

Stock code : 6206



The 2021 Annual Meeting of
Shareholders
Agenda

June 8th, 2021

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2021 Agenda of Annual Meeting of Shareholders of Flytech Technology Co., Ltd.

Time: 9:00 a.m. on (Tuesday), June 8th, 2021

Place: 4F, Building E, No. 19-11, Sanchong Road, Nangang District, Taipei City(Nankang Software Incubator)

Meeting Procedure:

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation (Company Reports)

1. 2020 Business in Review.
2. The 2020 Audit committee's Review Report.
3. The 2020 distribution of remuneration to employees and directors.

IV. Proposals

- 1 Adoption of 2020 Financial Statements.
2. Adoption of the Proposal for Distribution of 2020 Profits.

V. Discussions

1. Discussions of the Proposal for cash distribution of 2020 Profits from capital surplus.
2. Amendment to the Company's Articles of Incorporation.
3. Amendment to the Rules for Director Election.
4. Amendment to the Rules of Procedure for Shareholder Meeting.

VI. Elections

The 12th Election of Directors.

VII. Other Matters

Proposal of Release the Prohibition on Directors from Participation in Competitive Business.

VIII. Questions and Motions

IX. Adjournment

Management Presentation (Company Reports)

Proposal 1:

Proposal: 2020 Business Report.

- Explanation:
1. The Business Report is attached as page 9~10.
 2. The Chairman reports on business operation in 2020.

Proposal 2:

Proposal: Audit committee's Review Report

- Explanation:
1. The financial statements of Flytech covering FY2020 was audited and reviewed by the audit committee. The "Audit committee's Review Report", "Auditors' Report" and related statements were exhibited in page 11~31 in the manual.
 2. The head of Audit committee to report Audit committee's Review Report

Proposal 3:

Proposal: The 2020 distribution of remuneration to employees and directors.

- Explanation:
1. According to the Articles of Incorporation of Flytech: the Company shall appropriate 3% ~15% of its earnings, and, no more than 3%, if applicable, as remuneration to employees and the Directors.
 2. The Remuneration Committee, audit committee and the Board resolved on March 18, 2021 to appropriate NT\$51,500,000 as remunerations to employees and NT\$3,500,000 as remunerations to Directors.

Proposals

Proposal 1: (Proposed by the Board)

Proposal: Adoption of the 2020 Financial Statements.

- Explanation:
1. The business report and financial statements (including the consolidated financial statements) of 2020 have been passed by the Board in a session held on March 18, 2021 where the financial statements (including the consolidated financial statements) have been audited by Shih Wei-Ming, CPA and Wang Yung Sheng, CPA, of KPMG Taiwan with certification, and have been referred to the audit committee for review on March 18, 2021.
 2. Please refer to page 11~31 for details.

Resolution:

Proposal 2: (Proposed by the Board)

Proposal: Adoption of the Proposal for Distribution of 2020 Profits

- Explanation:
1. To maintain a stable dividend policy and vitalize the financial structure, the Company appropriated 10% of its earnings in 2020 as legal reserve amounting to NT\$58,872,576.
 2. The Board proposed to payout cash dividend to shareholders amounting to NT\$500,718,134 at NT\$3.5/share in accordance with the Articles of Incorporation. The calculation is rounded to the nearest TWD and the fraction was included as a part of other incomes of the Company. The proposal will be presented to the regular session of the Shareholders' Meeting for ratification with authorization to the Chairman to set the ex-dividend day, payment day, and to handle related matters.
 3. The quantity of outstanding shares may be affected by the repurchase of treasury shares by the Company for assignment to the employees, the exercise of ESO by employees for subscription of shares, and the conversion of domestic convertible bonds into shares prior to the ex-dividend day, to the extent that the ratio of dividend payment to the shareholders will be subject to adjustment; the Chairman shall be authorized to handle the change.
 4. For information on the distribution of net income, Please refer to page 32 for details.

Resolution:

Discussions

Proposal 1: (Proposed by the Board)

Proposal: Discussions of the Proposal for cash distribution of profits from capital surplus. Please proceed to discuss.

- Explanation:
1. According to The Company Act clauses 241, the Board proposed to distribute cash NT\$71,531,162 at NT\$0.5/share from capital surplus includes the premium derived from the insurance shares of stocks in excess of par value. The calculation is rounded to the nearest TWD and the fraction was included as a part of other incomes of the Company. The proposal will be presented to the regular session of the Shareholders' Meeting for ratification with authorization to the Chairman to set the ex-dividend day, payment day, and to handle related matters.
 2. The quantity of outstanding shares may be affected by the repurchase of treasury shares by the Company for assignment to the employees, the exercise of ESO by employees for subscription of shares, and the conversion of domestic convertible bonds into shares prior to the ex-dividend day, to the extent that the ratio of dividend payment to the shareholders will be subject to adjustment; the Chairman shall be authorized to handle the change.

Resolution:

Proposal 2: (Proposed by the Board)

Proposal: Amendment to the "Company's Articles of Incorporation" for discussion. Please proceed to discuss.

- Explanation:
1. The Company desires to amend the "Company's Articles of Incorporation" in accordance with improvement of corporate governance in the board and related regulations.
 2. Amendment to "Company's Articles of Incorporation" amended before and after. Please refer to page 33 for details.

Resolution:

Proposal 3: (Proposed by the Board)

Proposal: Amendment to the Rules for Director and Supervisor Elections. Please proceed to discuss.

- Explanation:
1. The Company desires to amend the "Regulations Governing the Election of Directors and Supervisors" in part for the establishment of the Audit Committee and for the operation needs of the Company. The regulation has been renamed as "Regulations Governing the Election of Directors".
 2. Rules for Elections of Directors amended before and after. Please refer to page 49 ~51 for details.

Resolution:

Proposal 4: (Proposed by the Board)

Proposal: Amendment to the “Rules of Procedure for Shareholder Meeting”. Please proceed to discuss.

Explanation: 1. The Company desires to amend the “Rules of Procedure for Shareholder Meeting” in accordance with Taiwan government updated regulations.

2. Rules for “Rules of Procedure for Shareholder Meeting” amended before and after. Please refer to page 34 for details.

Resolution:

Elections

(Proposed by the Board)

Proposal: The 12th Election of Directors.

- Explanation:
1. The term of office for the Directors and Supervisors of the 11th term of the Board shall expire shortly, and the election of Directors is proposed to be held in this session of the Shareholders' Meeting under law.
 2. Pursuant to Article 15 of the Articles of Incorporation of the Company and for the strengthening of corporate governance, 7 Directors will be elected in this election (including 3 Independent Directors), and each shall have a term of office for 3 years from June 8, 2021 to June 7, 2024.
 3. Candidate Hsieh Han Chang nominated to the seat of Independent Director has been in office as an Independent Director of the Company for 3 consecutive terms and the reason for nomination: Mr. Hsieh is expertise in computer and information industry, and has the wealth of experience in corporate management with familiarity of corporate governance. Therefore, Hsieh Han Chang was once again nominated as one of the candidates to the seats of Independent Directors. He could well demonstrate his expertise in performing his duties as Independent Director, and monitor the operation of the Board with professional opinions.
 4. According to Article 15 of the Articles of Incorporation of the Company, the list of candidates to the seats of the 7 Directors to be elected under the nomination system, which has been reviewed and passed by the 22rd session of the Board on April 21, 2021, is exhibited below:

List of Director Candidates (1% Shareholder nomination)

Title	Name	Shareholding	Education	Experience
Director	Lam Tai Seng	16,423,263	EMBA of Peking University, China	President of Flytech Technology Co.,Ltd
Director	Wang Wei Wei	11,040,443	MBA of University of Tennessee, USA	Senior Vice President of Flytech Technology Co.,Ltd
Director	Yi Hua Investment	78,022		
Director	Flytech Foundation Representative: Shyu Jia Horng	900,000 8,000	MS, NYU Electrical Engineering	Director of Mediatek Inc
Independent Director	Hsieh Han Chang	0	EMBA of National Chengchi University	Director and COO of Shihlin Electric & Engineering Corporation
Independent Director	Liang Wei Ming	0	University of Iowa IE & MBA	President and Director of Sinbon Electronics Company Ltd.
Independent Director	Chiu Yi Chia	0	PhD of National Chiao Tung University Management of Technology	Director of National Chengchi University EMBA program

5. The cumulative single balloting system is adopted by the Company in the election of Directors .
6. Balloting for election is requested.

Results of the Election:

Other Matters

(Proposed by the Board)

Proposal: Proposal for Release the Prohibition on Directors from Participation in Competitive Business. Please proceed to discuss.

Explanation: 1. Pursuant to Article 209 of the Company Act “If a director is engaged in activities which are within the business scope of the company, either for his/her own sake or on behalf of others, the director should explain to the Shareholders’ Meeting the major contents of such activities and obtain approval accordingly.”

2. Inasmuch as the rapid changing of the economic environment in the technology industry, it would be necessary for the Directors to contribute their expertise and experience to the Company. The Board hereby moves to remove the restriction of no competition among the newly elected Directors for the consent of the Shareholders’ Meeting.

