

Stock code:
2485



**Handbook for the 2021
Annual Meeting of
Shareholders**

Meeting Time: June 16, 2021

**Place: 2, Wen Hua Road, HsinChu
Industrial Park, Hsinchu Hsien 303,
Taiwan (R.O.C.) (The Company's Hsinchu Plant)**

Table of Contents

One. Meeting Procedure	1
Two. Meeting Agenda.....	2
Three. Management Presentation (Company Reports).....	4
Four. Proposed Resolution	5
Five. Discussion.....	6
Six. Elections	9
Seven. Other Motions	10
Eight. Questions and Motions	10
Nine. Attachments	
I. Business Report 2020	11
II. The Company's independent auditor's report and financial statements 2020	15
III. Deficit Compensation Statement 2020	40
IV. Cross Reference Table for “Code of Ethical Conduct” Before/After Amendments.....	41
V. Cross Reference Table for “Operating Procedure for Loaning of Funds to Others” Before/After Amendments	43
VI. Cross Reference Table for “Operating Procedure for making of Endorsements/Guarantees” Before/After Amendments	50
Ten. Appendices	
I. “Rules of Procedure for Shareholders’ Meeting”	54
II. “Articles of Incorporation”	58
III. “Regulations for Election of Directors”	66
IV. “Operating Procedure for Loaning of Funds to Others”	68
V. “Operating Procedures for Making Endorsements and Guarantees”	73
VI. Number of Shares Held by Individual Directors and Whole Directors in the Roster of Shareholders	78

Zinwell Corporation

One. Meeting Procedure

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Management Presentation (Company Reports)
- IV. Proposed Resolution
- V. Discussion
- VI. Elections
- VII. Other Motions
- VIII. Questions and Motions
- IX. Adjournment

Zinwell Corporation

Two. Meeting Agenda

- I. Time: June 16, 2021 (Wednesday), 9:00AM
- II. Place: No. 2, Wenhua Rd., Hsinchu Industrial Park, Hsinchu County (the Company's Hsinchu Plant)
- III. Call the Meeting to Order
- IV. Chairperson Remarks
- V. Management Presentation (Company Reports)
 1. Business Report 2020.
 2. Audit Committee's Review Report on the Financial Statements 2020.
 3. The status in the Company's making of endorsements and guarantees until December 31, 2020.
 4. Amendments to certain provisions of the Company's "Code of Ethical Conduct."
- VI. Proposed Resolution
 1. Financial statements 2020.
 2. Deficit compensation statement 2020.
- VII. Discussion
 1. Amendments to certain provisions of the Company's "Operating Procedure for Loaning of Funds to Others."
 2. Amendments to certain provisions of the Company's "Operational Procedures for Making of Endorsements and Guarantees."
 3. In response to the business and financial plans of the subsidiary, AkiraNET Co., the Company may execute the planning for the stock release to the subsidiary in batches and waive the right to participate in the cash capital increase project with respect to the subsidiary.
- VIII. Elections

By-election of independent directors.
- IX. Other Motions

Termination of the non-competition ban imposed on new directors.

X. Questions and Motions

XI. Adjournment

Three. Management Presentation (Company Reports)

I. Business Report 2020.

Explanation: For the business report 2020, please refer to Attachment 1 on Page 8 herein.

II. Audit Committee's Review Report on the Financial Statements 2020.

Zinwell Corporation Audit Committee's Review Report

The Board of Directors prepares the Company's 2020 business report, financial statements (including parent company only and consolidated financial statements) and deficit compensation statement. Among them, the financial statements have already been audited by Yi-Chang Liang, CPA and Se-Kai Lin, CPA of PwC Taiwan appointed by the Board of Directors. Said CPAs also issued an audit report accordingly. We have reviewed said business report, financial statements and deficit compensation statement and consider that they should comply with relevant statutes or regulations in all respects. Therefore, we issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

Best Regards,

General Shareholders' Meeting 2021

Zinwell Corporation

Convener of Audit Committee: Ming-Yu Huang

March 17, 2021

III. The status in the Company's making of endorsements and guarantees until December 31, 2020.

Explanation:

1. Until December 31, 2020, under the limit of endorsements/guarantees made for the subsidiary, ZINWELL CORPORATION (H.K.) LIMITED, NT\$100 million and US\$4.8 million, respectively, US\$190,000 has been disbursed.
2. Until December 31, 2020, under the limit of endorsements/guarantees made for the subsidiary, ZINWELL CORPORATION (H.K.) LIMITED, NT\$200 million and US\$12 million, respectively, \$0 has been disbursed.
3. Until December 31, 2020, under the limit of endorsements/guarantees made for the tariff of Zinwell Corporation, NT\$10 million, NT\$10 million has been disbursed.

IV. Amendments to certain provisions of the Company's "Code of Ethical Conduct".

Explanation:

1. In response to the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed Companies amended according to the FSC's letter under FSC-Securities-Issuance No. 1090338980 dated May 29, 2020, certain provisions in the Company's "Code of Ethical Conduct" are amended.
2. Enclosed please find the Company's Cross Reference Table for "Code of Ethical Conduct" Before/After Amendments (Please refer to Attachment 4 on Page 35).

