

# 2022 Annual Meeting of Shareholders

## Agenda

Meeting type:  
physical shareholders meeting

June 8th, 2022

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# **2022 Agenda of Annual Meeting of Shareholders of Flytech Technology Co., Ltd.**

Time: 9:00 a.m. on (Tuesday), June 8th, 2022

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. The 2021 Business Report.
2. Audit committee's Review Report.
3. The 2021 distribution of remuneration to employees and directors.

## **IV. Proposals for Ratification**

1. Adoption of 2021 Financial Statements.
2. Adoption of the Proposal for Distribution of 2021 Profits.

## **V. Discussions**

1. Amendment to the Operational Procedures for Loaning of Company Funds.
2. Amendment to the Operational Procedures for Endorsements and Guarantees.
3. Amendment to the Operational Procedures for Acquisition and Disposal of Assets.

## **VI. Extemporary Motions**

## **VII. Adjournment**

## Management Presentation (Company Reports)

### Proposal 1:

Proposal: The 2021 Business Report.

Explanation: 1. The 2021 Business Report is attached as page 5~6.  
2. The Chairman reports on business operation in 2021.

### Proposal 2:

Proposal: Audit committee's Review Report

Explanation: 1. The financial statements of Flytech covering FY2021 was audited and reviewed by the audit committee. The "Audit committee's Review Report", "Auditors' Report" and related statements were exhibited in page 7~27 in the manual.  
2. The head of Audit committee to report Audit committee's Review Report.

### Proposal 3:

Proposal: The 2021 distribution of remuneration to employees and directors.

Explanation: 1. According to the Articles of Incorporation of Flytech: 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.  
2. The Compensation Committee, audit committee and the Board resolved on March 18, 2022 to appropriate NT\$60,000,000 as remunerations to employees and NT\$3,500,000 as remunerations to Directors.

# Proposals for Ratification

## **Proposal 1:** (Proposed by the Board)

Proposal: Adoption of the 2021 Financial Statements.

- Explanation:
1. The business report and financial statements (including the consolidated financial statements) of 2021 have been passed by the Board in a session held on March 18, 2022 where the financial statements (including the consolidated financial statements) have been audited by Wei-Ming Shih, CPA and Huei-Chen Chang, CPA, of KPMG Taiwan with certification, and have been referred to the audit committee for review on March 18, 2022.
  2. Please refer to page 7~27 for details.

Resolution:

## **Proposal 2:** (Proposed by the Board)

Proposal: Adoption of the Proposal for Distribution of 2021 Profits

- Explanation:
1. To maintain a stable dividend policy and vitalize the financial structure, the Company appropriated 10% of its earnings in 2021 as legal reserve amounting to NT\$68,306,394.
  2. The Board proposed to payout cash dividend to shareholders amounting to NT\$572,249,296 at NT\$4/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 28 for details.

Resolution:

## Discussions

### **Proposal 1:** (Proposed by the Board)

Proposal: Amendment to the Operational Procedures for Loaning of Company Funds.

Explanation: 1. The Company desires to amend the “Operational Procedures for Loaning of Company Funds” in accordance with Taiwan government updated regulations.  
2. Rules for “Operational Procedures for Loaning of Company Funds” amended before and after. Please refer to page 29 for details.

Resolution:

### **Proposal 2:** (Proposed by the Board)

Proposal: Amendment to the Operational Procedures for Endorsements and Guarantees.

Explanation: 1. The “Operational Procedures for Endorsements and Guarantees” has been amended in cooperation with the subsidiary’s control adjustments and amendments to text errors in Article 13  
2. Rules for “Operational Procedures for Endorsements and Guarantees” amended before and after. Please refer to page 30 for details.

Resolution:

### **Proposal 3:** (Proposed by the Board)

Proposal: Amendment to the Operational Procedures for Acquisition and Disposal of Assets.

Explanation: 1. The Company desires to amend the “Operational Procedures for Acquisition and Disposal of Assets” in accordance with Taiwan government updated regulations.  
2. Rules for “Operational Procedures for Acquisition and Disposal of Assets” amended before and after. Please refer to page 31~39 for details.

Resolution:

## Extemporary Motions

## Adjournment

## Appendix 1

# Business Report

Dear shareholders,

Overall speaking, Flytech started toughly but ended strongly in 2021. In the first half of the year, although the impact of COVID-19 was reducing and the market demand started to increase, Flytech confronted a difficult situation that it received orders but was not able to fully fulfill them because of the global supply shortage caused by the pandemic. To tackle the crisis of supply shortage, Flytech took immediate actions on strategic materials preparing, design changes, and price increases, which successfully drove the momentum in the second half of the year. As such, Flytech ended up with a consolidated revenue of NTD 5.19 billion in 2021, representing 17% growth compared with the revenue in 2020.

In recent years, Flytech have been cultivating both hardware and software in AIoT to provide the total solutions for customers in different domains. For hardware service, Flytech continues to probe deep into the fields of catering, retail, and medical care to provide customers with all the hardware that satisfies the needs in their domains. For software service, the AI technology of Berry AI, a subsidiary of Flytech, enables Flytech to provide smart solutions for the customers in the domains of hospitality and retail. Moreover, Flytech keeps promoting the UEM service provided by Inefi, another subsidiary of Flytech, to help customers maintain their hardware more effectively as well as make the products of Flytech more competitive.

Going forward, Flytech will drive the growth with continuous inputs dedicated to intelligence and automation in different domains to empower the business partners with integrated solutions. For corporate social responsibility, Flytech aims to establish a long-term partnership with its stakeholders, make reports for ESG, and bundle the company with communities, environment, vendors, and customers to make contributions to Taiwan.

The financial performance, recognition and awards, technology and development, and business outlook are as follows:

### **Financial Performance**

The consolidated revenue in 2021 was NTD 5.19 billion, up 17% from 2020. The total comprehensive income attributable to owners of the parent company was NTD 683 million, up 16% from 2020, with EPS of NTD 4.77.