3. Other positions held by the newly elected Directors:

Title	Name	Current other positions
Director	Lam Tai Seng	1.Chairman of Flytech Technology (U.S.A) Inc. 2.Chairman of Flytech Technology Hong Kong Ltd 3.Director of Flytech Technology (Shanghai)Co.,Ltd 4.Director of Yeedex Electronic Co., Ltd 5.Chairman of Yi Hua Investment Ltd
Director	Wang Wei Wei	1.Chairman of Flytech Technology (Shanghai)Co.,Ltd 2.CEO of Bluerider ART
Director	Shyu Jia Horng	1. President of Flytech Technology Co.,Ltd 2.Chairman of Fei Shiun Investment Co. Ltd(Legal Representative) 3.Chairman of Berry AI Co., Ltd (Legal Representative) 4.Chairmanof Flytech USA International Co.,Ltd(Legal Representative) 5.Chairman of Flytech HK International Co.,Ltd(Legal Representative) 6.Chairman of Flytech CN International Co.,Ltd(Legal Representative) 7.Chairman of box Technologies (Holdings) Ltd. 8.Director of box Technologies Ltd
Independent Director	Hsieh Han Chang	1.VCEO of Yeangder Group 2.MD & COO of Shihlin Electric and Engineering Corp 3.Director of the Ambassador Hotel Co., Ltd 4.Director of HCT Logistics Co., Ltd 5.Supervisor of Yeangder Investment Co. 6.Chairman of Hsinlin Electric and Engineering Corp 7.Director of Chlin Technology Co., Ltd 8.Director of Rueilin Electric and Engineering Corp 9.Director of Xiamen Shihlin Electric and Engineering Co., Ltd 10.Director and President of Yeangder Entertainment Co.Ltd 11.Director of Yeangder senior high school. 12.Director of SEEC International Trading Ltd 13.Director of SEEC International Holdings Ltd 14.Director of Kingdom Trading Shanghai Co.,Ltd 15.Director of Shihlin Electric (Suzhou) Power Equipment Co.,Ltd 16.Director of Yeangder Culture and Education Foundation 17.Vice CEO of memorial Foundation of Mr.Ching Teh Hsu 18.Supervisor of Yeangder Safety Management Consultancy. 19.Director of Sankyo Transportation Co., Ltd 20.Director of ACES Electronics Co. , Ltd 21.Director of MEC IMEX INC. (Legal Representative)
Independent	Liang, Wei-Ming	1.Director of Worldwide Wire Harnesses Ltd. (Legal Representative)

Title	Name	Current other positions
Director		2. Director and president of SINBON Electronics Co., Ltd. 3. Director of Tongcheng Sinbon Electronics Co., Ltd. (Legal Representative) 4. Director of Jiangyin Sinbon Electronics Co., Ltd. (Legal Representative) 5. Director of HK Sinbon Electronic Co Ltd (Legal Representative) 6. Director of Beijin Sinbon Electronics Co., Ltd. (Legal Representative) 7. Director of Beijing Sinbon Tongan Electronics Co., Ltd. (Legal Representative) 8. Director of SINBON Electronics (Shenzhen) Co., Ltd. (Legal Representative) 9. Director of Shanghai Sinbon Electronics Co., Ltd. (Legal Representative) 10. Director of Jiangsu ENMAGIC Energy Co., Ltd. (Legal Representative) 11. Director of Kunshan ENMAGIC Energy Co., Ltd. (Legal Representative) 12. Director of ENMAGIC Renewable Energy Co., Ltd. (Legal Representative) 13. Director of ECOVE Environment Corporation (Legal Representative) 14. Director of Jiangyin Sinbon Electronics (Beijin Tongzhou) Co., Ltd. (Legal Representative) 15. Director of Tai E Investment Co., Ltd. 16. Director of SINBON Technologies Tennessee LLC (Legal Representative)
Independent Director	Chiu, Yi Chia	1. Associate Dean of National Chengchi University College of Commerce 2. Office Director of National Chengchi University Executive Education 3. Full-time Professor of National Chengchi University Graduate Institute of Technology & Innovation Management 4. Independent Director of Wowprime Co., Ltd 5. Independent Director of Globe Union Co., Ltd 6. Independent Director of Dynamic Electronics Co., Ltd

Resolution:

Questions and Motions

Adjournment

Appendix 1

Business Report

Dear shareholders,

In 2020, the pandemic have a major impact on global economic development. To prevent the virus from spreading, countries have closed their cities and the act has severely hit industries like retail and hospitality, hence affected the revenue performance of Flytech.

Under the harsh situation of the epidemic, Flytech sees the crisis as a turning point and takes advantage of the increasing demand for medical solutions. We actively develops new solutions and new products, and successfully secured a respirator Panel PC project. On the one hand, the project paved ways for our future medical solutions. On the other hand, the project helped us adjust our product portfolio and broaden our product lines.

In 2020, Flytech's annual consolidated revenue was NT\$4.43 billion, a decrease of 16.8% from 2019.

In recent years, Flytech has also actively developed our software services. We set up our subsidiary Berry AI which focuses on artificial intelligence and machine learning in 2019, aiming to combine Flytech's existing channels in retail and hospitality to provide smart solutions to our customers. In addition, we also developed a cloud monitoring UEM SaaS service called Inefi to increase the competitiveness of our products by providing software services for monitoring hardware, and to advance toward Flytech's group goal of developing AIoT solutions .

Finally, in the year full of uncertainty, Flytech also released its first ever corporate social responsibility report to share our efforts in education, environment, and industry with society, to communicate with our shareholders, and to build a long term relationship with our shareholders by implementing sustainable relationships with society, environment, and business partners downstream and upstream.

The following reports on financial performance, honors and awards, technology and development, and business environment and prospects:

Financial performance

Flytech's 2020 consolidated annual revenue was NT\$4.43 billion, 16.8% less than 2019. Net profit after tax allocated to the parent company was NT\$590 million, 20% less than 2019. Earnings per share was NT\$4.12.

Credentials and awards

Flytech Technology has won many awards and recognition from all over the world for its outstanding performance. In terms of product design, our touch POS 617 was granted Germany's iF Product Design Award. With respect to corporate governance, Flytech was in the range of top 6%-20% in the "YR 2020 Taiwan Corporate Governance Evaluation Award," maintaining our performance since 2018. Among companies that have a market value between 5B NTD to 10B NTD, Flytech was ranked in top 5% in the "YR 2020 Taiwan Corporate Governance Evaluation Award." Last but not least, Flytech won the 169th place of the operating performance of manufacturing industry, 13th place of computer peripheral products and equipment and 350th place of the comprehensive business operating performance in the "YR2020 Top 5000 Largest Companies in Taiwan" published by China Credit Information Service Ltd.

Technology Development

Flytech is the industry leader in customized POS design and in manufacturing process, and leads the

trend of POS industry hardware specifications. Through continuing sharpen our technics and focus on innovation, we has accumulated 123 intellectual property rights in various countries, ranking highest in the IPC industry in Taiwan.

In response to the market demand, Flytech also launched its hardware monitoring software Inefi in 2020, allowing Flytech's hardware customers to remotely monitor their operating computer and its peripheral. The software is expected to save considerable maintenance costs for Flytech's customers. In the future, Flytech will continue to expand Inefi's functions in response to market demands in order to provide customers with the most complete value-added software services.

Operation environment, business operation and development in the future

Under the influence of the global pandemic, the POS business of Flytech has declined comparing to 2019, but the sales of Panel PC and Mobile POS have shown some growth during the pandemic. On the one hand, it proved the importance of product line diversification, on the other hand, it shows that Flytech's strategy of expanding product lines, moving into different application field, and implementing multiple vertical market entrance have generated its result.

In the future, Mobile POS and KIOSK will be more widely used in response to the development of smart retail, smart hospitality, smart transportation, smart cities, etc., , and Panel PC will also have a strong presence in smart medical, factory automation and other fields. Flytech will seize the trend and continue to develop related products, to invest in related technology, and to cooperate with sales partners from various countries on our sales channel to develop new customers.

Last but not least, Flytech has been actively promoting corporate governance and the implementation of corporate social responsibilities. In the future, we will continue to improve the four major dimensions of corporate governance evaluation: "Maintaining the rights and interests of shareholders and treating shareholders equally", "Strengthening the structure and operation of the board of directors", " "Improve Information Transparency" and "Implement Corporate Social Responsibility" to create higher value for the stakeholders of Flytech

Flytech's competitive advantage "complete products, advanced technology, excellent manufacturing, and strong partner commitment" will continue to lead the company in the future and become the most advanced and innovative service manufacturing company in the industry.

Flytech Technology Co., Ltd.

Lam Tai Seng, Chairman

Chuo Chun Hung, Manager

Lee Mei-Hui, Accountant in charge

Appendix 2

Audit Committee's Review Report

To: The 2021 Annual Meeting of Shareholders of This Company

We reviewed the financial statements (including the consolidated financial statements) of Flytech Technology Co., Ltd. in 2020, which have been audited by Shih Wei-Ming, CPAs Wang Yung Sheng, CPA of KPMG Taiwan, with the issuance of the Auditors' Report. We also reviewed the business report and the proposal for the distribution of earnings, which we found to be conforming to applicable laws and principles. We hereby report on our review pursuant to Article 14-4 of the Securities Exchange Law and Article 219 of the Company Law.

Best regards

Flytech Technology Co., Ltd.

The head of Audit Committee: Chen Kuo Hung

March 18, 2021



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors
Flytech Technology Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Flytech Technology Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and 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 audits 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 for our opinion.

Key Audit Matters

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

1. Revenue recognition

Pleaser refer to Note 4(n) "Revenue from contracts with customers" for the accounting policy on revenue recognition and Note 6(s) "Revenue from contracts with customers" for the significant account disclosures of revenue.

Description of key audit matter:

The Group recognizes its revenue depending on the various trade terms in each individual sale transaction and service rendered, which are considered to be complex in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the design and operating effectiveness of the Group's internal controls over financial reporting on sales; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; performing a simple test on the sales transactions that took place before and after the balance sheet date, as well as reviewing and understanding the reasonableness for any identified significant sales returns and allowances that took place after the balance sheet date to ensure that revenue was recognized in the appropriate period.

2. Impairment of Goodwill

Please refer to Note 4(l) "Impairment of non-financial assets" for the significant accounting policy on goodwill impairment, Note 5(b) "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of impairment of goodwill, and Note 6(k) "Intangible assets" for the related disclosures.

Description of key audit matter:

For impairment test, the recoverable amount of goodwill of relevant cash-generating units involves management's judgment and estimation with respect to the future cash flows and key assumptions which are complex and involve significant uncertainty. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; and assessing the adequacy of the Group's disclosures with respect to the related information.