Four. Proposed Resolution

Case No. 1: Financial statements 2020.

Submitted by the Board of directors

Explanation:

1. The Company's financial statements 2020, including business report, parent company only and consolidated financial statements. Among them, the financial statements have already been audited by Yi-Chang Liang, CPA and Se-Kai Lin, CPA of PwC Taiwan appointed by the Board of Directors. Said CPAs also issued an audit report accordingly. Also, the business report (please refer to Attachment 1 on Page 8 herein) and financial statements have been approved by the Board and reviewed by the Audit Committee, which issued the review report (please refer to Page 3 herein).
2. Parent Company Only and Consolidated Financial Statements, and Independent Auditor's Report 2020 (Please refer to Attachment 2 on Page 11 herein).

Resolution:

Case No. 2: Deficit compensation statement 2020. Submitted by the Board of directors

Explanation:

1. In consideration of the loss after tax 2020, the Company doesn't plan to distribute stock dividends.
2. Deficit Compensation Statement 2020 (please refer to Attachment 2 on Page 34 herein).

Resolution:

Five. Discussion

Case No. 1: Amendments to certain provisions of the Company's "Operating Procedure for Loaning of Funds to Others". Submitted by the Board of directors

Explanation:

1. Amendments to certain provisions of the Company's "Operating Procedure for Loaning of Funds to Others".
2. Cross Reference Table for "Operating Procedure for Loaning of Funds to Others" Before/After Amendments (please refer to Attachment 5 on Page 37 herein).
3. Respectfully submitted.

Resolution:

Case No. 2: Amendments to certain provisions of the Company's "Operating Procedures for Making of Endorsements and Guarantees".

Submitted by the Board of directors

Explanation:

1. Amendments to certain provisions of the Company's "Operating Procedures for Making of Endorsements and Guarantees".
2. Cross Reference Table for "Operating Procedure for Making of Endorsements/Guarantees" Before/After Amendments (please refer to Attachment 6 on Page 41 herein).
3. Respectfully submitted.

Resolution:

Case No. 3: In response to the business and financial plans of the subsidiary, AkiraNET Co., the Company may execute the planning for the stock release to the subsidiary in batches and waive the right to participate in the cash capital increase project with respect to the subsidiary.

Explanation:

1. In response to the business development, talents recruitment and retention and introduction of strategic investors of the subsidiary, AkiraNET Co., insofar as the Company's control over AkiraNET remains the same and with respect to the planning for dispersion of shareholding after it applies for being listed on TWSE/TPEX, the Company plans to issue new shares through capital increase in cash (if any), in full or in batches, before AkiraNET is listed on TPEX. The Company may adopt the stock release or waive the right to subscribe for its shares, in whole or in part, issued through capital increase in cash, in full or in batch in the following manners:

- A. Waive the right to subscribe for new shares issued through capital increase in cash:

The price of new shares issued by AkiraNET through capital increase in cash shall be no less than the net worth per value referred to in the financial statements audited or certified by the CPA for the latest period before the meeting of its board of directors resolved the capital increase in cash. In consideration of the business development and talents recruitment and retention to upgrade the operating performance, except for 10%~15% of the new shares issued through the capital increase in cash to be retained pursuant to laws as those subscribable for by the employees of AkiraNET and controlling or affiliated companies meeting certain conditions, and those appropriated for public offering and undertaking under Article 28-1 of the Securities and Exchange Act and related laws in whole, the Company may waive the right to subscribe for the shares issued by AkiraNET through capital increase in cash and ask AkiraNet to have the new shares waived by the Company be open for subscription by specific person or persons through negotiation. An offer for subscription may be provided to any qualified shareholders of the Company, employees of the Company and its affiliates, strategic investors or financial investors who may benefit the business development of AkiraNET. Among the other things, the Company's qualified shareholders refer to those as recorded in the roster of shareholders on the latest date of suspension of transfer registration allowed to subscribe for the new shares issued by AkiraNET through capital increase in cash and in proportion to the shareholding held by them recorded therein (at that moment, the Company's shareholders may

apply for combination pursuant to the relevant regulations).
Notwithstanding, the issue price, negotiation with specific person and operating schedule for the capital increase in cash shall still be decided per the resolution adopted by the board of directors of AkiraNET.

B. Disposal of AkiraNET's shares:

The price at which the Company disposes of AkiraNET's shares shall be no less than the net worth referred to in the financial statements of AkiraNET audited or certified by the CPA for the latest period before the meeting of the board of directors resolved the capital increase in cash (provided that where the shares are already traded on TWSE/TPEX, the market value applicable then shall apply). In consideration of the business development and talents recruitment and retention to upgrade the operating performance, the trading counterparts in the Company's disposal of the shares held by it in AkiraNET are limited to any qualified shareholders of the Company, employees of AkiraNet, employees of the Company and its affiliates, strategic investors or financial investors who may benefit the business development of AkiraNET, in principle. The Company's Board of Directors is authorized by the shareholders' meeting to decide actual transaction price, negotiation with specific person and operating schedule subject to the market condition and AkiraNET's operations at that moment and apply the Company's procedure for acquisition or disposal of assets applicable then.