### **Recognition and Awards**

Flytech has received worldwide recognition and awards in many aspects. In corporate governance, Flytech has been evaluated and positioned in the percentile of 6%~20% since 2018 by Corporate Governance Center under Taiwan Stock Exchange. Also, we won 8<sup>th</sup> place among small-cap enterprises in 2021 at our first presence to the Sustainable Institutional Citizen awarded by CommonWealth Magazine. In addition, Flytech was certified by IATF 16949 for Quality Management System for Automobile Industry and by TTQS for Talent Quality Management System,

which accredited the achievements that Flytech has accomplished in product quality, environment protection, labor safety, information security, and talent management. Moreover, Flytech was awarded 12<sup>th</sup> place in the industry of computer peripheral and equipment for “2021 Taiwan Top 5000 Companies” ranked by China Credit Information Service Ltd.

### **Technology and Development**

As a technology pioneer in hardware, Flytech enjoys a leading position in POS customization and process engineering, which enables the company not only to set the new specifications of existing product lines but also to innovate the new technology and design. Thus far, Flytech has acquired a total of 142 patents - the highest in Taiwan IPC industry - in various countries.

In addition to hardware, Flytech has dedicated itself to providing total solutions to its customers as Inefi launches the hardware-monitored software and Berry AI promotes smart solutions with AI technology. The combined benefits enable customers to reduce operation costs as well as generate more revenues. Going forward, Flytech group will continue to launch better hardware and software products in response to market demands and aim to provide customers with the best total solutions.

### **Business Outlook**

As AIoT spreads in our lives, Mobile POS and Kiosk will grow with the solutions for smart retail, smart catering, smart transportation, and smart cities. Also, smart medical application and factory automation will drive the demand of Panel PC. To capture the opportunities from AIoT, Flytech will diversify its product lines by inputting more resources in R&D and expand the scope of product application. To implement corporate governance and corporate social responsibilities, Flytech will continue to dive deep on four dimensions: protecting the rights, interests, and equality of shareholders, strengthening the structure and operation of board of directors, improving information transparency, driving sustainable development, so as to generate more values to the stakeholders of Flytech.

May you all have a wonderful year of 2022

Lam Tai Seng, Chairman

Chuo Chun Hung, Manager

Lee Mei-Hui, Accountant in charge



## Appendix 2

# Audit Committee's Review Report

To: The 2022 Annual Meeting of Shareholders of This Company

We reviewed the financial statements (including the consolidated financial statements) of Flytech Technology Co., Ltd. in 2021, which have been audited by Wei-Ming Shih, CPA and Hwei-Chen Chang, CPA, 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: Hsieh, Han Chang

March 18, 2022



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, 2021 and 2020, 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, 2021 and 2020, 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 of our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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(o) "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 in the 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 assess the accuracy of the timing of revenue recognition.

## 2. Impairment of Goodwill

Please refer to Note 4(m) "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:

Goodwill arising from acquisition of subsidiaries are annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. 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 growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and results; 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, 2021 and 2020, on which we have issued an unmodified audit opinion.



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Hwei-Chen Chang.

KPMG

Taipei, Taiwan (Republic of China)  
March 18, 2022

#### **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, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
<b>Current assets:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 1,954,290	31	2,540,079	45
1110	Financial assets at fair value through profit or loss – current (note 6(b))	11,522	-	12,213	-
1136	Financial assets at amortised cost – current (note 6(c) and 8)	73,642	1	155,996	3
1150-1170	Notes and accounts receivable (notes 6(d) and (r))	1,208,174	19	581,181	11
130X	Inventories (notes 6(e) and 8)	1,425,782	23	654,962	12
1410-1470	Prepayments and other current assets	55,773	1	26,841	-
	<b>Total current assets</b>	<b>4,729,183</b>	<b>75</b>	<b>3,971,272</b>	<b>71</b>
<b>Non-current assets:</b>					
1535	Financial assets at amortised cost – non-current (note 6(c))	107,039	2	94,706	2
1550	Investments accounted for using equity method (note 6(f))	17,690	-	-	-
1600	Property, plant and equipment (note 6(h) and 8)	1,067,096	17	1,109,754	20
1755	Right-of-use assets (note 6(i))	68,683	1	57,644	1
1780	Intangible assets (note 6(j))	268,899	4	301,028	5
1840	Deferred income tax assets (note 6(o))	54,437	1	53,823	1
1915	Prepayments for equipment	1,569	-	162	-
1920	Refundable deposits	3,575	-	3,679	-
	<b>Total non-current assets</b>	<b>1,588,988</b>	<b>25</b>	<b>1,620,796</b>	<b>29</b>
	<b>Total assets</b>	<b>\$ 6,318,171</b>	<b>100</b>	<b>5,592,068</b>	<b>100</b>

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, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	Liabilities and Equity	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	<b>Current liabilities:</b>				
2100	Short-term borrowings (notes 6(k) and 8)	\$ 10,334	-	7,810	-
2120	Financial liabilities at fair value through profit or loss— current (note 6(b))	-	-	882	-
2130	Contract liabilities — current (note 6(r))	48,079	1	60,946	1
2150-2170	Notes and accounts payable	765,556	12	264,780	5
2200	Other payables (note 6(s))	316,113	5	244,448	4
2230	Current income tax liabilities	208,064	3	190,881	3
2250	Provisions— current (note 6(m))	33,979	1	32,068	1
2280	Lease liabilities— current (note 6(l))	18,317	-	28,113	1
2300	Other current liabilities	40,605	1	20,524	-
	<b>Total current liabilities</b>	<b>1,441,047</b>	<b>23</b>	<b>850,452</b>	<b>15</b>
	<b>Non-current liabilities:</b>				
2570	Deferred income tax liabilities (note 6(o))	49,634	1	55,349	1
2640	Net defined benefit liabilities (note 6(n))	35,753	-	43,462	1
2580	Lease liabilities— non-current (note 6(l))	50,602	1	33,770	1
	<b>Total non-current liabilities</b>	<b>135,989</b>	<b>2</b>	<b>132,581</b>	<b>3</b>
	<b>Total liabilities</b>	<b>1,577,036</b>	<b>25</b>	<b>983,033</b>	<b>18</b>
	<b>Equity (note 6(g) and (p)):</b>				
3110	Common stock	1,430,623	23	1,430,623	26
3200	Capital surplus	528,355	8	597,122	10
	Retained earnings:				
3310	Legal reserve	1,128,264	18	1,069,391	19
3320	Special reserve	57,939	1	49,402	1
3350	Unappropriated earnings	1,360,507	21	1,245,571	22
3400	Other equity	(73,473)	(1)	(57,939)	(1)
	<b>Equity attributable to shareholders of the Company</b>	<b>4,432,215</b>	<b>70</b>	<b>4,334,170</b>	<b>77</b>
36XX	Non-controlling interests (note 6(g))	308,920	5	274,865	5
	<b>Total equity</b>	<b>4,741,135</b>	<b>75</b>	<b>4,609,035</b>	<b>82</b>
	<b>Total liabilities and equity</b>	<b>\$ 6,318,171</b>	<b>100</b>	<b>5,592,068</b>	<b>100</b>