Other Matter

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

1. Revenue recognition

Please refer to Note 4(n) "Revenue from contracts with customers" for the accounting policy on revenue recognition and Note 6(s) "Revenue from contracts with customers" for the significant account disclosures of revenue.

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 with the IFRSs, IASs, IFRIC, 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified 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 determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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 Wei-Ming Shih and Yung-Sheng Wang.

KPMG

Taipei, Taiwan (Republic of China)
March 18, 2021

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FLYTECH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 2,540,079	45	2,210,850	38
1110	Financial assets at fair value through profit or loss—current (note 6(b))	12,213	-	120	-
1136	Financial assets at amortised cost—current (note 6(c))	109,167	2	287,575	6
1150-1170	Notes and accounts receivable (notes 6(d) and (s))	581,181	11	858,194	15
130X	Inventories (notes 6(e) and 8)	654,962	12	712,229	12
1410-1470	Prepayments and other current assets	26,841	-	33,034	1
1476	Other financial assets—current (note 6(d) and 8)	<u>46,829</u>	<u>1</u>	<u>10,063</u>	<u>-</u>
Total current assets		<u>3,971,272</u>	<u>71</u>	<u>4,112,065</u>	<u>72</u>
Non-current assets:					
1535	Financial assets at amortised cost—non-current (note 6(c))	94,706	2	17,220	-
1600	Property, plant and equipment (note 6(i) and 8)	1,109,754	20	1,141,842	20
1755	Right-of-use assets (note 6(j))	57,644	1	54,023	1
1780	Intangible assets (note 6(k))	301,028	5	350,067	6
1840	Deferred income tax assets (note 6(p))	53,823	1	70,212	1
1915	Prepayments for equipment	162	-	903	-
1980	Other financial assets—non-current	<u>3,679</u>	<u>-</u>	<u>3,460</u>	<u>-</u>
Total non-current assets		<u>1,620,796</u>	<u>29</u>	<u>1,637,727</u>	<u>28</u>
Total assets		<u>\$ 5,592,068</u>	<u>100</u>	<u>5,749,792</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

FLYTECH TECHNOLOGY CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets (Continued)****December 31, 2020 and 2019****(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2020		December 31, 2019		
	Amount	%	Amount	%	
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (notes 6(l) and 8)	\$ 7,810	-	8,530	-
2120	Financial liabilities at fair value through profit or loss — current (note 6(b))	882	-	417	-
2130	Contract liabilities — current (note 6(s))	60,946	1	16,041	-
2150-2170	Notes and accounts payable	264,780	5	394,221	7
2200	Other payables (note 6(t))	244,448	4	285,809	5
2230	Current income tax liabilities	190,881	3	120,271	2
2250	Provisions — current (note 6(n))	32,068	1	36,005	1
2280	Lease liabilities — current (note 6(m))	28,113	1	23,506	-
2300	Other current liabilities	20,524	-	29,817	1
	Total current liabilities	850,452	15	914,617	16
Non-current liabilities:					
2570	Deferred income tax liabilities (note 6(p))	55,349	1	61,680	1
2640	Net defined benefit liabilities (note 6(o))	43,462	1	44,581	1
2580	Lease liabilities — non-current (note 6(m))	33,770	1	30,551	-
	Total non-current liabilities	132,581	3	136,812	2
	Total liabilities	983,033	18	1,051,429	18
Equity (note 6(q)):					
3110	Common stock	1,430,623	26	1,430,623	25
3200	Capital surplus	597,122	10	674,247	12
Retained earnings:					
3310	Legal reserve	1,069,391	19	995,739	17
3320	Special reserve	49,402	1	40,344	1
3350	Unappropriated earnings	1,245,571	22	1,311,805	23
3400	Other equity	(57,939)	(1)	(49,402)	(1)
	Equity attributable to shareholders of the Company	4,334,170	77	4,403,356	77
36XX	Non-controlling interests (note 6(g) and (h))	274,865	5	295,007	5
	Total equity	4,609,035	82	4,698,363	82
	Total liabilities and equity	\$ 5,592,068	100	5,749,792	100

See accompanying notes to consolidated financial statements.

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

FLYTECH TECHNOLOGY CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2020 and 2019****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

	2020		2019	
	Amount	%	Amount	%
4000 Revenue (notes 6(s) and 14)	\$ 4,432,961	100	5,330,472	100
5000 Cost of revenue (notes 6(e), (i), (j), (k), (m), (n), (o) and (t) and 12)	(2,889,455)	(65)	(3,461,216)	(65)
Gross profit	1,543,506	35	1,869,256	35
Operating expenses (notes 6(d), (i), (j), (k), (m), (o) and (t), and 12):				
6100 Selling expenses	(402,506)	(9)	(478,801)	(9)
6200 Administrative expenses	(233,126)	(5)	(281,643)	(5)
6300 Research and development expenses	(206,482)	(5)	(198,835)	(4)
Total operating expenses	(842,114)	(19)	(959,279)	(18)
Operating income	701,392	16	909,977	17
Non-operating income and loss (note 6(m) and (u)):				
7100 Interest income	12,032	-	19,384	-
7190 Other income	43,915	1	4,608	-
7020 Other gains and losses	(15,168)	-	(48,286)	-
7050 Finance costs	(2,209)	-	(2,839)	-
7370 Share of loss of associates accounted for using equity method	-	-	(340)	-
Total non-operating income and loss	38,570	1	(27,473)	-
7900 Income before income tax	739,962	17	882,504	17
7950 Less: Income tax expenses (note 6(p))	(142,034)	(4)	(160,219)	(3)
Net Income	597,928	13	722,285	14
Other comprehensive income (loss) (notes 6(p) and (q)):				
8310 Items that will not be reclassified subsequently to profit or loss:				
8311 Remeasurements of defined benefit plans	(2,463)	-	(5,624)	-
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	674	-	1,767	-
	(1,789)	-	(3,857)	-
8360 Items that will be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations	(7,189)	-	(7,202)	(1)
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	(7,189)	-	(7,202)	(1)
Other comprehensive income (loss) for the year	(8,978)	-	(11,059)	(1)
Total comprehensive income for the year	\$ 588,950	13	711,226	13
Net income attributable to:				
8610 Shareholders of the Company	\$ 589,644	13	736,522	14
8620 Non-controlling interests	8,284	-	(14,237)	-
	\$ 597,928	13	722,285	14
Total comprehensive income attributable to:				
8710 Shareholders of the Company	\$ 581,107	13	727,464	14
8720 Non-controlling interests	7,843	-	(16,238)	(1)
	\$ 588,950	13	711,226	13
Earnings per share (in New Taiwan dollars) (note 6(r)) :				
9750 Basic earnings per share	\$ 4.12		5.15	
9850 Diluted earnings per share	\$ 4.09		5.10	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FLYTECH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	Equity attributable to shareholders of the Company											
	Retained earnings					Total other equity interest					Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Foreign currency translation differences	Remeasurements of defined benefit plans	Total	Total		
Balance at January 1, 2019	\$ 1,430,623	745,778	915,594	37,221	1,302,331	2,255,146	(35,732)	(4,612)	(40,344)	4,391,203	292,580	4,683,783
Appropriation of earnings:												
Legal reserve	-	-	80,145	-	(80,145)	-	-	-	-	-	-	-
Special reserve	-	-	-	3,123	(3,123)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(643,780)	(643,780)	-	-	-	(643,780)	-	(643,780)
Cash dividends from capital surplus	-	(71,531)	-	-	-	-	-	-	-	(71,531)	-	(71,531)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	29,311	29,311
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(10,646)	(10,646)
Net income in 2019	-	-	-	-	736,522	736,522	-	-	-	736,522	(14,237)	722,285
Other comprehensive income (loss) in 2019	-	-	-	-	-	-	(7,457)	(1,601)	(9,058)	(9,058)	(2,001)	(11,059)
Total comprehensive income (loss) in 2019	-	-	-	-	736,522	736,522	(7,457)	(1,601)	(9,058)	727,464	(16,238)	711,226
Balance at December 31, 2019	1,430,623	674,247	995,739	40,344	1,311,805	2,347,888	(43,189)	(6,213)	(49,402)	4,403,356	295,007	4,698,363
Appropriation of earnings:												
Legal reserve	-	-	73,652	-	(73,652)	-	-	-	-	-	-	-
Special reserve	-	-	-	9,058	(9,058)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(572,249)	(572,249)	-	-	-	(572,249)	-	(572,249)
Cash dividends from capital surplus	-	(71,531)	-	-	-	-	-	-	-	(71,531)	-	(71,531)
Difference between consideration and carrying amount arising from acquisition of shares in subsidiaries	-	(6,683)	-	-	(919)	(919)	-	-	-	(7,602)	7,602	-
Reorganization under common control	-	1,089	-	-	-	-	-	-	-	1,089	(1,089)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(23,852)	(23,852)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(10,646)	(10,646)
Net income in 2020	-	-	-	-	589,644	589,644	-	-	-	589,644	8,284	597,928
Other comprehensive income (loss) in 2020	-	-	-	-	-	-	(7,753)	(784)	(8,537)	(8,537)	(441)	(8,978)
Total comprehensive income (loss) in 2020	-	-	-	-	589,644	589,644	(7,753)	(784)	(8,537)	581,107	7,843	588,950
Balance at December 31, 2020	\$ 1,430,623	597,122	1,069,391	49,402	1,245,571	2,364,364	(50,942)	(6,997)	(57,939)	4,334,170	274,865	4,609,035