2. For the stock release required by AkiraNET's application for registration of listing on emerging stock market or TPEX in the future, the Company shall perform the operating procedures, such as appropriation of shares subscribable for by the securities houses and adoption of the over-allotment strategy, pursuant to the related laws and TPEX listing requirements. The number of shares to be appropriated and price thereof shall be agreed together with the underwriter based on related laws and TPEX listing requirements, market condition at that moment and status in operations of the TPEX listing under the plan.
3. Upon completion of the stock release or waiver of the right to subscribe for new shares issued through capital increase in cash for AkiraNet, a general shareholders' meeting will be required to authorize the Board of Directors to deal with the following movement with full power.
4. Respectfully submitted.

Resolution:

Six. Election

Summary: By-election of independent directors.

Submitted by the Board of directors

Explanation:

1. As Independent Director Hung Sha was dismissed on May 25, 2020, the by-election at the general shareholders' meeting 2021 was proposed pursuant to laws.
2. According to the Company's Articles of Incorporation, the nomination system shall be used for the election of the one independent director to be elected through by-election. The independent director shall be appointed by the shareholders' meeting from the name list of candidates for independent director. The new independent director shall hold the position immediately upon election at the general shareholders' meeting. The new independent director shall hold the position immediately after he is appointed by the general shareholders' meeting, from June 16, 2021 to June 11, 2022.
3. According to the Company's Articles of Incorporation, the Company adopted the candidate nomination system. Shareholders appointed the independent directors from the name list of candidates. The name list for candidates for independent directors are stated as following:

Name	Number of shares held	Academic background (experience)
Chun-Cheng Chen	0	Back background: Department of Accounting, Feng Chia University Graduated Institute of History, Tamkang University Experience: Vice President, the CID Group Supervisor, Flexium Interconnect, Inc. Current position: Independent Director, Asia Vital Components Co., Ltd. (AVC). Director, Taiwan Taxi Co., LTD. Supervisor, Han Yi Investment Co., Ltd. Supervisor, Paragon Semiconductor Lighting Technology Co., Ltd. Chairman of Board, TFAT AUDIO LTD. Chairman of Board, WSapc Ltd. Juristic person representative of director of Bosssdom Digiinnovation Co., Ltd.

4. Respectfully submitted.

Election Results:

Seven. Other Motions

Summary: Termination of the non-competition ban imposed on new directors.

Submitted by the Board of directors

Explanation:

1. According to Article 209-1 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
2. Considering that for business needs, a director is required to do anything for himself or on behalf of another person that is within the scope of the Company's business, the Company plans to apply for termination of the non-competition ban imposed on the new directors pursuant to Article 209-1 of the Company Act, and disclose the scope and contents on the site before the motion is under discussion at the shareholders’ meeting.
3. Respectfully submitted.

Resolution:

Eight. Questions and Motions

Adjournment

Nine. Attachments

[Attachment 1]

Zinwell Corporation 2020 Business Report

I. 2020 Business Report

1. Result of implementation of business plan

Unit: Thousand in New Taiwan Dollars; Earned Income per Share in New Taiwan Dollars

Item	2020	2019	Increase (Decrease) %
Net Operating Revenue	7,932,376	7,743,691	2.44
Gross profit	246,659	453,890	(45.66)
Operating loss	(199,861)	(85,003)	135.12
Non-operating income and	18,890	(57,153)	(133.05)
Net Income (Loss) after Tax	(151,162)	(116,859)	29.35
Earnings or Loss per share after	(0.48)	(0.37)	29.73

2. Execution of Budget

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to disclose the financial forecast information for the fiscal year 2020, therefore, it is not applicable.

3 Analysis of Financial Income and Expenditure and Profitability

The analysis of financial income and expenses and profitability are as follows:

Item		2020	2019
Net cash inflow (outflow) from operating activities (in		974,441	443,066
Financial Structure	Debt to total assets ratio (%)	25.58	25.09
	Long-term capital to property, plant and	233.58	333.56
Liquidity Analysis	Liquidity ratio (%)	277.15	237.24
	Quick ratio (%)	199.36	203.53
	Times interest earned	(789.67)	(4,306.76)
Profitability	Return on Assets (%)	(1.83)	(1.33)
	Return on equity (%)	(2.39)	(1.73)
	Net profit margin (%)	(1.97)	(1.51)
	Earnings or Loss per share after tax (NT\$)	(0.48)	(0.37)

4. Research & Development

In FY2020, NT\$207.56 million R&D, The research and development results are also on track with the company's scheduled progress.