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, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		2021		2020	
		Amount	%	Amount	%
4000	Revenue (notes 6(r) and 14)	\$ 5,185,155	100	4,432,961	100
5000	Cost of revenue (notes 6(e), (h), (i), (j), (l), (m), (n) and (s) and 12)	(3,481,701)	(67)	(2,889,455)	(65)
	Gross profit	1,703,454	33	1,543,506	35
	Operating expenses (notes 6(d), (h), (i), (j), (l), (n) and (s) and 12):				
6100	Selling expenses	(389,510)	(8)	(402,506)	(9)
6200	Administrative expenses	(240,695)	(4)	(233,126)	(5)
6300	Research and development expenses	(251,488)	(5)	(206,482)	(5)
	Total operating expenses	(881,693)	(17)	(842,114)	(19)
	Operating income	821,761	16	701,392	16
	Non-operating income and loss (note 6(f), (l) and (t)):				
7100	Interest income	6,305	-	12,032	-
7190	Other income	14,000	-	43,915	1
7020	Other gains and losses	(17,909)	-	(15,168)	-
7050	Finance costs	(1,665)	-	(2,209)	-
7370	Share of loss of associates accounted for using equity method	(310)	-	-	-
	Total non-operating income and loss	421	-	38,570	1
7900	Income before income tax	822,182	16	739,962	17
7950	Less: Income tax expenses (note 6(o))	(131,096)	(3)	(142,034)	(4)
	Net Income	691,086	13	597,928	13
	Other comprehensive income (loss) (notes 6(o) and (p)):				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	5,283	-	(2,463)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(1,289)	-	674	-
		3,994	-	(1,789)	-
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(19,162)	-	(7,189)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		(19,162)	-	(7,189)	-
	Other comprehensive income (loss) for the year	(15,168)	-	(8,978)	-
	Total comprehensive income for the year	\$ 675,918	13	588,950	13
	Net income attributable to:				
8610	Shareholders of the Company	\$ 683,064	13	589,644	13
8620	Non-controlling interests	8,022	-	8,284	-
		\$ 691,086	13	597,928	13
	Total comprehensive income attributable to:				
8710	Shareholders of the Company	\$ 667,530	13	581,107	13
8720	Non-controlling interests	8,388	-	7,843	-
		\$ 675,918	13	588,950	13
	Earnings per share (in New Taiwan dollars) (note 6(q)) :				
9750	Basic earnings per share	\$ 4.77		4.12	
9850	Diluted earnings per share	\$ 4.74		4.09	

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, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to shareholders of the Company											
	Retained earnings						Total other equity interest					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Foreign currency translation differences	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	Total equity
Balance at January 1, 2020	\$ 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
Appropriation of earnings:												
Legal reserve	-	-	58,873	-	(58,873)	-	-	-	-	-	-	-
Special reserve	-	-	-	8,537	(8,537)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(500,718)	(500,718)	-	-	-	(500,718)	-	(500,718)
Cash dividends from capital surplus	-	(71,531)	-	-	-	-	-	-	-	(71,531)	-	(71,531)
Changes in ownership interest in subsidiaries	-	2,764	-	-	-	-	-	-	-	2,764	(2,764)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	44,400	44,400
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(15,969)	(15,969)
Net income in 2021	-	-	-	-	683,064	683,064	-	-	-	683,064	8,022	691,086
Other comprehensive income (loss) in 2021	-	-	-	-	-	-	(17,974)	2,440	(15,534)	(15,534)	366	(15,168)
Total comprehensive income (loss) in 2021	-	-	-	-	683,064	683,064	(17,974)	2,440	(15,534)	667,530	8,388	675,918
Balance at December 31, 2021	\$ 1,430,623	528,355	1,128,264	57,939	1,360,507	2,546,710	(68,916)	(4,557)	(73,473)	4,432,215	308,920	4,741,135

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, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ <u>822,182</u>	<u>739,962</u>
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	114,740	121,570
Amortization	44,256	49,250
Expected (reveral) credit loss	(9,617)	1,348
Share of loss of associates accounted for using equity method	310	-
Loss on disposal of property, plant and equipment	1,278	63
Interest expense	1,665	2,209
Interest income	(6,305)	(12,032)
Gain on lease modification	-	(122)
<b>Total non-cash profit and loss</b>	<u>146,327</u>	<u>162,286</u>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Financial assets at fair value through profit or loss	691	(12,098)
Notes and accounts receivable	(617,280)	275,711
Inventories	(770,989)	55,984
Prepayments and other current assets	(28,940)	6,194
<b>Net changes in operating assets</b>	<u>(1,416,518)</u>	<u>325,791</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(882)	473
Contract liabilities	(12,867)	44,905
Notes and accounts payable	500,776	(129,441)
Other payables	71,665	(41,361)
Provisions – current	1,911	(3,936)
Other current liabilities	20,081	(9,293)
Net defined benefit liabilities	(2,425)	(3,329)
<b>Net changes in operating liabilities</b>	<u>578,259</u>	<u>(141,982)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(838,259)</u>	<u>183,809</u>
Cash provided by operations	130,250	1,086,057
Income taxes paid	(122,585)	(60,691)
<b>Net cash provided by operating activities</b>	<u>7,665</u>	<u>1,025,366</u>