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FLYTECH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 739,962	882,504
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	121,570	119,226
Amortization	49,250	92,813
Expected credit loss (reveral)	1,348	(1,620)
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	1,330	1,147
Share of loss of associates accounted for using equity method	-	340
Loss on disposal of property, plant and equipment	63	382
Interest expense	2,209	2,839
Interest income	(12,032)	(19,384)
Net loss on disposal of investments	-	641
Gain on lease modification	(122)	-
Total non-cash profit and loss	163,616	196,384
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	275,711	(44,952)
Inventories	55,984	105,835
Prepayments and other current assets	6,194	8,620
Net changes in operating assets	337,889	69,503
Changes in operating liabilities:		
Contract liabilities	44,905	(3,126)
Notes and accounts payable	(129,441)	(171,794)
Other payables	(41,361)	24,131
Provisions – current	(3,936)	1,983
Other current liabilities	(9,293)	13,712
Net defined benefit liabilities	(3,329)	(3,526)
Net changes in operating liabilities	(142,455)	(138,620)
Total changes in operating assets and liabilities	195,434	(69,117)
Cash provided by operations	1,099,012	1,009,771
Income taxes paid	(60,691)	(165,118)
Net cash provided by operating activities	1,038,321	844,653

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FLYTECH TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at amortised cost	-	(170,912)
Proceeds from disposal of financial assets at amortised cost	100,921	-
Acquisition of financial assets at fair value through profit or loss	(12,955)	-
Acquisition of investments accounted for using equity method	-	(12,340)
Decrease in prepayments for investments	-	42,000
Additions to property, plant and equipment (including prepayments for equipment)	(58,868)	(63,566)
Proceeds from disposal of property, plant and equipment	517	12
Net cash flows from acquisition of subsidiaries	-	16,601
Additions of intangible assets	(253)	(3,538)
Decrease (increase) in other financial assets	(38,671)	2,251
Interest received	13,718	15,805
Net cash flows provided by (used in) investing activities	4,409	(173,687)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(1,042)	52
Payment of lease liabilities	(25,497)	(27,155)
Cash dividends	(643,780)	(715,311)
Cash dividends paid to non-controlling interests	(10,646)	(10,646)
Increase in non-controlling interest	-	18,000
Additions to interests in subsidiaries	(23,852)	-
Interest paid	(2,209)	(2,839)
Net cash flows used in financing activities	(707,026)	(737,899)
Effect of foreign exchange rate changes	(6,475)	(5,057)
Net increase (decrease) in cash and cash equivalents	329,229	(71,990)
Cash and cash equivalents at beginning of period	2,210,850	2,282,840
Cash and cash equivalents at end of period	\$ 2,540,079	2,210,850

See accompanying notes to consolidated financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors
Flytech Technology Co., Ltd.:

Opinion

We have audited the accompanying parent-company-only financial statements of Flytech Technology Co., Ltd. (the "Company"), which comprise the accompanying parent-company-only balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and 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 financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and 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 the 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 of the current period. These matters were addressed in the context of our audit of 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.

1. Revenue Recognition

Please refer to Note 4(n) "Revenue from contracts with customer" for the accounting policy on revenue recognition and Note 6(o) "Revenue from contracts with customers" for the significant account disclosures of revenue.

Description of key audit matter:

The Company redognizes its revenue depending on the various trade terms in each individual sale transaction and service rendered, which are considered to be complex in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the design and operating effectiveness of the Company's internal controls over financial reporting on sales; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; performing a simple test on the sales transactions that took place before and after the balance sheet date, as well as reviewing and understanding the reasonableness for any identified significant sales returns and allowances that took place after the balance sheet date to ensure that revenue was recognized in the appropriate period.

2. Impairment of Goodwill included in investments in subsidiaries accounted for using equity method

Please refer to Note 4(l) "Impairment of non-financial assets" for the significant accounting policy on goodwill impairment, Note 5(b) "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of impairment of goodwill, and Note 6(f) "Intangible assets" for the related disclosures.

Description of key audit matter:

For impairment test, the recoverable amount of goodwill of relevant cash-generating units involves management's judgment and estimation with respect to the future cash flows and key assumptions which are complex and involve significant uncertainty. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; and assessing the adequacy of the Company's disclosures with respect to the related information.

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 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.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

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

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

We communicated 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 identified 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 determined those matters that were of most significance in the audit of the parent-company-only financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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 Wei-Ming Shih and Yung-Sheng Wang.

KPMG

Taipei, Taiwan (Republic of China)
March 18, 2021

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

FLYTECH TECHNOLOGY CO., LTD.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,837,648	37	1,624,116	32
1110	Financial assets at fair value through profit or loss—current (note 6(b))	12,213	-	120	-
1136	Financial assets at amortised cost—current (note 6(c))	-	-	149,900	3
1150-1170	Notes and accounts receivable (notes 6(d) and (o))	438,262	9	546,507	11
1180	Accounts receivable due from related parties (notes 6(d), (o) and 7)	142,953	3	132,562	3
130X	Inventories (note 6(e))	386,560	8	372,781	7
1410-1470	Prepayments and other current assets (notes 6(d) and 8)	9,746	-	17,340	-
	Total current assets	<u>2,827,382</u>	<u>57</u>	<u>2,843,326</u>	<u>56</u>
Non-current assets:					
1550	Investments accounted for using equity method (note 6(f))	1,086,722	22	1,111,662	22
1600	Property, plant and equipment (note 6(g))	1,048,708	21	1,082,594	21
1755	Right-of-use assets (note 6(h))	1,560	-	2,600	-
1780	Intangible assets	1,273	-	3,434	-
1840	Deferred income tax assets (note 6 (l))	26,167	-	33,526	1
1915	Prepayments for equipment	163	-	267	-
1980	Other financial assets—non-current	285	-	285	-
	Total non-current assets	<u>2,164,878</u>	<u>43</u>	<u>2,234,368</u>	<u>44</u>
	Total assets	<u>\$ 4,992,260</u>	<u>100</u>	<u>5,077,694</u>	<u>100</u>

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
FLYTECH TECHNOLOGY CO., LTD.

Balance Sheets (Continued)

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2120	Financial liabilities at fair value through profit or loss – current (note 6(b))	\$ 444	-	26	-
2150-2170	Notes and accounts payable	198,467	4	284,737	6
2180	Accounts payable to related parties (note 7)	3,839	-	4,138	-
2200	Other payables (note 6(p))	186,296	4	199,789	4
2230	Current income tax liabilities	185,335	4	103,563	2
2250	Provisions – current (notes 6(j))	8,700	-	10,646	-
2280	Lease liabilities – current (note 6(i))	1,049	-	1,032	-
2300	Other current liabilities (note 6(o))	21,287	-	14,904	-
	Total current liabilities	<u>605,417</u>	<u>12</u>	<u>618,835</u>	<u>12</u>
Non-current liabilities:					
2570	Deferred income tax liabilities (note 6(l))	33,064	1	30,822	1
2640	Net defined benefit liabilities (note 6(k))	19,077	-	23,100	-
2580	Lease liabilities – non-current (note 6(i))	532	-	1,581	-
	Total non-current liabilities	<u>52,673</u>	<u>1</u>	<u>55,503</u>	<u>1</u>
	Total liabilities	<u>658,090</u>	<u>13</u>	<u>674,338</u>	<u>13</u>
Equity (notes 6(k), (l) and (m)):					
3110	Common stock	1,430,623	29	1,430,623	28
3200	Capital surplus	597,122	12	674,247	13
Retained earnings:					
3310	Legal reserve	1,069,391	21	995,739	20
3320	Special reserve	49,402	1	40,344	1
3350	Unappropriated earnings	1,245,571	25	1,311,805	26
3400	Other equity	(57,939)	(1)	(49,402)	(1)
	Total equity	<u>4,334,170</u>	<u>87</u>	<u>4,403,356</u>	<u>87</u>
	Total liabilities and equity	<u>\$ 4,992,260</u>	<u>100</u>	<u>5,077,694</u>	<u>100</u>

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

FLYTECH TECHNOLOGY CO., LTD.**Statements of Comprehensive Income****For the years ended December 31, 2020 and 2019****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

	2020		2019	
	Amount	%	Amount	%
4000 Revenue (notes 6(o) and 7)	\$ 3,278,733	100	3,926,733	100
5000 Cost of revenue (notes 6(e), (g), (i), (j), (k) and (p), 7 and 12)	<u>(2,147,158)</u>	<u>(65)</u>	<u>(2,560,450)</u>	<u>(65)</u>
Gross profit before unrealized gross profit	1,131,575	35	1,366,283	35
5910 Unrealized (realized) gross profit from sales	<u>(5,345)</u>	<u>-</u>	<u>1,627</u>	<u>-</u>
Gross profit	<u>1,136,920</u>	<u>35</u>	<u>1,364,656</u>	<u>35</u>
Operating expenses (notes 6(g), (h), (i), (k) and (p), 7 and 12):				
6100 Selling expenses	(136,049)	(4)	(156,285)	(4)
6200 Administrative expenses	(116,267)	(4)	(122,034)	(3)
6300 Research and development expenses	<u>(158,736)</u>	<u>(5)</u>	<u>(169,628)</u>	<u>(4)</u>
Total operating expenses	<u>(411,052)</u>	<u>(13)</u>	<u>(447,947)</u>	<u>(11)</u>
Operating income	<u>725,868</u>	<u>22</u>	<u>916,709</u>	<u>24</u>
Non-operating income and loss (note 6(i) and (q)):				
7100 Interest income	6,483	-	11,381	-
7010 Other income	17,879	-	1,450	-
7020 Other gains and losses	(9,254)	-	(41,050)	(1)
7050 Finance costs	(35)	-	(30)	-
7375 Share of loss of associates accounted for using equity method	<u>(15,042)</u>	<u>-</u>	<u>(5,364)</u>	<u>-</u>
	<u>31</u>	<u>-</u>	<u>(33,613)</u>	<u>(1)</u>
Income before income tax	<u>725,899</u>	<u>22</u>	<u>883,096</u>	<u>23</u>
7950 Less: Income tax expenses (note 6(l))	<u>(136,255)</u>	<u>(4)</u>	<u>(146,574)</u>	<u>(4)</u>
Net income	<u>589,644</u>	<u>18</u>	<u>736,522</u>	<u>19</u>
Other comprehensive income:				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Remeasurements of defined benefit plans	241	-	741	-
8330 Share of remeasurements of defined benefit plans of associates accounted for using equity method	(977)	-	(2,194)	-
8349 Income tax related to items that may be reclassified subsequently to profit or loss	<u>(48)</u>	<u>-</u>	<u>(148)</u>	<u>-</u>
	<u>(784)</u>	<u>-</u>	<u>(1,601)</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations	(7,753)	-	(7,457)	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(7,753)</u>	<u>-</u>	<u>(7,457)</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>(8,537)</u>	<u>-</u>	<u>(9,058)</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 581,107</u>	<u>18</u>	<u>727,464</u>	<u>19</u>
Earnings per share (in New Taiwan dollars) (note 6(n)) :				
9750 Basic earnings per share	<u>\$ 4.12</u>		<u>5.15</u>	
9850 Diluted earnings per share	<u>\$ 4.09</u>		<u>5.10</u>	

See accompanying notes to parent-company-only financial statements.