II. Summary of Business Plan for 2021

1. Operation Policies

- (1) Combine the external technology with the Company's R&D resources to develop products that are competitive and meet the demands of customers and the market.
- (2) Continue to promote business opportunities for derivative products by strengthening product development projects with the operators.
- (3) Enhance the management efficiency of the plant and continuously optimize the production process and production technology to reduce costs and increase the yield.
- (4) Introduce automation and labor saving in production operations to reduce labor demand.

2. Sales Forecast and its Basis

In 2020, the global economy was affected by the political and economic conflicts between the U.S. and China and the COVID19 pandemic, resulting in a shortage of materials in the downstream electronics supply chain; suppliers have raised prices and generally lengthened product lead times. The tight supply situation and rising raw material prices show no signs of abating in the first quarter of 2021, further affecting the company's physical economy.

Since the beginning of the pandemic last year, central banks around the world have implemented monetary easing, while the US has implemented an unprecedented unlimited QE policy resulting in an extended low interest rate environment. However, the spillover effect from the massive QE by central banks in Europe and the U.S., as well as the sharp rise in the exchange rate of New Taiwan Dollar in 2020 caused by the uncontrolled hot money, will remain difficult to be reversed in the near future. Based on the above-mentioned reasons, in response to the supply chain issues such as the increase of freight and raw material costs, although some of the company's costs have been passed on to the downstream customers, the increased exchange rate fluctuation caused by international hot money (the appreciation of the New Taiwan dollar and Renminbi against the U.S. dollar has more impact than expected) still affects the company's gross margin and operational performance.

The COVID19 pandemic has led to a dramatic increase in the number of remote workers,

causing organizations to re-examine whether their existing remote access infrastructure is secure enough and scalable. This in turn drives the development of related applications, while allowing consumers to be more demanding in terms of creating a networked environment and the quality of connection to the telecom terminal products. According to IEK's estimation from ITRI, Taiwan's communication equipment output is estimated to reach NT\$868 billion in 2021, up 4% from 2020, thanks to the upgrade of various types of network equipment including cell phones, WLAN, GPS, Ethernet LAN Switch, and Cable CPE products driven by 5G. In 2021, Wi-Fi 5 and Wi-Fi 6 shipments will cross over and the market will be replaced by Wi-Fi 6. Wi-Fi 6 will be the growth driver for Taiwan's communications industry in 2021, driving 4.8% growth in the wireless communications sector. In the other area of networking, fixed-line service providers will continue to expand FTTH network construction, promote 1Gbps+ services for home users, and introduce new generation 10G PON networks. The next generation 10G PON network is expected to have a positive impact on the industry.

As the COVID19 pandemic continues to spread, coupled with ongoing global political and economic conflicts, these unanticipated events have not only changed business models and reshaped industry value chains, but also made it more difficult to predict customer demand and behavior. To this end, the company will carefully address the impact of the outbreak on its customers' related business and operations.

III. The strategy and important production and sales policy of the Company for the future

- (1) We specialize in the manufacturing of communication network equipments and are actively developing towards the digital convergence industry with the concept of digital home.
- (2) We are committed to the automatic process for production and establish a perfect production mechanism; effectively reduce labor cost to increase the profitability.
- (3) Focus on product feature development to build product differentiation to avoid price competition in order to win business opportunities.
- (4) Improve the cost control and shorten the product development cycle.

IV. Impact from External competition, regulations and overall business environment

- (1) Impact from external competition: Product development in the networking industry is changing rapidly, but chip solutions are becoming more readily available, thus lowering the technology threshold; while product innovation is accelerating, if the company takes too long to develop products, it will miss the opportunity to enter the market. In recent years, the industry's gross profit has been compressed, and the Company needs to

continuously reduce costs and improve production efficiency in order to maintain its profitability.

- (2) Impact from the regulatory conditions: The Company complies with government policies and laws, and its finance, auditing and legal departments are well informed of important policy or legal changes in order to comply with regulations and global trends in order to ensure the smooth operation for the Company.
- (3) Impact from the overall business environment: Due to the increasing complexity of the overall business environment, the Company will consider the industry profile and observe the overall economic development when evaluating various resource investments and business strategies, and will integrate internal technology and development resources to seek the best business opportunities.

Thank you all, and we wish all shareholders

All the best!

Board Chairman:
Huang, Chi-Jui

Manager:
Lin, Ching-Hui

Accounting Supervisor:
H0, Wen-Shun

[Attachment 2]

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zinwell Corporation

Opinion

We have audited the accompanying balance sheets of Zinwell Corporation (the "Company") as of December 31, 2020 and 2019, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2020 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2020 financial statements are stated as follows:

Valuation of inventory

Description

Please refer to Note 4(12) for the details of the information on the accounting policies; Note 5(2)A for uncertainty of accounting estimates and assumption in relation to inventory valuation; and Note 6(4) for the details of the allowance for inventory valuation losses.