(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, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at amortised cost	(70,632)	(131,165)
Proceeds from disposal of financial assets at amortised cost	143,261	193,635
Acquisition of investments accounted for using equity method	(18,000)	-
Additions to property, plant and equipment (including prepayments for equipment)	(53,869)	(58,868)
Proceeds from disposal of property, plant and equipment	2,124	517
Additions of intangible assets	(12,314)	(253)
Decrease (Increase) in refundable deposits	104	(220)
Interest received	3,692	13,718
<b>Net cash flows provided (used in) by investing activities</b>	<u>(5,634)</u>	<u>17,364</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	25,000	-
Decrease in short-term borrowings	(21,651)	(1,042)
Cash dividends distributed to shareholders	(572,249)	(643,780)
Payment of lease liabilities	(28,636)	(25,497)
Cash dividends paid to non-controlling interests	(15,969)	(10,646)
Capital injection from non-controlling interests	44,400	-
Additions to interests in subsidiaries	-	(23,852)
Interest paid	(1,665)	(2,209)
<b>Net cash flows used in financing activities</b>	<u>(570,770)</u>	<u>(707,026)</u>
<b>Effect of foreign exchange rate changes</b>	<u>(17,050)</u>	<u>(6,475)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(585,789)	329,229
<b>Cash and cash equivalents at beginning of year</b>	<u>2,540,079</u>	<u>2,210,850</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 1,954,290</u></u>	<u><u>2,540,079</u></u>

See accompanying notes to consolidated financial statements.

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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, 2021 and 2020, 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, 2021 and 2020, 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.

**I. 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 in the 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 assess the accuracy of the timing of revenue recognition.

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:

Goodwill arising from acquisition of subsidiaries are annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. 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 growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and results; and assessing the adequacy of the Group'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 Huei-Chen Chang..

KPMG

Taipei, Taiwan (Republic of China)  
March 18, 2022

#### 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, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
<b>Current assets:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 1,384,278	25	1,837,648	37
1110	Financial assets at fair value through profit or loss— current (note 6(b))	11,522	-	12,213	-
1136	Financial assets at amortised cost— current (note 6(c))	10,717	-	398	-
1150-1170	Notes and accounts receivable (notes 6(d) and (o))	940,985	17	438,262	9
1180	Accounts receivable due from related parties (notes 6(d), (o) and 7)	160,101	3	142,953	3
130X	Inventories (note 6(e))	925,724	17	386,560	8
1410-1470	Prepayments and other current assets (notes 6(d) and 8)	21,282	-	9,348	-
	<b>Total current assets</b>	<b>3,454,609</b>	<b>62</b>	<b>2,827,382</b>	<b>57</b>
<b>Non-current assets:</b>					
1550	Investments accounted for using equity method (note 6(f))	1,043,115	19	1,086,722	22
1600	Property, plant and equipment (note 6(g))	1,006,005	18	1,048,708	21
1755	Right-of-use assets (note 6(h))	520	-	1,560	-
1780	Intangible assets	10,970	-	1,273	-
1840	Deferred income tax assets (note 6 (l))	34,239	1	26,167	-
1915	Prepayments for equipment	1,295	-	163	-
1920	Refundable deposits	285	-	285	-
	<b>Total non-current assets</b>	<b>2,096,429</b>	<b>38</b>	<b>2,164,878</b>	<b>43</b>
	<b>Total assets</b>	<b>\$ 5,551,038</b>	<b>100</b>	<b>4,992,260</b>	<b>100</b>

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, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
<b>Liabilities and Equity</b>					
<b>Current liabilities:</b>					
2120	Financial liabilities at fair value through profit or loss— current (note 6(b))	\$ -	-	444	-
2150-2170	Notes and accounts payable	612,958	11	198,467	4
2180	Accounts payable to related parties (note 7)	4,198	-	3,839	-
2200	Other payables (note 6(p))	224,857	4	186,296	4
2230	Current income tax liabilities	189,979	4	185,335	4
2250	Provisions— current (notes 6(j))	10,373	-	8,700	-
2280	Lease liabilities— current (note 6(i))	532	-	1,049	-
2300	Other current liabilities (note 6(o))	22,080	-	21,287	-
	<b>Total current liabilities</b>	<b>1,064,977</b>	<b>19</b>	<b>605,417</b>	<b>12</b>
<b>Non-current liabilities:</b>					
2570	Deferred income tax liabilities (note 6(l))	35,950	1	33,064	1
2640	Net defined benefit liabilities (note 6(k))	17,896	-	19,077	-
2580	Lease liabilities— non-current (note 6(i))	-	-	532	-
	<b>Total non-current liabilities</b>	<b>53,846</b>	<b>1</b>	<b>52,673</b>	<b>1</b>
	<b>Total liabilities</b>	<b>1,118,823</b>	<b>20</b>	<b>658,090</b>	<b>13</b>
<b>Equity (notes 6(k), (l) and (m)):</b>					
3110	Common stock	1,430,623	26	1,430,623	29
3200	Capital surplus	528,355	10	597,122	12
<b>Retained earnings:</b>					
3310	Legal reserve	1,128,264	20	1,069,391	21
3320	Special reserve	57,939	1	49,402	1
3350	Unappropriated earnings	1,360,507	24	1,245,571	25
3400	Other equity	(73,473)	(1)	(57,939)	(1)
	<b>Total equity</b>	<b>4,432,215</b>	<b>80</b>	<b>4,334,170</b>	<b>87</b>
	<b>Total liabilities and equity</b>	<b>\$ 5,551,038</b>	<b>100</b>	<b>4,992,260</b>	<b>100</b>

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, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