FLYTECH TECHNOLOGY CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest				Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Foreign currency translation differences	Remeasurements of defined benefit plans	Total	
Balance at January 1, 2019	\$ 1,430,623	745,778	915,594	37,221	1,302,331	2,255,146	(35,732)	(4,612)	(40,344)	4,391,203
Appropriation of earnings:										
Legal reserve	-	-	80,145	-	(80,145)	-	-	-	-	-
Special reserve	-	-	-	3,123	(3,123)	-	-	-	-	-
Cash dividends	-	-	-	-	(643,780)	(643,780)	-	-	-	(643,780)
Cash dividends from capital surplus	-	(71,531)	-	-	-	-	-	-	-	(71,531)
Net income in 2019	-	-	-	-	736,522	736,522	-	-	-	736,522
Other comprehensive income (loss) in 2019	-	-	-	-	-	-	(7,457)	(1,601)	(9,058)	(9,058)
Total comprehensive income (loss) in 2019	-	-	-	-	736,522	736,522	(7,457)	(1,601)	(9,058)	727,464
Balance at December 31, 2019	1,430,623	674,247	995,739	40,344	1,311,805	2,347,888	(43,189)	(6,213)	(49,402)	4,403,356
Appropriation of earnings:										
Legal reserve	-	-	73,652	-	(73,652)	-	-	-	-	-
Special reserve	-	-	-	9,058	(9,058)	-	-	-	-	-
Cash dividends	-	-	-	-	(572,249)	(572,249)	-	-	-	(572,249)
Cash dividends from capital surplus	-	(71,531)	-	-	-	-	-	-	-	(71,531)
Difference between consideration and carrying amount arising from acquisition of shares in subsidiaries	-	(6,683)	-	-	(919)	(919)	-	-	-	(7,602)
Reorganization under common control	-	1,089	-	-	-	-	-	-	-	1,089
Net income in 2020	-	-	-	-	589,644	589,644	-	-	-	589,644
Other comprehensive income (loss) in 2020	-	-	-	-	-	-	(7,253)	(784)	(8,537)	(8,537)
Total comprehensive income (loss) in 2020	-	-	-	-	589,644	589,644	(7,253)	(784)	(8,537)	581,107
Balance at December 31, 2020	\$ 1,430,623	597,122	1,069,391	49,402	1,245,571	2,364,364	(50,942)	(6,997)	(57,939)	4,334,170

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
FLYTECH TECHNOLOGY CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Income before income tax	\$ 725,899	883,096
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	79,044	81,268
Amortization	2,414	3,189
Valuation (gain) loss on financial assets and liabilities at fair value through profit or loss, net	(1,675)	650
Share of loss of subsidiaries accounted for using equity method	15,042	5,364
Loss on disposal of property, plant and equipment	287	-
Interest expense	35	30
Interest income	(6,483)	(11,381)
Unrealized (realized) gross profit on sales to subsidiaries	(5,345)	1,627
Total non-cash profit and loss	<u>83,319</u>	<u>80,747</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	108,245	36,994
Accounts receivable from related parties	(10,391)	36,652
Inventories	(13,779)	97,210
Prepayments and other current assets	5,449	6,411
Net changes in operating assets	<u>89,524</u>	<u>177,267</u>
Changes in operating liabilities:		
Notes and accounts payable	(86,270)	(126,284)
Accounts payable to related parties	(299)	(4,047)
Other payables	(16,948)	4,691
Provisions — current	(1,946)	(2,089)
Other current liabilities	6,383	(7,943)
Net defined benefit liabilities	(3,782)	(2,146)
Net changes in operating liabilities	<u>(102,862)</u>	<u>(137,818)</u>
Total changes in operating assets and liabilities	<u>(13,338)</u>	<u>39,449</u>
Cash provided by operations	795,880	1,003,292
Income taxes paid	(44,930)	(146,464)
Net cash provided by operating activities	<u>750,950</u>	<u>856,828</u>

(Continued)

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
FLYTECH TECHNOLOGY CO., LTD.

Statements of Cash Flows (Continued)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at amortised cost	-	(149,900)
Proceeds from disposal of financial assets at amortised cost	149,900	-
Acquisition of financial assets at fair value through profit or loss	(10,000)	-
Acquisition of investments accounted for using equity method	-	(6,258)
Additions to property, plant and equipment (including prepayments for equipment)	(41,115)	(54,757)
Proceeds from disposal of property, plant and equipment	269	-
Additions of intangible assets	(253)	(2,786)
Decrease in other financial assets	-	2,001
Interest received	8,628	9,234
Net cash flows provided by (used in) investing activities	107,429	(202,466)
Cash flows from financing activities:		
Payment of lease liabilities	(1,032)	(970)
Cash dividends	(643,780)	(715,311)
Interest paid	(35)	(30)
Net cash flows used in financing activities	(644,847)	(716,311)
Net increase (decrease) in cash and cash equivalents	213,532	(61,949)
Cash and cash equivalents at beginning of year	1,624,116	1,686,065
Cash and cash equivalents at end of year	\$ 1,837,648	1,624,116

See accompanying notes to parent-company-only financial statements.

Appendix 4

Flytech Technology Co., Ltd.
Statement of earnings distribution in 2020

Unit: NT\$

Item	Amount	
	Subtotal	Total
Opening undistributed earnings	\$ 656,845,539	
Add: 2020 after-tax net profit	589,645,035	
Less: undistributed retained earnings	(919,276)	
Less: 10% as legal reserve	(58,872,576)	
Less: special reserve	<u>(8,537,670)</u>	
Distributable earnings		\$ 1,178,161,052
Distribution		
Cash dividends for shareholders (NT\$3.5/share)	<u>500,718,134</u>	
Total of amount paid		<u>500,718,134</u>
Closing undistributed earnings		<u>\$ 677,442,918</u>

Chairman: Lam Tai Seng

Manager: Chuo Chun Hung

Accountant in charge: Lee
Mei-Hui

Appendix 5

Flytech Technology Co., Ltd.

The Company's Articles of Incorporation before and after amendment

Clause	Current Provision	After amendment	Reason for amendment
Article 8	<p>The Company's shares are ordered with the signature or seal of at least three directors affixed for lawful issuance.</p> <p>The Company is not required to prepare a hard copy of share certificates but shall register with the central depository of securities.</p>	<p>The Company's shares are ordered with the signature or seal of the company's director affixed for lawful issuance.</p> <p>The Company is not required to prepare a hard copy of share certificates but shall register with the central depository of securities.</p>	Article 162 of the Company Law
Article 25	<p>The Company's Articles of Incorporation (Articles of Incorporation) was established on July 6, 1984. (Omitted)...</p> <p>The 20th amendment was implemented on June 11, 2014.</p> <p>The 21st amendment was implemented on June 8, 2016.</p> <p>The 22nd amendment was implemented on June 8, 2017.</p> <p>The 23rd amendment was implemented on June 8, 2018.</p> <p>The 24th amendment was implemented on June 10, 2020.</p>	<p>The Company's Articles of Incorporation (Articles of Incorporation) was established on July 6, 1984. (Omitted)...</p> <p>The 20th amendment was implemented on June 11, 2014.</p> <p>The 21st amendment was implemented on June 8, 2016.</p> <p>The 22nd amendment was implemented on June 8, 2017.</p> <p>The 23rd amendment was implemented on June 8, 2018.</p> <p>The 24th amendment was implemented on June 10, 2020.</p> <p><u>The 25th amendment was implemented on June 8, 2021.</u></p>	Date of amendment

Appendix 6

Flytech Technology Co., Ltd.