The Company is engaged mainly in manufacturing and selling digital cable and communication products. Given the short lifecycle of electronic products and strong competition in the market, there is a higher risk of inventory valuation losses. The Company uses judgements and estimates to determine the net realisable value of inventories at balance sheet date, and adopts the lower of cost and net realisable value using the item-by-item approach. Since the Company's inventory valuation is subject to management's judgment and the valuation amount is significant to the financial statements, inventory valuation was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of accounting policies on inventory valuation allowance, and checked whether the Company consistently applied the policy during the financial reporting periods.
2. Obtained the net realisable value reports for each inventory; confirmed that the calculation logic has been applied consistently; sampled and tested related parameters including sources of information of sales and purchase files; and recalculated allowance for inventory valuation losses using the item-by-item approach based on the lower of cost and net realisable value.
3. Tested inventory aging movement; sampled and tested movement of inventory and verified the correctness of the classification on inventory aging.
4. Regarding inventories wherein aging is greater than certain periods, assessed the reversal of inventory valuation and obsolescence loss and compared with the allowance for inventory valuation losses that was provided in prior year; and discussed with management for the valuation result and the reasonableness of allowance for inventory valuation losses.

Impairment assessment of accounts receivable

Description

Please refer to Note 4(8) for the details of the information on the accounting policies; Note 5(2)B for uncertainty of accounting estimates and assumptions in relation to impairment on accounts receivable; and Note 6(3) for the details of impairment on accounts receivable.

The Company's impairment loss of accounts receivable is assessed in accordance with IFRS 9, 'Financial instruments'. For company assessment, the company refers to the historical loss occurrence rate and takes into consideration the current economic conditions and the forecast ability to assess the expected default possibility.

Since the assessment of allowance for uncollectible accounts is subject to management's judgement and the valuation amount is significant to the financial statements, impairment assessment of accounts receivable was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding on credit quality of the Company's credit customers, and assessed the reasonableness of policies and procedures on provision for allowance for uncollectible accounts and classification of accounts receivable.
2. For those allowance of uncollectible accounts assessed as a Company, referred to historical loss occurrence rate and management's forward-looking adjustment information, and evaluated the adequacy of allowance for uncollectible accounts. Additionally, for those significant amounts, tested the collections after balance sheet date.

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 financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including 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 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Yi-Chang, Liang

Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2021

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ZINWELL CORPORATION AND SUBSIDIARIES
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets			December 31, 2020		December 31, 2019	
Notes			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 1,896,625	21	\$ 1,557,040	18
1150	Notes receivable, net	6(3)	5,212	-	808	-
1170	Accounts receivable, net	6(3)	1,869,107	21	2,607,182	30
1180	Accounts receivable-related parties	7	-	-	2,553	-
1200	Other receivables		19,899	-	24,763	-
1220	Current income tax assets	6(22)	32,424	1	57,101	1
130X	Inventories, net	6(4)	459,590	5	470,788	5
1410	Prepayments	6(5)	12,908	-	13,625	-
11XX	Total Current Assets		4,295,765	48	4,733,860	54
Non-current Assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	1,616	-	1,518	-
1550	Investments accounted for using equity method	6(6)	1,730,499	19	1,723,238	20
1600	Property, plant and equipment, net	6(7) and 8	2,336,394	26	1,978,618	22
1760	Investment property, net	6(8)	29,008	-	30,886	-
1780	Intangible assets, net		11,139	-	9,085	-
1840	Deferred income tax assets	6(22)	227,861	3	203,207	2
1900	Other non-current assets	6(9) and 8	324,715	4	130,015	2
15XX	Total Non-current Assets		4,661,232	52	4,076,567	46
1XXX	Total Assets		\$ 8,956,997	100	\$ 8,810,427	100

(Continued)

ZINWELL CORPORATION AND SUBSIDIARIES
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current Liabilities						
2130	Contract liabilities-current	6(16)	258,143	3	201,632	3
2150	Notes payable		90,435	1	105,364	1
2170	Accounts payable		974,889	11	720,645	8
2180	Accounts payable- related parties	7	641,627	7	682,350	8
2200	Other payables	6(10)	300,552	3	285,383	3
2300	Other current liabilities		11	-	8	-
21XX	Total Current Liabilities		2,265,657	25	1,995,382	23
Non-current Liabilities						
2550	Provisions for liabilities-non-current		20	-	20	-
2570	Deferred income tax liabilities	6(22)	37,241	1	41,130	-
2600	Other non-current liabilities	6(6)(10)(11)	188,916	2	174,007	2
25XX	Total Non-current Liabilities		226,177	3	215,157	2
2XXX	Total Liabilities		2,491,834	28	2,210,539	25
Equity Attributable to Owners of the Parent						
Share Capital		6(12)				
3110	Common stock		3,176,890	36	3,176,890	36
Capital Surplus		6(13)				
3200	Capital surplus		507,328	6	507,328	6
Retained Earnings		6(14)				
3310	Legal reserve		1,346,300	15	1,346,300	15
3320	Special reserve		117,161	1	117,161	2
3350	Undistributed retained earnings		1,460,163	16	1,617,394	19
Other Equity Interest		6(15)				
3400	Other equity interest		(142,679)	(2)	(165,185)	(2)
3XXX	Total Equity		6,465,163	72	6,599,888	75
Significant Contingent Liabilities and Unrecognised Contract Commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total Liabilities and Equity		\$ 8,956,997	100	\$ 8,810,427	100

The accompanying notes are an integral part of these parent company only financial statements.