	2021		2020	
	Amount	%	Amount	%
4000 Revenue (notes 6(o) and 7)	\$ 3,846,939	100	3,278,733	100
5000 Cost of revenue (notes 6(e), (g), (i), (j), (k) and (p), 7 and 12)	<u>(2,608,184)</u>	<u>(68)</u>	<u>(2,147,158)</u>	<u>(65)</u>
Gross profit before unrealized gross profit	1,238,755	32	1,131,575	35
5910 Realized (unrealized) gross profit from sales	<u>(42,871)</u>	<u>1</u>	<u>5,345</u>	<u>-</u>
Gross profit	<u>1,195,884</u>	<u>31</u>	<u>1,136,920</u>	<u>35</u>
Operating expenses (notes 6(d), (g), (h), (i), (k) and (p), 7 and 12):				
6100 Selling expenses	(128,538)	(4)	(136,049)	(4)
6200 Administrative expenses	(118,948)	(3)	(116,267)	(4)
6300 Research and development expenses	<u>(169,227)</u>	<u>(4)</u>	<u>(158,736)</u>	<u>(5)</u>
Total operating expenses	<u>(416,713)</u>	<u>(11)</u>	<u>(411,052)</u>	<u>(13)</u>
Operating income	<u>779,171</u>	<u>20</u>	<u>725,868</u>	<u>22</u>
Non-operating income and loss (note 6(i) and (q)):				
7100 Total interest income	2,966	-	6,483	-
7010 Other income	2,552	-	17,879	-
7020 Other gains and losses	33	-	(9,254)	-
7050 Finance costs	(17)	-	(35)	-
7375 Share of loss of associates accounted for using equity method	<u>12,961</u>	<u>1</u>	<u>(15,042)</u>	<u>-</u>
	<u>18,495</u>	<u>1</u>	<u>31</u>	<u>-</u>
Income before income tax	<u>797,666</u>	<u>21</u>	<u>725,899</u>	<u>22</u>
7950 Less: Income tax expenses (note 6(l))	<u>(114,602)</u>	<u>(3)</u>	<u>(136,255)</u>	<u>(4)</u>
Net income	<u>683,064</u>	<u>18</u>	<u>589,644</u>	<u>18</u>
Other comprehensive income:				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Remeasurements of defined benefit plans	1,159	-	241	-
8330 Share of remeasurements of defined benefit plans of associates accounted for using equity method	1,513	-	(977)	-
8349 Income tax related to items that may be reclassified subsequently to profit or loss	<u>(232)</u>	<u>-</u>	<u>(48)</u>	<u>-</u>
	<u>2,440</u>	<u>-</u>	<u>(784)</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations	(17,974)	(1)	(7,753)	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(17,974)</u>	<u>(1)</u>	<u>(7,753)</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>(15,534)</u>	<u>(1)</u>	<u>(8,537)</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 667,530</u>	<u>17</u>	<u>581,107</u>	<u>18</u>
Earnings per share (in New Taiwan dollars) (note 6(n)):				
9750 Basic earnings per share	<u>\$ 4.77</u>		<u>4.12</u>	
9850 Diluted earnings per share	<u>\$ 4.74</u>		<u>4.09</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 Changes in Equity

For the years ended December 31, 2021 and 2020

(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, 2020	\$ 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	-	-	-	-	-	-	(7,753)	(784)	(8,537)	(8,537)
Total comprehensive income (loss) in 2020	-	-	-	-	589,644	589,644	(7,753)	(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
Appropriation of earnings:										
Legal reserve	-	-	58,873	-	(58,873)	-	-	-	-	-
Special reserve	-	-	-	8,537	(8,537)	-	-	-	-	-
Cash dividends	-	-	-	-	(500,718)	(500,718)	-	-	-	(500,718)
Cash dividends from capital surplus	-	(71,531)	-	-	-	-	-	-	-	(71,531)
Changes in ownership interest in subsidiaries	-	2,764	-	-	-	-	-	-	-	2,764
Net income in 2021	-	-	-	-	683,064	683,064	-	-	-	683,064
Other comprehensive income (loss) in 2021	-	-	-	-	-	-	(17,974)	2,440	(15,534)	(15,534)
Total comprehensive income (loss) in 2021	-	-	-	-	683,064	683,064	(17,974)	2,440	(15,534)	667,530
Balance at December 31, 2021	\$ 1,430,623	528,355	1,128,264	57,939	1,360,507	2,546,710	(68,916)	(4,557)	(73,473)	4,432,215

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, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 797,666	725,899
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	74,767	79,044
Amortization	1,962	2,414
Reversal of impairment loss	(8,299)	-
Share of loss (gain) of subsidiaries accounted for using equity method	(12,961)	15,042
Loss on disposal of property, plant and equipment	281	287
Interest expense	17	35
Interest income	(2,966)	(6,483)
Unrealized (realized) gross profit on sales to subsidiaries	42,871	(5,345)
<b>Total non-cash profit and loss</b>	<u>95,672</u>	<u>84,994</u>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Financial assets at fair value through profit or loss	691	(12,093)
Notes and accounts receivable	(494,424)	108,245
Accounts receivable from related parties	(17,148)	(10,391)
Inventories	(539,164)	(13,779)
Prepayments and other current assets	(11,934)	5,845
<b>Net changes in operating assets</b>	<u>(1,061,979)</u>	<u>77,827</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(444)	418
Notes and accounts payable	414,491	(86,270)
Accounts payable to related parties	359	(299)
Other payables	38,561	(16,948)
Provisions – current	1,673	(1,946)
Other current liabilities	793	6,383
Net defined benefit liabilities	(22)	(3,782)
<b>Net changes in operating liabilities</b>	<u>455,411</u>	<u>(102,444)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(606,568)</u>	<u>(24,617)</u>
Cash provided by operations	286,770	786,276
Income taxes paid	(115,376)	(44,930)
<b>Net cash provided by operating activities</b>	<u>171,394</u>	<u>741,346</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, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at amortised cost	(10,319)	(396)
Proceeds from disposal of financial assets at amortised cost	-	149,900
Additions to property, plant and equipment (including prepayments for equipment)	(34,084)	(41,115)
Proceeds from disposal of property, plant and equipment	1,647	269
Additions of intangible assets	(11,659)	(253)
Interest received	<u>2,966</u>	<u>8,628</u>
Net cash flows (used in) provided by investing activities	<u>(51,449)</u>	<u>117,033</u>
<b>Cash flows from financing activities:</b>		
Payment of lease liabilities	(1,049)	(1,032)
Cash dividends distributed to shareholders	(572,249)	(643,780)
Interest paid	<u>(17)</u>	<u>(35)</u>
Net cash flows used in financing activities	<u>(573,315)</u>	<u>(644,847)</u>
Net increase (decrease) in cash and cash equivalents	(453,370)	213,532
Cash and cash equivalents at beginning of year	<u>1,837,648</u>	<u>1,624,116</u>
Cash and cash equivalents at end of year	<u>\$ 1,384,278</u>	<u>1,837,648</u>

