to order at the appointed meeting time <u>and announce the votes with no voting rights and the number of shares in attendance.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p style="text-align: center;">⋮</p>	<p>(Shareholders' meeting attendance calculations and meetings)</p> <p style="text-align: center;">⋮</p> <p>(2) The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p style="text-align: center;">⋮</p>
Article 15	<p>(Election matters)</p> <p>(1) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names <u>and votes they received for every winning or losing candidate</u> of those elected as directors and supervisors and the numbers of votes with which they were elected.</p>	<p>(Election matters)</p> <p>(1) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p>

Article	After revision	Before revision
	(2) The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	(2) The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Comparison Table of the Procedure for Acquisition or Disposal of Assets

Article	After revision	Before revision
Article 11.1	<p><u>Transaction type</u></p> <p><u>Derivative products that the Company can buy or sell are referred to in Article 3.1</u></p>	None
Article 11.2	<p>Business or hedging strategy</p> <p>The Company engages in derivative-commodity transactions to circumvent risks arising from fluctuations in exchange rates, interest rates or asset prices, and to hedge against foreign currency positions in the receivables/payables or financial asset liability arising from the company's business within the next six months. <u>Before the transaction is conducted, it must be determined as a safe-haven operation.</u> <u>the derivative transactions should mainly be conducted for the purpose to ensure profit of the Company's business and avoid risks associated with fluctuation in exchange rate, interest rate and/ or value of assets.</u></p>	<p>Business or hedging strategy</p> <p>The Company engages in derivative commodity transactions to circumvent risks arising from fluctuations in exchange rates, interest rates or asset prices, and to hedge against foreign currency positions in the receivables/payables or financial asset liability arising from the company's business within the next six months. Before the transaction is conducted, it must be determined as a safe-haven operation.</p>
Article 11.4.1	<p>The total amount of the transaction contract</p> <p>(1) Hedging Operations The total amount of the company's total safe-haven contract shall not exceed the foreign currency position of receivables/payables arising from the company's business within the next six months.</p> <p>(2) Trading Operations The types of transactions are limited to currency exchange contracts and swap exchanges. <u>The total amount of the transaction contract for trading purpose shall not exceed 20% of the company's latest financial statement's net value. Any amount exceeding 100 million shall be approved by the board of directors and shall be subject to policy instructions.</u></p>	<p>The total amount of the transaction contract</p> <p>(3) Hedging Operations The total amount of the company's total safe-haven contract shall not exceed the foreign currency position of receivables/payables arising from the company's business within the next six months.</p> <p>(4) Trading Operations The types of transactions are limited to currency exchange contracts and swap exchanges.</p>

Article	After revision	Before revision
Article 11.5	<p>Performance Evaluation</p> <p>11.4.1 Hedging Operations</p> <p>The performance of hedging operations is measured and assessed based on hedging strategies.</p> <p><u>The position of derivative instruments shall be weekly evaluated; transactions for hedging purposes shall be biweekly evaluated. The evaluation report shall be proved to manager authorized by the Board of Directors.</u></p>	<p>Performance Evaluation</p> <p>11.4.1 Hedging Operations</p> <p>The performance of hedging operations is measured and assessed based on hedging strategies.</p>
Article 11.6	<p>Delegation Lines and Levels</p> <p>The authorization limits and hierarchies of hedging operations are as follows:</p> <p>The company's authorized trader must be able to enter into the transaction only after the amount of the transaction contract specified in 11.3.1<u>11.4.1</u> has been approved by the chief financial officer and approved by the treasurer.</p> <p style="text-align: center;">:</p>	<p>Delegation Lines and Levels</p> <p>The authorization limits and hierarchies of hedging operations are as follows:</p> <p>The company's authorized trader must be able to enter into the transaction only after the amount of the transaction contract specified in 11.3.1 has been approved by the chief financial officer and approved by the treasurer.</p> <p style="text-align: center;">:</p>
Article 11.8.3	<p>Determining hedging practices:</p> <ol style="list-style-type: none"> (1) The subject of the transaction (2) Trading position (3) Target price and range (4) Trading Strategies and Patterns (5) The price reference is based on the open quotation system. 	<p>Determining hedging practices:</p> <ol style="list-style-type: none"> (1) The subject of the transaction (2) Trading position (3) Target price and range (4) Trading Strategies and Patterns (5) The price reference is based on the open quotation system.
Article 11.9.2	<p>Market risk:</p> <p>The Company focuses on hedging transactions in derivative financial products due to changes in interest rates, changes in exchange rates, or other factors, and should be controlled at all times. Market risk arising from the <u>fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.</u></p>	<p>Market risk:</p> <p>The Company focuses on hedging transactions in derivative financial products due to changes in interest rates, changes in exchange rates, or other factors, and should be controlled at all times.</p>
Article 11.11	<p>Regular Evaluation Methods and Handling of Abnormal Situations</p> <p>The risk management transactions that the finance department needs to handle must be evaluated at least twice a month. The evaluation report should be submitted to the high-level executives authorized by</p>	<p>Regular Evaluation Methods and Handling of Abnormal Situations</p> <p>The risk management transactions that the finance department needs to handle must be evaluated at least twice a month. The evaluation report should be submitted to the high-level executives authorized by</p>