ZINWELL CORPORATION AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

				Years ended December 31,			
		Notes	2020		2019		
Items			Amount	%	Amount	%	
4000	Sales revenue	6(16)and7	\$ 7,932,376	100	\$ 7,743,691	100	
5000	Operating Costs	6(4)(21) and7	(7,685,717)	(97)	(7,289,801)	(94)	
5900	Gross Profit		246,659	3	453,890	6	
	Operating Expenses	6(21) and7					
6100	Selling expenses		(89,320)	(1)	(115,453)	(1)	
6200	General and administrative expenses		(172,709)	(2)	(207,869)	(3)	
6300	Research and development expenses		(207,555)	(2)	(215,571)	(3)	
6450	Impairment gain determined in accordance with IFRS 9		23,064	-	-	-	
6000	Total Operating Expenses		(446,520)	(5)	(538,893)	(7)	
6900	Operating Loss		(199,861)	(2)	(85,003)	(1)	
	Non-operating Income and Expenses						
7100	Interest income	6(17)	25,308	-	35,469	-	
7010	Other income	6(18)	139,642	2	30,632	-	
7020	Other gains or losses	6(19)	(113,744)	(2)	(114,218)	(1)	
7050	Finance costs	6(20)	(6)	-	(33)	-	
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(32,310)	-	(9,003)	-	
7000	Total Non-operating Income and Expenses		18,890	-	(57,153)	(1)	
7900	Loss before Income Tax		(180,971)	(2)	(142,156)	(2)	
7950	Income tax benefit	6(22)	29,809	-	25,297	1	
8200	Loss for the Year		(\$ 151,162)	(2)	(\$ 116,859)	(1)	
	Other Comprehensive Income (Loss)						
	Items that may not be reclassified subsequently to profit or loss						
8311	Losses on remeasurements of defined benefit plans	6(11)	(\$ 7,771)	-	(\$ 11,463)	-	
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(2)	149	-	397	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	1,554	-	2,292	-	
8310	Components of other comprehensive loss that will be reclassified to profit or loss		(6,068)	-	(8,774)	-	
	Components of other comprehensive income (loss)that will be reclassified to profit or loss						
8361	Financial statement translation differences of foreign operations	6(15)	22,505	-	(52,057)	(1)	
8360	Components of other comprehensive income (loss)		22,505	-	(52,057)	(1)	

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

ZINWELL CORPORATION AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	that will be reclassified to profit or loss					
8300	Other comprehensive income (loss) for the year, net of tax					
		<u>\$</u>	<u>16,437</u>	<u>-</u>	<u>(\$ 60,831)</u>	<u>(1)</u>
8500	Total Comprehensive Loss for the Year					
		<u>(\$</u>	<u>134,725)</u>	<u>(2)</u>	<u>(\$ 177,690)</u>	<u>(2)</u>
	Loss Attributable to:					
9750	Basic Losses Per Share (In dollars) 6(23) Net loss					
		<u>(\$</u>	<u>0.48)</u>	<u>(\$</u>	<u>0.37)</u>	
9850	Diluted Losses Per Share (In dollars) 6(23) Net loss					
		<u>(\$</u>	<u>0.48)</u>	<u>(\$</u>	<u>0.37)</u>	

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

ZINWELL CORPORATION AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Notes	Equity attributable to owners of the parent									
	Capital surplus		Retained earnings				Other equity interest			Total equity
	Common stock	Additional paid-in capital	Changes in share of associates accounted for under equity method	Capital surplus, others	Legal reserve	Special reserve	Undistributed retained earnings	Financial statement translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
2019										
Balance at January 1, 2019	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ -	\$ 1,316,634	\$ 84,329	\$ 1,968,402	(\$ 113,128)	(\$ 4,032)	\$ 6,934,831
Loss for the year	-	-	-	-	-	-	(116,859)	-	-	(116,859)
Other income (loss) for the year	-	-	-	-	-	-	(9,171)	(52,057)	397	(60,831)
Total comprehensive income (loss) income	-	-	-	-	-	-	(126,030)	(52,057)	397	(177,690)
Other changes in capital surplus	-	-	-	1,592	-	-	-	-	-	1,592
Distribution of 2018 earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	29,666	-	(29,666)	-	-	-
Special reserve	-	-	-	-	-	32,832	(32,832)	-	-	-
Cash dividends	-	-	-	-	-	-	(158,845)	-	-	(158,845)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	(3,635)	-	3,635	-
Balance at December 31, 2019	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,617,394	(\$ 165,185)	\$ -	\$ 6,599,888
2020										
Balance at January 1, 2020	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,617,394	(\$ 165,185)	\$ -	\$ 6,599,888
Loss for the year	-	-	-	-	-	-	(151,162)	-	-	(151,162)
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(6,217)	22,505	149	16,437
Total comprehensive income (loss)	-	-	-	-	-	-	(157,379)	22,505	149	(134,725)
Changes in non-controlling interests for the year	-	-	-	-	-	-	-	-	-	-
value through other comprehensive income	-	-	-	-	-	-	148	-	(148)	-
Balance at December 31, 2020	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,460,163	(\$ 142,680)	\$ 1	\$ 6,465,163