The mapping of the clauses of the “Rules of Procedure for Shareholder Meeting” before and after the amendment

Clause	Current Provision	After amendment	Reason for amendment
Article 3	<p>Calling for the session of the Shareholders’ Meeting and notice of session. ...(Omitted)</p> <p>4. The election or dismissal of directors, amendments to the Company Corporate Charter (Articles of Incorporation), capital reduction, application for delisting, permission of competition by directors, converting earnings to capital gains, converting reserve to capital gains, dissolution, merger, division or the Company Act, and the Stock Exchange Act shall be stated in the reasons and the material information for convening the meeting not in the motion. <u>The material information may be published on the websites designated by the securities competent authority or the company. The URL should be specified in the meeting notice.</u> (Omitted)...</p>	<p>Calling for the session of the Shareholders’ Meeting and notice of session. ...(Omitted)</p> <p>4. The election or dismissal of directors, amendments to the Company Corporate Charter (Articles of Incorporation), capital reduction, application for delisting, permission of competition by directors, converting earnings to capital gains, converting reserve to capital gains, dissolution, merger, division or the Company Act, and the Stock Exchange Act shall be stated in the reasons and the material information for convening the meeting not in the motion. (Omitted)...</p>	Amended paragraph 4 to adjust the announcement method to be in line with the regulations.
Article 9	<p>The attendance to the session of the Shareholders’ Meeting shall be based on the quantity of outstanding shares being represented. The number of shares represented during the meeting is calculated based on the amount registered in the attendance log or the attendance cards collected, plus the amount of shares whose voting rights are exercised through proxy forms or electronic methods.</p> <p>1. The Chairman shall announce the commencement of the session when the time has come. If the shareholders present in the meeting represent less than half of the outstanding shares, the Chairman shall announce the postponement of the meeting, but the time for postponement shall not be longer than one hour, and only two instances for postponement are allowed. The Chairman may announce the meeting is adjourned if there remain insufficient shareholders who represent 1/3 of shareholding to attend the meeting after two meetings postponed. (Omitted)...</p>	<p>The attendance to the session of the Shareholders’ Meeting shall be based on the quantity of outstanding shares being represented. The number of shares represented during the meeting is calculated based on the amount registered in the attendance log or the attendance cards collected, plus the amount of shares whose voting rights are exercised through proxy forms or electronic methods.</p> <p>1. The Chairman shall announce the commencement of the session when the time has come, <u>at the same time, relevant information such as the number of non-voting rights and the number of shares present will be announced.</u> If the shareholders present in the meeting represent less than half of the outstanding shares, the Chairman shall announce the postponement of the meeting, but the time for postponement shall not be longer than one hour, and only two instances for postponement are allowed. The Chairman may announce the meeting is adjourned if there remain insufficient shareholders who represent 1/3 of shareholding to attend the meeting after two meetings postponed. (Omitted)...</p>	Amended paragraph 1 to improve corporate governance and safeguard the rights and interests of shareholders.
Article 14	<p>Points of election</p> <p>1. An election of Directors and Supervisors may be held in a session of the Shareholders’ Meeting, shall proceed in accordance the rules and regulations of the Company, and the election result shall be announced on the scene, including the elected directors and the weighted votes casted. (Omitted)...</p>	<p>Points of election</p> <p>1. An election of Directors and Supervisors may be held in a session of the Shareholders’ Meeting, shall proceed in accordance the rules and regulations of the Company, and the election result shall be announced on the scene, including the elected directors and the weighted votes casted, <u>and the unelected directors and the weighted votes casted.</u> (Omitted)...</p>	Amended paragraph 1 to improve corporate governance and safeguard the rights and interests of shareholders

Appendix 7

Flytech Technology Co., Ltd. Company Corporate Charter (Articles of Incorporation before amendment)

Chapter 1 General Principles

- Article 1: The Company is duly incorporated in accordance with the Company Act bearing the title of Flytech Technology Company Limited.
(The name in Chinese is 飛捷科技股份有限公司)
- Article 2: The Company's business operation is as follows:
- (1) CC01110 Computers and Computing Peripheral Equipment Manufacturing
 - (2) CC01060 Wired Communication Equipment and Apparatus Manufacturing
 - (3) CC01070 Telecommunication Equipment and Apparatus Manufacturing
 - (4) CC01080 Electronic Parts and Components Manufacturing
 - (5) CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
 - (6) CC01120 Data Storage Media Manufacturing and Duplicating
 - (7) CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
 - (8) CE01030 Photographic and Optical Equipment Manufacturing
 - (9) F113050 Wholesale of Computing and Business Machinery Equipment
 - (10) F116010 Wholesale of Photographic Equipment
 - (11) F118010 Wholesale of Computer Software
 - (12) F119010 Wholesale of Electronic Materials
 - (13) F213030 Retail sale of Computing and Business Machinery Equipment
 - (14) F218010 Retail Sale of Computer Software
 - (15) F216010 Retail Sale of Photographic Equipment
 - (16) I301010 Software Design Services
 - (17) I301020 Data Processing Services
 - (18) I301030 Digital Information Supply Services
 - (19) I501010 Product Designing
 - (20) E605010 Computing Equipment Installation Construction
 - (21) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company is headquartered in Taipei City and may establish branches at home and abroad at the resolution of the Board and the approval of the competent authority where necessary.
- Article 4: The Company may act as a guarantor in favor of a third party as dictated by business operation.
- Article 5: The total investment of the Company is not governed by the limit of total investment under the Company Act.

Article 6: Public announcements of the Company shall be duly made in accordance with Article 28 of The Company Act.

Chapter 2 Share capital

Article 7: The Company has stated capital of NT\$2.2 billion evenly split up into 220,000,000 shares (including 5,000,000 shares reserved for ESO, which may be issued in tranches) at NT\$10/share. These shares will be offered by the Board in tranches under authorization.

Article 8: The Company's shares are ordered with the signature or seal of at least three directors affixed for lawful issuance.

The Company is not required to prepare a hard copy of share certificates but shall register with the central depository of securities.

Article 9: No share transfer is allowed in the period of 60 days prior to a regular session of the Shareholders' Meeting and 30 days prior to a special session of the Shareholders' Meeting, or, 5 days prior to the dividend day or day for the payment of other benefits.

Article 10: Unless the law provides otherwise, the Company shall duly observe the "Regulations Governing the Administration of Shareholder Services of Public Companies" in the administration of shareholders' affairs.

Chapter 3 Shareholders Meetings

Article 11: The Shareholders' Meeting convenes in regular sessions and special sessions. Regular sessions will be held within 6 months after the end of the fiscal year. Special sessions will be called for under law where necessary.

Article 12: If a particular shareholder cannot attend a session of the Shareholders' Meeting, such shareholder may appoint a proxy to attend the session by using the power of attorney prepared by the Company specifying the scope of authorization, and affix the authorized signature/seal to the power of attorney. Unless the Company Act provides otherwise, the appointment of a proxy to attend the session of the Shareholders Assembly shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

Article 13: Unless the law provides otherwise, shareholders are entitled to 1 vote per holding of each share.

Article 14: Except otherwise regulated by The Company Act, a shareholders meeting resolution is passed when more than half of all outstanding shares are represented in the meeting, and is approved by more than half of all voting rights represented during the meeting.

Article 14-1: The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting for the signature or seal of the Chairman. The minutes of meeting must be distributed to the shareholders in 20 days. The distribution can be made by way of public announcement.

Chapter 4 Directors and Audit Committee

- Article 15: The Company established 7 seats of Directors who will be elected by the Shareholders Assembly under the nomination system. Each Director has a tenure of 3 years in office and may assume a second term of office if reelected. The Company shall take professional liability insurance for the protection of the Directors within their term of office for the protection of Directors in performing their professed duties.
- Of the aforementioned seats of Directors, at least 3 shall be reserved for Independent Directors. The seats for Independent Directors shall not fall below 1/5 of all the seats of Directors. Independent Directors shall be elected under a nomination system. The qualification, nomination and other regulations related to Independent Directors shall be governed by applicable legal rules of the competent authority of securities.
- Article 15-1: The Company established the Audit Committee in accordance with the Securities and Exchange Act. All members of the committee are Independent Directors. The function of the Audit Committee and its members and related matters shall be governed by applicable legal rules of the competent authority of securities.
- Article 16: The Directors shall be organized into the Board of Directors. A Chairman shall be elected among the Directors in a session attended by at least 2/3 of the Directors and a simple majority of the Directors in session and may elect one Vice Chairman in the same manner. The Chairman is the deputy agent of the Company.
- Article 17: The proposal resolutions reached in the board meeting, unless otherwise provided in the Company Act, should be with the attendance of a majority of the directors and the consent of a majority of the directors presented.
- Article 18: In the absence of the Chairman, the use of a proxy shall be governed by Article 208 or Article 205 of the Company Act. If the Board of Directors meeting proceeds by way of video conferencing, those who participate in the meeting using video conferencing are considered to have attended the meeting in person.
- Article 18-1: The convention of a Board of Directors meeting must be advised to all Directors with detailed agenda at least 7 days in advance. However, meetings can be held in shorter notices in case of emergency. The notice of meeting of the Board may be served via E-mail or fax in lieu of writing.
- Article 19: Directors shall attend the session of the Board in person. If a particular Director cannot attend a session in person, such Director may appoint a proxy in writing to attend the session with full power of attorney. Each Director may act as the proxy of only one other Director.
- Article 20: Remuneration to the Directors shall be unaffected by the profit position of the Company. The Board is authorized to grant remuneration to the Directors in commensuration with their participation in the operation of the Company and the contribution value to the Company with reference to industry level. Remuneration shall be effected pursuant to Article 23 if there is a profit.

Chapter 5 Manager

Article 21: The Company employs Manager; the appointment, dismissal, and remuneration of whom shall comply with Article 29 of The Company Act.

Chapter 6 Accounting

Article 22: At the end of each fiscal year, the Board shall prepare the following statements and reports and present them to the Shareholders' Meeting for ratification.

- (1) Business Report
- (2) Financial Statements
- (3) Earnings distribution or loss reimbursement proposal.

Article 23: The Company shall appropriate 3%~15% as remuneration to employees and no more than 3% as remuneration to Directors from its earnings of the year, if applicable, subject to the special procedure of the Board in resolution, and report to the Shareholders' Meeting for ratification.

Remuneration to employees may be paid in cash or stock. The recipients include the employees of subsidiaries meeting specific conditions. However, when the company still has accumulated losses, an amount equivalent to the loss should be reserved for making up the loss.

Article 23-1: The Company shall appropriate its earnings, if applicable, for payment of income tax, followed by the write-off of loss carried forward, and 10% as legal reserve. Where necessary and as required by law, the Company shall also appropriate a special reserve. If there is still a balance, pool up with the undistributed income accumulated in previous years for distribution at the proposal of the Board subject to the resolution of the Shareholders' Meeting. The amount of distribution shall not fall below 60% of write-off of loss carried forward, appropriation of legal reserve, and special reserve from the earnings.

The Company takes into account equilibrium and stability in making its dividend policy, and in conjunction with the specific nature of the overall environment and the development of the industry with consideration of long-term financial planning and satisfaction of cash flow needs of the shareholders. Likewise, cash dividend shall not fall below 10% of the total cash dividend and stock dividend resolved to distribute in the year.

Chapter 7 Appendix

Article 24: Any matters that are not addressed in the Company Corporate Charter (Articles of Incorporation) shall be governed by The Company Act.