Article	After revision	Before revision
	<p>the Board of Directors. Report to the Board of Directors <u>The position of derivative instruments shall be weekly evaluated; transactions for hedging purposes shall be biweekly evaluated by the finance department. The evaluation report shall be proved to manager authorized by the Board of Directors, if there is an abnormal situation, and take the necessary measures for response.</u></p> <p style="text-align: center;">⋮</p>	<p>the Board of Directors. Report to the Board of Directors if there is an abnormal situation, and take the necessary measures for response.</p> <p style="text-align: center;">⋮</p>
<p>Article 11.1 to 11.17</p>	<p><u>Added Article 11.1</u></p> <p><u>Article 11.1 changed to 11.2</u></p> <p><u>Article 11.2 changed to 11.3</u></p> <p><u>Article 11.3 changed to 11.4</u></p> <p><u>Article 11.4 changed to 11.5</u></p> <p><u>Article 11.5 changed to 11.6</u></p> <p><u>Article 11.6 changed to 11.7</u></p> <p><u>Article 11.7 changed to 11.8</u></p> <p><u>Article 11.8 changed to 11.9</u></p> <p><u>Article 11.9 changed to 11.10</u></p> <p><u>Article 11.10 changed to 11.11</u></p> <p><u>Article 11.11 changed to 11.12</u></p> <p><u>Article 11.12 changed to 11.13</u></p> <p><u>Article 11.13 changed to 11.14</u></p> <p><u>Article 11.14 changed to 11.15</u></p> <p><u>Article 11.15 changed to 11.16</u></p> <p><u>Article 11.16 changed to 11.17</u></p>	<p>Article 11.1 to 11.16</p>

Comparison Table of the Procedures for Election of Directors

Article	After revision	Before revision
Article 4	<p>Electoral machinery of directors</p> <p style="text-align: center;">⋮</p> <p>Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>	<p>Electoral machinery of directors</p> <p style="text-align: center;">⋮</p> <p>Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>
Article 5	<p>By-election mode for the shortfall of directors</p> <p style="text-align: center;">⋮</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days</p>	<p>By-election mode for the shortfall of directors</p> <p style="text-align: center;">⋮</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days</p>

Article	After revision	Before revision
	from the date of occurrence to hold a by-election to fill the vacancies.	from the date of occurrence to hold a by-election to fill the vacancies.
Article 9	<p>Filling in the ballot</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p>Filling in the ballot</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>
Article 940	<p>Invalid circumstances of the ballot</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the board of directors <u>a person with the right to convene.</u> 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match <u>does not conform to the director candidate list.</u> 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number <u>(or identity card number) and the number of voting rights allotted.</u> 	<p>Invalid circumstances of the ballot</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account

Article	After revision	Before revision
	<p>6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	<p>number or identity card number is provided in the ballot to identify such individual.</p>
<p>Article <u>1011</u></p>	<p>Count of votes The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor. Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.</p>	<p>Count of votes The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor. Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.</p>
<p>Article <u>1112</u></p>	<p>Elected notice The board of directors of this Corporation shall issue notifications to the persons elected as directors.</p>	<p>Elected notice The board of directors of this Corporation shall issue notifications to the persons elected as directors.</p>
<p>Article <u>1213</u></p>	<p>Implementation These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>Implementation These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>