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

ZINWELL CORPORATION AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2020	2019
<u>Cash flows from operating activities</u>			
Loss before tax		(\$ 180,971)	(\$ 142,156)
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation (investment properties and right-of-use assets included)	6(7)(8)		
	(21)	112,174	51,525
Amortization	6(21)	6,751	5,259
Expected credit gain	12(2)	(23,064)	-
Interest expense	6(20)	6	33
Interest income	6(17)	(25,308)	(35,469)
Dividend income	6(18)	(105)	(17)
Share of loss of associates and joint ventures	6(6)		
Accounted for using equity method		32,310	9,003
(Gain) loss on disposal of property, plant and equipment	6(19)	(1,179)	43,901
Gain on disposal of investments	6(19)	(3,398)	-
Impairment loss on financial assets	6(6)	218	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes and accounts receivable		759,288	91,339
Other receivables		8,862	13,511
Inventories		11,198	16,155
Prepayments		(12,908)	(13,625)
Other current assets		4,902	7,736
Net changes in liabilities relating to operating activities			
Contract liabilities-current		56,511	114,724
Notes and accounts payable		198,592	319,252
Other payables		(21,082)	(43,340)
Other current liabilities		3	-
Other non-current liabilities		(1,263)	(30,890)
Cash provided by operations		921,537	406,941
Interest received		25,308	35,469
Dividend received	6(18)	105	17
Interest paid		(6)	(33)
Income taxes refunded (paid)		27,497	(672)
Net cash provided by operating activities		974,441	443,066

(Continued)

ZINWELL CORPORATION AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2020	2019
<u>Cash flows from investing activities</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ 3,449	\$ 397
Investments accounted for using equity method	7(1)	(9,000)	-
Non-current prepayments for investments	6(9)and7(1)	(269,700)	
Acquisition of property, plant and equipment	6(24)	(431,843)	(256,238)
Proceeds from disposal of property, plant and equipment		1,201	15,764
Decrease in guarantee deposits paid		734	57,989
Acquisition of intangible assets		(4,080)	(2,200)
(Increase) decrease in other financial assets		-	368,592
Decrease (increase) in other non-current assets		(224)	(2,891)
Decrease in prepayments for business facilities		74,490	48,278
Net cash flows (used in) provided by investing activities		(634,973)	229,691
<u>Cash flows from financing activities</u>			
(Decrease) increase in guarantee deposits received	6(25)	117	(35)
Cash dividends paid	6(14)	-	(158,845)
Unclaimed cash dividends		-	1,592
Net cash used in financing activities		117	(157,288)
Increase in cash and cash equivalents		339,585	515,469
Cash and cash equivalents at beginning of year	6(1)	1,557,040	1,041,571
Cash and cash equivalents at end of year	6(1)	\$ 1,896,625	\$ 1,557,040

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zinwell Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Zinwell Corporation and its subsidiaries (the “Group”) as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards 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 Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

Valuation of inventory

Description

Please refer to Note 4(13) for the details of the information on the accounting policies; Note 5(2)A for uncertainty of accounting estimates and assumption in relation to inventory valuation; and Note 6(4) for the details of the allowance for inventory valuation losses.

The Group is engaged mainly in manufacturing and selling digital cable and communication products. Given the short lifecycle of electronic products and strong competition in the market, there is a higher risk of inventory valuation losses. The Group uses judgements and estimates to determine the net realisable value of inventories at balance sheet date, and adopts the lower of cost and net realisable value using the item-by-item approach. Since the Group's inventory valuation is subject to management's judgment and the valuation amount is significant to the financial statements, inventory valuation was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of accounting policies on inventory valuation allowance, and checked whether the Group consistently applied the policy during the financial reporting periods.
2. Obtained the net realisable value reports for each inventory; confirmed that the calculation logic has been applied consistently; sampled and tested related parameters including sources of information of sales and purchase files; and recalculated allowance for inventory valuation losses using the item-by-item approach based on the lower of cost and net realisable value.

3. Tested inventory aging movement; sampled and tested movement of inventory and verified the correctness of the classification on inventory aging.
4. Regarding inventories wherein aging is greater than certain periods, assessed the reversal of inventory valuation and obsolescence loss and compared with the allowance for inventory valuation losses that was provided in prior year; and discussed with management for the valuation result and the reasonableness of allowance for inventory valuation losses.

Impairment assessment of accounts receivable

Description

Please refer to Note 4(9) for the details of the information on the accounting policies; Note 5(2)B for uncertainty of accounting estimates and assumptions in relation to impairment on accounts receivable; and Note 6(3) for the details of impairment on accounts receivable.