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

## Appendix 4

### Flytech Technology Co., Ltd.

#### Statement of earnings distribution in 2021

Unit: NT\$

Item	Amount	
	Subtotal	Total
Opening undistributed earnings	\$ 677,442,918	
Add: 2021 after-tax net profit	683,063,937	
Less: 10% as legal reserve	(68,306,394)	
Less: special reserve	<u>(15,534,351)</u>	
Distributable earnings		\$ 1,276,666,110
Distribution		
Cash dividends for shareholders (NT\$ 4/share)	<u>572,249,296</u>	
Total of amount paid		<u>572,249,296</u>
Closing undistributed earnings		<u>\$ 704,416,814</u>

**Chairman: Lam Tai Seng**

**Manager: Chuo Chun  
Hung**

**Accountant in charge: Lee  
Mei-Hui**

## Appendix 5

### Flytech Technology Co., Ltd.

#### Mapping of the “Operational Procedures for Loaning of Company Funds” before and after amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
Article 13	<p>Control Procedures on Third Party Lending by Subsidiaries</p> <p><b><u>All the company’s subsidiaries whose voting shares of 100% are directly or indirectly held by the company and companies whose voting shares of more than 90% are directly and indirectly held by the Company</u></b> shall not engage in loaning of funds to others.</p>	<p>Control Procedures on Third Party Lending by Subsidiaries</p> <ol style="list-style-type: none"> <li><b><u>In addition to the subsidiaries specified in Paragraph 2, all the company’s subsidiaries required to prepare consolidated statements in accordance with the International Accounting Standards (IAS)</u></b> shall not engage in the loaning of funds to others.</li> <li><b><u>Public companies’ subsidiaries shall set up the “Regulations Governing Loaning of Funds” in accordance with the provisions in the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.” Upon approval by the company’s chairman, handling shall be carried out in accordance with the established regulations.</u></b></li> </ol>	Amendments to subsidiary control procedures

## Appendix 6

### Flytech Technology Co., Ltd.

#### Mapping of the “Operational Procedures for Endorsements and Guarantees” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
Article 20	Control procedures over subsidiaries in endorsements/guarantees <b><u>All the company’s subsidiaries whose voting shares of 100% are directly or indirectly held by the company and companies whose voting shares of more than 90% are directly and indirectly held by the Company</u></b> shall not engage in endorsements and guarantees.	Control procedures over subsidiaries in endorsements/guarantees 1. <b><u>In addition to the subsidiaries specified in Paragraph 2, all the company’s subsidiaries required to prepare consolidated statements in accordance with the International Accounting Standards (IAS)</u></b> shall not engage in endorsements and guarantees. 2. <b><u>Public companies’ subsidiaries shall set up the “Regulations Governing Making of Endorsements/Guarantees” in accordance with the provisions in the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.” Upon approval by the company’s chairman, handling shall be carried out in accordance with the established regulations.</u></b>	Amendments to subsidiary control procedures
Article 13	Information disclosure procedure 1. <b><u>Where the funds loaned by the Company are up to any one among those standards/criteria enumerated below, the Company shall input the data into the Market Observation Post System (MOPS) within two days after occurrence of the facts.</u></b> 2. The following is omitted.	Information disclosure procedure 1. <b><u>The Company shall, not later than the 10th day of every month, input the balance of endorsements/guarantees rendered by the Company and its subsidiaries to the Market Observation Post System (MOPS).</u></b> 2. The following is omitted.	The text in Paragraph 1 contains mis-posted errors. It has been revised and corrected.



## Appendix 7

### Flytech Technology Co., Ltd.

#### Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
Article 4	<p>Definitions 1~9. Omitted. <del>10. The "one year" timeframe mentioned here dates back one year from the day asset is acquired or disposed. Transactions that have already been announced can be excluded.</del> <del>11. The term "latest financial statements" mentioned here shall refer to the Company's audited/auditor reviewed financial statements that were published prior to acquiring or disposing the assets.</del></p>	<p>Definitions 1~9. Omitted.</p>	<p>Separate explanations are already found in other articles. Revision and deletion have been made in conjunction with the public-version regulations.</p>
Article 6	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1~3. Omitted When issuing an appraisal report or expressing an opinion, the personnel specified in the preceding paragraph shall act as follows: 1. Omitted 2. When <b>examining</b> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <b>comprehensiveness, accuracy,</b> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <b>and accurate,</b> and that they have complied with applicable laws and regulations.</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1~3. Omitted When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall <b>comply with the self-regulatory rules issued by respective professional associations and</b> the following: 1. Omitted 2. When <b>executing</b> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <b>appropriateness</b> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <b>appropriate and</b> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>The procedures and responsibilities to be complied by external experts shall be explicitly stipulated in conjunction with public-version regulations.</p> <p>The text has been amended in conjunction with the public-version regulations.</p>

Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
Article 7	<p>Procedure for acquisition or disposal of real estate, equipment, or the right-of-use assets thereof</p> <p>1. Omitted</p> <p>2. Procedure for the decision of the condition for trade and authorized limit (1) ~ (3) omitted</p> <p>(4) Where the acquisition or disposition of assets may be subject to the approval of the Board under relevant internal procedures or other applicable laws, and where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. The Company may have established seats for Independent Directors, and shall refer the motion of acquisition or disposition of assets to the Board for discussion as required; the opinions of the Independent Directors shall be fully considered, <b><u>and the opinions of the Independent Directors in favor of or against the motions and the reasons kept as an integral part of the minutes of meeting on record of the Board.</u></b></p>	<p>Procedure for acquisition or disposal of real estate, equipment, or the right-of-use assets thereof</p> <p>1. Omitted</p> <p>2. Procedure for the decision of the condition for trade and authorized limit (1) ~ (3) omitted</p> <p>(4) Where the acquisition or disposition of assets may be subject to the approval of the Board under relevant internal procedures or other applicable laws, and where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. After the company appointed independent directors, the opinions of the independent directors should be fully taken into account at the time of proposing the “transactions of acquisition and disposal of assets” for discussion by the board of directors. <b><u>If an independent director has a dissenting or qualified opinion, it shall be stated in the board meeting minutes.</u></b> <b><u>After the company set up the Audit Committee, major assets or derivative commodity transactions shall be agreed to by more than 1/2 of all the Audit Committee members and shall be resolved by the board of directors before Article 17 can be applicable.</u></b></p>	<p>Text has been updated in conjunction with the public-version regulations.</p>

Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
	<p>3. Omitted</p> <p>4. Appraisal report of real estate or equipment (1) ~ (2) omitted</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be <del>engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</del> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p>3. Omitted</p> <p>4. Appraisal report of real estate or equipment (1) ~ (2) omitted</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p>In conjunction with the public-version regulations and in consideration to Article 6 Amended and updated Association self-discipline specifications to be complied by experts presenting their written opinions, which already cover procedures to be executed by CPAs that present written opinions, the text in the Financial Accounting Standards has been deleted.</p>
Article 8	<p>Procedure for Acquisition or Disposition of Assets</p> <p>1. Omitted</p> <p>2. Procedure for the decision of the condition for trade and authorized limit (1) The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company’s most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NTD300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. <del>The CPA that needs to adopt the report of an expert shall have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation.</del> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p>	<p>Procedure for Acquisition or Disposition of Assets</p> <p>1. Omitted</p> <p>2. Procedure for the decision of the condition for trade and authorized limit (1) The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company’s most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NTD300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p>	<p>The reasons for amendment are the same as those of Article 7.</p>

Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
	<p>(2) ~ (3) Omitted                      (4) Where the acquisition or disposition of assets may be subject to the approval of the Board under relevant internal procedures or other applicable laws, and where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. The Company may have established seats for Independent Directors, and shall refer the motion of acquisition or disposition of assets to the Board for discussion as required; the opinions of the Independent Directors shall be fully considered, <b><u>and the opinions of the Independent Directors in favor of or against the motions and the reasons kept as an integral part of the minutes of meeting on record of the Board.</u></b></p>	<p>(2) ~ (3) Omitted                      (4) Where the acquisition or disposition of assets may be subject to the approval of the Board under relevant internal procedures or other applicable laws, and where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. After the company appointed independent directors, the opinions of the independent directors should be fully taken into account at the time of proposing the “transactions of acquisition and disposal of assets” for discussion by the board of directors. <b><u>If an independent director has a dissenting or qualified opinion, it shall be stated in the board meeting minutes.</u></b> <b><u>After the company set up the Audit Committee, major assets or derivative commodity transactions shall be agreed to by more than 1/2 of all the Audit Committee members and shall be resolved by the board of directors before Article 17 can be applicable.</u></b></p>	<p>Text has been updated in conjunction with the public-version regulations.</p>
<p>Article 9</p>	<p>Procedure for the acquisition or disposition of membership card or intangible assets                      1. Omitted                      2. Procedure for the decision of the condition for trade and authorized limit                      (1) Omitted                      (2) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. <del>The certified public accountant shall render such an opinion in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</del></p>	<p>Procedure for the acquisition or disposition of membership card or intangible assets                      1. Omitted                      2. Expert's report on memberships or intangible assets                      (1) Omitted                      (2) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>The reasons for amendment are the same as those of Article 7.</p>

Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
	<p>(3) Omitted                      (4) Where the acquisition or disposition of assets may be subject to the approval of the Board under relevant internal procedures or other applicable laws, and where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. The Company may have established seats for Independent Directors, and shall refer the motion of acquisition or disposition of assets to the Board for discussion as required; the opinions of the Independent Directors shall be fully considered, <b><u>and the opinions of the Independent Directors in favor of or against the motions and the reasons kept as an integral part of the minutes of meeting on record of the Board.</u></b></p>	<p>(3) Omitted                      (4) Where the acquisition or disposition of assets may be subject to the approval of the Board under relevant internal procedures or other applicable laws, and where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. After the company appointed independent directors, the opinions of the independent directors should be fully taken into account at the time of proposing the “transactions of acquisition and disposal of assets” for discussion by the board of directors. <b><u>If an independent director has a dissenting or qualified opinion, it shall be stated in the board meeting minutes.</u></b>  <b><u>After the company set up the Audit Committee, major assets or derivative commodity transactions shall be agreed to by more than 1/2 of all the Audit Committee members and shall be resolved by the board of directors before Article 17 can be applicable.</u></b></p>	<p>Text has been updated in conjunction with the public-version regulations.</p>
<p>Article 9-1</p>	<p>The transactions amount <b><u>in the first three clauses</u></b> should be calculated in accordance with Subparagraph (5), Paragraph 1, Article 14. Also, the alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the <b><u>guidelines</u></b>.</p>	<p>The transactions amount <b><u>calculated from the Article 7 to Article 9</u></b> shall comply with Subparagraph (5), Paragraph 1, Article 14. Also, the alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the <b><u>Procedures</u></b>.</p>	<p>Text amendment</p>

Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
Article 10	<p>Interested Party Transaction</p> <ol style="list-style-type: none"> <li>1. Omitted</li> <li>2. Assessment and operation procedure               <ol style="list-style-type: none"> <li>(1) ~ (6) Omitted</li> <li>(7) The restrictions and other important stipulations of the transaction.  <u>The calculation of the aforementioned amount shall conform to the requirement of I-(V) in Article 14. Within a period of one year as referred to shall be the period of 1 year from the day of deed in retrospect. The portion that has already been presented to the Board for resolution for ratification under This Procedure could be excluded from the calculation.</u> <p>The Board of Directors may authorize the Chairman to grant preliminary approval, and report to the nearest Board meeting for ratification, for the following transactions between the Company and its parent company or subsidiaries, or between its subsidiaries that wholly own outstanding stocks or share capital according to the amount limit, level, and enforcement unit set forth in the Company’s “Authority Matrix,” and the transaction processes prescribed under the policy of the internal control system.</p> <ol style="list-style-type: none"> <li>1. Acquire or dispose of equipment or the right-of-use assets that are for business use.</li> <li>2. Acquire or dispose of real property or the right-of-use assets that are for business use.</li> </ol> <p>Where the position of independent director has been created in accordance with the <u>provisions of the Act</u>, when reported to the Board for discussion in accordance with previous paragraph, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.</p> </li> </ol> </li> </ol>	<p>Interested Party Transaction</p> <ol style="list-style-type: none"> <li>1. Omitted</li> <li>2. Assessment and operation procedure               <ol style="list-style-type: none"> <li>(1) ~ (6) Omitted</li> <li>(7) The restrictions and other important stipulations of the transaction.                  The Board of Directors may authorize the Chairman to grant preliminary approval, and report to the nearest Board meeting for ratification, for the following transactions between the Company and its parent company or subsidiaries, or between its subsidiaries that wholly own outstanding stocks or share capital according to the amount limit, level, and enforcement unit set forth in the Company’s “Authority Matrix,” and the transaction processes prescribed under the policy of the internal control system.                 <ol style="list-style-type: none"> <li>1. Acquire or dispose of equipment or the right-of-use assets that are for business use.</li> <li>2. Acquire or dispose of real property or the right-of-use assets that are for business use.</li> </ol> <p>Where the position of independent director has been created in accordance with the <u>regulations</u>, when reported to the Board for discussion in accordance with preceding paragraph, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.</p> <p><u>Provided the Audit Committee has been set up, matters to be acknowledged by the Audit Committee shall be agreed by more than 1/2 of all the Audit Committee members and shall be resolved by the board of directors before the provisions in Article 17 shall be applicable.</u></p> </li> </ol> </li> </ol>	<p>In conjunction with the public-version regulations, Paragraph 3 and Paragraph 5 of the existing article have been moved to Paragraph 2 and Paragraph 4 of the amended article.</p> <p>Text amendment</p> <p>Text in conjunction with the public-version regulations has been updated.</p>

Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
		<p><u>When the Company or the Company’s subsidiary that is not itself a public company in Taiwan has conducted any transactions as specified in Paragraph 1 for a transaction amount exceeding 10% of the Public Companies’ total assets, the Company shall have the information as stated in Paragraph 1 submitted to the shareholder meeting for approval before having the transaction contract signed and payment made. Except the transactions between the Company and the parent company, subsidiaries or among the subsidiaries.</u></p> <p><u>The calculation of the aforementioned amount shall conform to the requirement of Subparagraphs (5), Paragraph 1 of Article 14. Within a period of one year as referred to shall be the period of 1 year from the day of deed in retrospect. The portion that has already been presented to the shareholders meeting, Board of Directors for resolution for ratification under This Procedure could be excluded from the calculation.</u></p>	<p>Paragraph 5 The inclusion and submission of the calculation of corrected trading amounts to the shareholders meeting for approval has been updated in the public-version regulations.</p> <p>The existing article has been moved to the last paragraph.</p>
Article 10	<p>3. Evaluation on reasonable cost of transactions            (1) ~ (4) Omitted            (5)            1. Omitted            2. Where an audit committee has been established in accordance with the <b>provisions of the Act</b>, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</p>	<p>3. Evaluation on reasonable cost of transactions            (1) ~ (4) Omitted            (5)            1. Omitted            2. Where an audit committee has been established in accordance with the <u>regulations</u>, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</p>	Text amendment

Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
Article 14	<p>Information disclosure procedure</p> <p>1. Mandatory announcements and reporting standards (1) ~ (6) Omitted (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million, except for the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Trading of domestic government bonds.</li> <li>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</li> </ol>	<p>Information disclosure procedure</p> <p>1. Mandatory announcements and reporting standards (1) ~ (6) Omitted (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million, except for the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Trading of domestic government bonds <b><u>or foreign government bonds with a credit rating not below the sovereignty rating of our government.</u></b></li> <li>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <b><u>foreign government bonds, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or</u></b> redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</li> </ol>	<p>In conjunction with the public-version regulations, relaxed foreign bonds whose trading bond issue rating is no lower than Taiwan’s sovereign rating shall be exempted from announcement and declaration handling.</p>



Appendix 7 (continued)

Flytech Technology Co., Ltd.

Mapping of the “Procedure for Acquisition and Disposition of Assets” before and after the amendment

Clause	Original clause	Clauses after amendment	Reason for amendment
Article 17	<p>Implementation and amendment The “Procedures for the Acquisition or Disposal of Assets” of the Company shall be referred to the Audit Committee for consent and the Board for resolution, and be reported to the Shareholders Assembly for ratification before coming into force. The same procedure is applicable to any amendment thereto. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. The Company may have established seats for Independent Directors, and shall fully consider the opinions of the Independent Directors in the discussion of the “Procedure for Acquisition or Disposition of Assets” presented to the Board, <b><u>and keep the opinions in favor of or against the motions and the reasons as an integral part of the minutes of meeting on record of the Board.</u></b></p>	<p>Implementation and amendment The “Procedures for the Acquisition or Disposal of Assets” of the Company shall be referred to the Audit Committee for consent and the Board for resolution, and be reported to the Shareholders Assembly for ratification before coming into force. The same procedure is applicable to any amendment thereto. Where Directors may have adverse opinions on record or in written declaration, the Company shall refer to the Audit Committee. After the company appointed independent directors, the opinions of the independent directors should be fully taken into account at the time of proposing the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” for discussion by the board of directors. <b><u>If an independent director has a dissenting or qualified opinion, it shall be stated in the board meeting minutes. Where an audit committee has been established, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></b></p>	<p>The articles have been amended in conjunction with the public-version regulations.</p>

## Appendix 8

# Flytech Technology Co., Ltd.

## Company Corporate Charter

### 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 company's director 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 22nd amendment was implemented on June 8, 2017.

The 23rd amendment was implemented on June 8, 2018.

The 24th amendment was implemented on June 10, 2020.

The 25th amendment was implemented on July 7, 2021.

## Appendix 9

### **Flytech Technology Co., Ltd.** **Rules of Procedure for Shareholder Meetings**

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.
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, at the same time, relevant information such as the number of non-voting rights and the number of shares present will be announced. 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 4 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, and the unelected 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 10

### 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	28,441,728

2. Directors shareholding list:

Title	Name	Shareholdings registered in the registry of shareholders	Note
Chairman	Lam, Tai Seng	16,423,263	
Director	Wang, Wei Wei	11,040,443	
Director	Yi Hua Investment Limited Representative : Chuo, Chun-Hung	78,022	
Director	Flytech foundation Representative : Shyu, Jia-Horng	900,000	
Independent director	Hsieh, Han Chang	0	
Independent director	Liang, Wei Ming	0	
Independent director	Chiu, Yi-Chia	0	

Book closure day: April 10, 2022