Article 25: The Company Corporate Charter (Articles of Incorporation) was established on July 6, 1984.

The 1st amendment was implemented on July 25, 1984.

The 2nd amendment was implemented on April 16, 1985.

The 3rd amendment was implemented on December 4, 1985.

The 4th amendment was implemented on July 30, 1987.

The 5th amendment was implemented on April 11, 1988.

The 6th amendment was implemented on December 24, 1990.
The 7th amendment was implemented on December 31, 1999.
The 8th amendment was implemented on May 4, 2000.
The 9th amendment was implemented on August 31, 2000.
The 10th amendment was implemented on April 10, 2001.
The 11th amendment was implemented on May 18, 2002.
The 12th amendment was implemented on May 18, 2004.
The 13th amendment was implemented on May 18, 2004.
The 14th amendment was implemented on June 14, 2006.
The 15th amendment was implemented on June 15, 2007.
The 16th amendment was implemented on June 16, 2009.
The 17th amendment was implemented on June 15, 2010.
The 18th amendment was implemented on June 9, 2011.
The 19th amendment was implemented on June 15, 2012.
The 20th amendment was implemented on June 11, 2014.
The 21st amendment was implemented on June 8, 2016.
The 22th amendment was implemented on June 8, 2017.
The 23th amendment was implemented on June 8, 2018.
The 24th amendment was implemented on June 10, 2020.

Appendix 8

Flytech Technology Co., Ltd. Rules of Procedure for Shareholder Meetings (Before Amendment)

- Article 1: This Procedure is instituted in accordance with the Corporate Governance Best Practice Principles for TWSE/GTSM-listed Companies for the establishment of a viable corporate governance system under the Shareholders' Meeting, vitalization of the monitoring function and strengthening the function of management.
- Article 2: Unless otherwise specified by other applicable laws or the Articles of Incorporation of the Company, the parliamentary procedure of the Shareholders' Meeting of the Company shall be governed by This Procedure.
- Article 3: Calling for the session of the Shareholders' Meeting and notice of session
1. The Board shall call for the session unless otherwise specified in other applicable laws.
 2. The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the MOPS 30 days prior to the annual meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the MOPS 21 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company's and its Stock Agent's and distributed to shareholders at the meeting place.
 3. The notice and announcement shall include information on the reason for the session, and may be delivered via electronic means at the consent of the addressees.
 4. The election or dismissal of directors, amendments to the Company Corporate Charter (Articles of Incorporation), capital reduction, application for delisting, permission of competition by directors, converting earnings to capital gains, converting reserve to capital gains, dissolution, merger, division or the Company Act, and the Stock Exchange Act shall be stated in the reasons and the material information for convening the meeting not in the motion. The material information may be published on the websites designated by the securities competent authority or the company. The URL should be specified in the meeting notice. If it is specified in the shareholders' meeting notice that all seats of the Board of Directors will be re-elected and the new inauguration date, the inauguration date cannot be changed by an extempore motion or by other means in the same meeting.
 5. Shareholders holding more than 1% of the outstanding shares issued by the Company may propose motions with the Company in the regular session. However, it is limited to one proposal and the more than one proposals presented will not be discussed in the meeting. However, the Board of Directors may include any shareholder's motion suggesting the promotion of public welfare or performance of social responsibility by the company.

6. If any of the motions presented by shareholders are required for exclusion as motions in the agenda pursuant to Article 172-1 of the Company Act, the Board may exclude the motions from the agenda.
7. The Company shall allow at least 10 days for announcement of acceptance of motions presented by shareholders, submission in writing or by electronic means, the status of the motions and the processing period prior to the period during which transaction of shares is prohibited before session of the Shareholders' Meeting.
8. Each motion shall be limited to 300 words, or it will not be considered for listing as a motion in the agenda. Shareholders who present motions shall attend the session in person or appoint a proxy to attend the session and engage in the discussion on the motions.
9. The result of handling the motions shall be made known to the shareholders who presented the motions prior to the notification day of the session of Shareholders' Meeting, and list the motions conforming to the requirements of this article on the notice of session. The board of directors is to give the reason why the shareholder's proposal is not included for discussion in shareholders' meeting.

Article 4: Shareholders may use the power of attorney prepared by the Company to appoint a proxy to attend each session of the Shareholders Assembly by specifying the scope of authorization.

1. Each shareholder may issue one power of attorney to appoint only 1 proxy. The power of attorney shall be delivered to the Company 5 days prior to the session of the Shareholders' Meeting. In case of repeated authorization, the authorization which comes first shall be served. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous proxy arrangement.
2. If a power of attorney was delivered to the Company and the shareholder concerned desires to attend the session, such shareholder shall notify the Company in writing to revoke the power of attorney previously undertaken no later than 2 days before the session of the Shareholders' Meeting, or it shall be deemed the presence and the vote of the shareholder in the session is represented by proxy.

Article 5: The principle of choosing the place and time for the sessions of the Shareholders' Meeting.

The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.

Article 6: Preparation of sign-in registry and related documents

1. The Company shall prepare a sign-in registry for the shareholders and the proxies (hereinafter collectively known as "shareholders") to sign-in for attendance, or, the shareholders who are present shall surrender their sign-in card in lieu of sign-in.
2. The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.
3. Shareholders shall attend the session of the Shareholders' Meeting with the

attendance card, sign-in card, or other certification documents. Proxies shall present the power of attorney of their principals and their personal identification document for confirmation.

4. Where the shareholders may be government entities or institutions, the number of representatives to the session may be more than 1 person. The number of legal person entrusted to attend the shareholders' meeting is limited to 1 person.

Article 7: The chairman and observers of the Shareholders' Meeting

1. If the convention of the Shareholders' Meeting is called by the Board, the Chairman of the Board shall preside over the session. In the absence of the Chairman, or the Chairman cannot perform its professed duties, the Vice Chairman shall act on behalf of and in the name of the Chairman. If there is no Vice Chairman, or in the absence of the Vice Chairman, or the Vice Chairman cannot perform the professed duties, the Chairman shall appoint one Executive Director to act as the proxy for the Chairman to preside over the session. If there is no Executive Director, the Chairman shall appoint a particular Director to act on behalf of and in the name of the Chairman. If not, the Executive Directors or Directors shall nominate one among themselves to preside over the session.
2. At least half of the Directors shall be present in a session of the Shareholders' Meeting called by the Board.
3. Where the session of the Shareholders' Meeting may be called by a third party other than the Board, the person who called for the session shall act as the chairman. If there are 2 persons or more called for the session, they should nominate one among themselves to preside over the session.
4. The Company may appoint the lawyers, certified public accountants being retained or related persons to attend the session of the Shareholders' Meeting as observers.

Article 8: The session shall be tracked by voice recording or videotaping.

The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.

Article 9: The attendance to the session of the Shareholders' Meeting shall be based on the quantity of outstanding shares being represented. The number of shares represented during the meeting is calculated based on the amount registered in the attendance log or the attendance cards collected, plus the amount of shares whose voting rights are exercised through proxy forms or electronic methods.

1. The Chairman shall announce the commencement of the session when the time has come. If the shareholders present in the meeting represent less than half of the outstanding shares, the Chairman shall announce the postponement of the meeting, but the time for postponement shall not be longer than one hour, and only two instances for postponement are allowed. The Chairman may announce the meeting is adjourned if there remain insufficient shareholders who represent 1/3 of shareholding to attend the meeting after two meetings postponed.
2. If the number of shareholders who are present after two instances of postponement represent more than 1/3 of the outstanding shares, the Company may make provisional division pursuant to Paragraph 1, Article 175 of the Company Act and notify the shareholders with the provisional decision for another round of the session to be held within 1 month thereafter.

3. If the shareholders who are present in the session before its adjournment represent more than half of the outstanding shares, the Chairman may refer the provision decision to a new round of balloting pursuant to Article 174 of the Company Act.

Article 10: Discussion of the motions

1. If the Board calls for the session of the Shareholders' Meeting, it shall prepare the agenda. Voting on each motion (including extempore motion and amendment to original motions) is required. The meeting shall unfold in accordance with the agenda. The agenda cannot be changed unless the Shareholders Meeting resolved otherwise.
2. Where the session of the Shareholders' Meeting may be called by third parties other than the Board, the aforementioned rules shall stand.
3. Before the end of the discussion of motions on the agenda as stated in previous 2 paragraphs (including extemporary motions), the Chairman shall not announce for the adjournment of the session unless the Shareholders' Meeting resolved otherwise. If the Chairman acts in defiance of the parliamentary rules and thereby announces the adjournment of the session, other members of the Board shall take immediate action to assist the shareholders in session to keep the session in order. Accordingly, the shareholders in session shall nominate another person to act as the chairman to continue the session by a simple majority.
4. The Chairman shall provide the opportunity for the description and discussions of the motions and the amendment or extemporary motions proposed by the shareholders and conclude the discussion and proceed to balloting at a point where discussion is deemed sufficient and arrange adequate voting time.

Article 11: Expression of opinions by shareholders

1. Shareholders shall put down the summary of the speech on the slip provided, the account number (or attendance pass number), and account title. The Chairman shall arrange the priority for the forum.
2. Shareholders in session who just submitted the message slip but did not deliver the speech shall be deemed to have no opinion expressed. If the shareholder's actual comments differ from those stated in the Speak Request Form, the actual comments shall prevail.
3. Each shareholder may have the floor for delivery of the speech on the same motion once only, and may take the floor twice only at the approval of the Chairman. Only 5 minutes is allowed for each speech. If the content of the speech defies the parliamentary rules or deviates from the motion, the Chairman shall interrupt the speech.
4. If a particular shareholder is presenting a speech, other shareholders shall not interfere unless under the consent of the Chairman or the shareholder who is presenting the speech, or the Chairman shall stop any interference or interruption.
5. If a particular institutional shareholder appointed more than 2 representatives to the session, only 1 person may take the floor for delivery of speech on the same motion.
6. After a particular shareholder has delivered a speech, the Chairman shall respond to any query or appoint designated persons to respond to the queries.

Article 12: The calculation of shares for voting and the system of recusal

1. The votes to be cast by shareholders shall be taken on the basis of the number of shares represented.
2. In balloting, shareholders holding the shares without voting rights are excluded for the total outstanding shares bearing voting rights.

3. For motions that may involve the interest of particular shareholders or affect the interest of the Company, the shareholders concerned shall recuse from the balloting on these motions. Likewise, these shareholders shall not appoint proxies to participate in balloting.
4. The aforementioned quantity of shares not permitted for voting are excluded from the total number of voting shares of the shareholders.
5. If a particular party who has been appointed by 2 or more shareholders as proxy at the same time, the votes so cast under authorization shall not exceed 3% of the total voting shares, and the number of votes in excess of this limit will not be counted unless such party is a trust firm or a share registration agent approved by the competent authority of securities.

Article 13:

1. Shareholders of the Company are entitled to 1 vote for each share in holding unless otherwise specified by law.
2. Shareholders to exercise their voting rights in writing or by electronic means in the Shareholders' Meeting, and the methods of which shall be inscribed in the notice of Shareholders' Meeting. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders meeting in person. However, they waive their rights to participate in any questions and motions or revisions to the original agendas that may arise during the shareholders meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
3. The expression of votes by correspondence or electronic means as mentioned in the previous paragraph shall be delivered to the office of the Company 5 days prior to the scheduled date of the session. If there are repetitions in the expression of intent, the initial expression shall stand. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.
4. If a particular shareholder desires to attend the session of the Shareholders' Meeting after casting the vote by correspondence or electronic means, it shall revoke the previous expression of intent in voting in the same means as casting the votes no later than 2 days prior to the scheduled date of the session, or the votes cast by correspondence or electronic means shall be valid. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall prevail.
5. The Shareholders Assembly shall make decisions in a session with the presence of shareholders representing more than half of the outstanding shares and the consent by a simple majority of the shareholders in the session unless the Company Act or other applicable laws specify otherwise.
6. If there is an amendment to or a substitute of a particular motion, the Chairman sets the priority for decision as the original motion. If any of the amendment/substitute or original motion has been passed, it shall be deemed the resolution of the motion and no further polling is required.
7. The Chairman shall appoint scrutineers and polling clerks in witnessing and monitoring the balloting on the motions. Scrutineers must also be shareholders.
8. The balloting shall be carried out at the venue of the Shareholders' Meeting, and the result shall be announced on the scene and tracked on record.

Article 14:

Points of election

1. An election of Directors and Supervisors may be held in a session of the Shareholders' Meeting, shall proceed in accordance the rules and regulations of the Company, and the election result shall be announced on the scene, including

the elected directors and the weighted votes casted.

2. The ballots cast in the aforementioned election shall be sealed and signed by the scrutineers with the affixing of their signatures for keeping at least 1 year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.

- Article 15:
1. The resolutions of the Shareholders' Meeting shall be kept as minutes of the meeting on record, affixed with the authorized signature/seal of the Chairman, and released to the shareholders within 20 days after the session. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.
 2. The aforementioned minutes of the meeting on record may be circulated by announcement.
 3. The minutes of the meeting on record shall contain details of the year, month, day of the session, the name of the chairman, the means of resolution, the summary of parliamentary process and voting results (including the weighted votes), of the meeting. If any election of directors is carried out, the minutes should specify the votes cast by each candidate. It shall be kept perpetually within the perpetuity of the Company.

Article 16: Announcement

1. The Company shall keep track on and compile the statistical data on the quantity of shares represented through assignment or represented by proxies in the required format on the day of the session, and disclose them explicitly on the scene of the meeting.
2. Where some of the motions for resolutions may contain significant information under law or the requirements of the competent authority, the Company shall transmit such information to MOPS by designated deadline.

Article 17: The order of the meeting venue

1. The administrative staff of the Shareholders' Meeting shall wear arm badges or ID badges.
2. The Chairman shall command the prefect team or security guards to keep the order of the meeting venue. While maintaining order in the meeting, all picketers or security staffs must wear arm badges which identify their roles as "Staff".
3. The venue may be equipped with loud speaker systems for the shareholders. The Chairman shall stop any shareholder using other forms of loud speakers in the expression of opinion at the meeting venue.
4. Shareholders who defy the parliamentary procedure and interrupt the procedure of the session, and insubordinate to the instruction of the Chairman, the Chairman shall command the prefect team or the security guards to escort the shareholders concerned to vacate from the venue.

Article 18: Recess, resumption of the session

1. The Chairman may announce for recess in the course of the session. In the event of force majeure, the Chairman may announce for a suspension of the session and announce the time for resuming the session.
2. If the meeting venue is no longer available before the conclusion of the agenda (including the extemporary motions), the Shareholders' Meeting shall resolve to seek another place as the venue to continue the session.
3. The Shareholders' Meeting may resolve to postpone or continue the session within 5 days pursuant to Article 182 of the Company Act.

Article 19: This Procedure shall be subject to the approval of the Shareholders' Meeting before coming into force. The same procedure is applicable to any amendment thereto.

Appendix 9

Flytech Technology Co., Ltd.

Procedures for Election of Directors and Supervisors (Before amendment)

- Article 1: The election of Directors and Supervisors of the Company shall be governed by The Regulations.
- Article 2: The Company adopts the cumulative single balloting system in the election of Directors and Supervisors. Holders of each share (unless the law specifies otherwise) are entitled to the number of votes equivalent to the number of seats for the Directors or Supervisors to be elected. Shareholders may concentrate their votes on a particular candidate or distribute the votes to different candidates.
- Article 3: The Directors and Supervisors of the Company shall be people of legal competence elected by the Shareholders' Meeting and shall fill the vacancies as specified in the Articles of Incorporation. Candidates who earned the majority of the votes will be elected to the seats as Directors or Supervisors in descending order of the number of vote counts. If two or more candidates have earned the same number of votes, but there is not sufficient seats for all, drawing lots shall be applied. The Chairman shall draw the lots on behalf of the candidates who were absent from the session. Shareholders who were elected as Directors and Supervisors at the same time shall decide to choose the seats as Directors or Supervisors. The vacancies left behind shall be filled by the candidates who won with the next highest number of votes.
- Article 4: The Chairman shall appoint several scrutineers and polling clerks at the time of the election to perform their respective assigned duties.
- Article 5: The Board shall prepare ballots equivalent to the number of Directors or Supervisors to be elected with the inscription of the weight and release to the shareholders who are present in the session of Shareholders' Meeting.
- Article 6: The Board shall prepare the ballot box and examine the box at the witness of all shareholders.
- Article 7: If a candidate in the election is a shareholder, the voters shall specify the name of the account title and account number of the candidate in the field marked "Candidate". If not, specify the name and ID number of the candidate. If the candidate is a government agency or institution shareholder, the candidate column on the ballot must be detailed with the name of the government agency or institution shareholder, or it can be the name of the government agency or institution shareholder and their representatives. If there is more than one representative appointed, the name of all the representatives must be listed separately.
- Article 8: The ballots with any of the following circumstances are invalid:
1. Ballot not conforming to the requirements of The Regulations.
 2. Dropping unmarked ballot into the ballot box.
 3. Handwriting on the ballot is blurred and cannot be identified.
 4. If the candidate is a shareholder, and the identity, account number are not relevant with the content of the Shareholders Registry, or, the candidate is not a shareholder but the name, ID number was found irrelevant.
 5. Other wording was marked on the ballot in addition to the name, account number or ID number of the candidate.

6. The name of the candidate is identical with a particular shareholder, but no account number or ID number was shown that makes identification impossible.
7. Two or more candidates were marked on the same ballot.

- Article 9: The total number of votes allocated fall below the total number of votes held by the voters; the difference shall be deemed abstained votes.
- Article 10: In case of query of a particular ballot, request the scrutineers for examination before nullifying the ballot. Once nullified, the scrutineers shall specify the reason and sign on the ballot to confirm.
- Article 11: After all the ballots are counted, the scrutineers shall sign to confirm and report to the chairman.
- Article 12: On receiving the report, the Chairman shall announce the results on scene.
- Article 13: The Chairman, the scrutineers and the polling clerks shall wrap up all the ballots cast in the poll and affix their signatures/seals across the pages. These ballots shall be kept by the Financial Department for at least 3 years, and shall be incinerated to the witness of the Auditor Office.
- Article 14: The candidates elected to the seats of Directors and Supervisors will be notified by the Board of their successful election to office.
- Article 15: Anything not covered by The Regulations shall be governed by the Company Act and other applicable laws.
- Article 16: The Regulations shall become effective as of the day resolved by the Shareholders' Meeting. The same procedure is applicable to any amendment thereto.

Appendix 10

Flytech Technology Co., Ltd. Procedures for Election of Directors (Amended)

Article 1: To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4: The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

- Article 5: Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- 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, 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 from the date of occurrence to hold a by-election to fill the vacancies.
- Article 6: The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8: The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10: A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
 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 does not conform to the director candidate list.
 5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 12: The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix 11

Schedule of Director Shareholding

1. Directors minimum shareholding and the shareholdings listed in the registry of shareholders:

Title	Shareholdings	Shareholdings registered in the registry of shareholders
Director	8,583,740	27,779,365

2. Directors shareholding list:

Title	Name	Shareholdings registered in the registry of shareholders	Note
Chairman	Lam Tai Seng	16,423,263	
Vice Chairman	Liu Chiu Tsao	107,637	
Director	Wang Wei-wei	11,040,443	
Director	Yi Hua Investment Limited Representative: Liao, Jui-tsung	78,022	
Independent director	Chen Kuo Hong	130,000	
Independent director	Hsieh Han Chang	0	
Independent director	Liang, Wei-Ming	0	

Book closure day: April 10, 2021