The Group's impairment loss of accounts receivable is assessed in accordance with IFRS 9, 'Financial instruments'. For group assessment, the Company refers to the historical loss occurrence rate and takes into consideration the current economic conditions and the forecastability to assess the expected default possibility.

Since the assessment of allowance for uncollectible accounts is subject to management's judgement and the valuation amount is significant to the financial statements, impairment assessment of accounts receivable was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding on credit quality of the Group's credit customers, and assessed the reasonableness of policies and procedures on provision for allowance for uncollectible accounts and classification of accounts receivable.
2. For those allowance of uncollectible accounts assessed as a group, referred to historical loss occurrence rate and management's forward-looking adjustment information, and evaluated the adequacy of allowance for uncollectible accounts. Additionally, for those significant amounts, tested the collections after balance sheet date.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Zinwell Corporation as at and for the years ended December 31, 2020 and 2019.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

Yi-Chang, Liang

Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan
March 17, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ZINWELL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets			December 31, 2020		December 31, 2019	
Notes			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 2,262,244	26	\$ 1,656,530	20
1150	Notes receivable, net	6(3)	5,212	-	808	-
1170	Accounts receivable, net	6(3)	1,869,936	22	2,612,403	31
1200	Other receivables		20,583	-	33,730	-
1220	Current income tax assets	6(26)	32,424	-	57,101	1
130X	Inventories, net	6(4)	1,309,070	15	1,052,142	13
1410	Prepayments	6(5)	26,235	-	40,783	-
1470	Other current assets	6(5)	42,720	1	29,990	-
11XX	Total Current Assets		5,568,424	64	5,483,487	65
Non-current Assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	1,616	-	1,518	-
1550	Investments accounted for using equity method	6(6)	-	-	-	-
1600	Property, plant and equipment, net	6(7) and 8	2,768,052	32	2,507,941	30
1755	Right-of-use assets	6(8)	14,103	-	14,282	-
1760	Investment property, net	6(9)	29,008	-	11,670	-
1780	Intangible assets, net	6(10)(11)	11,139	-	16,704	-
1840	Deferred income tax assets	6(26)	228,165	3	203,506	3
1900	Other non-current assets	6(12) and 8	66,960	1	147,875	2
15XX	Total Non-current Assets		3,119,043	36	2,903,496	35
1XXX	Total Assets		\$ 8,687,467	100	\$ 8,386,983	100

(Continued)

ZINWELL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(13)	\$ 5,443	-	\$ 11,704	-
2130	Contract liabilities-current	6(20)	258,143	3	201,632	3
2150	Notes payable		90,435	1	105,492	1
2170	Accounts payable		1,289,134	15	938,965	11
2200	Other payables	6(14)	324,106	4	306,144	4
2230	Current income tax liabilities	6(26)	1,287	-	3,495	-
2300	Other current liabilities		40,611	-	3,880	-
21XX	Total Current Liabilities		2,009,159	23	1,571,312	19
Non-current Liabilities						
2550	Provisions for liabilities-non-current		20	-	20	-
2570	Deferred income tax liabilities	6(26)	37,241	1	41,130	-
2600	Other non-current liabilities	6(15)	175,409	2	170,149	2
25XX	Total Non-current Liabilities		212,670	3	211,299	2
2XXX	Total Liabilities		2,221,829	26	1,782,611	21
Equity Attributable to Owners of the Parent						
Share Capital		6(16)				
3110	Common stock		3,176,890	37	3,176,890	38
Capital Surplus		6(17)				
3200	Capital surplus		507,328	6	507,328	6
Retained Earnings		6(18)				
3310	Legal reserve		1,346,300	15	1,346,300	16
3320	Special reserve		117,161	1	117,161	2
3350	Undistributed retained earnings		1,460,163	17	1,617,394	19
Other Equity Interest		6(19)				
3400	Other equity interest		(142,679)	(2)	(165,185)	(2)
31XX	Equity Attributable to Owners of the Parent		6,465,163	74	6,599,888	79
36XX	Non-controlling Interest		475	-	4,484	-
3XXX	Total Equity		6,465,638	74	6,604,372	79
Significant Contingent Liabilities and Unrecognised Contract Commitments		9				
3X2X	Total Liabilities and Equity		\$ 8,687,467	100	\$ 8,386,983	100

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

ZINWELL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSSES PER SHARE DATA)

Items	Notes	Years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
4000 Revenue	6(20)	\$ 7,937,362	100	\$ 7,779,711	100
5000 Operating Costs	6(4)	(7,665,928)	(96)	(7,270,804)	(94)
5900 Gross Profit		271,434	4	508,907	6
Operating Expenses	6(25)				
6100 Selling expenses		(107,248)	(1)	(137,678)	(2)
6200 General and administrative expenses		(226,402)	(3)	(271,210)	(3)
6300 Research and development expenses		(217,654)	(3)	(222,135)	(3)
6450 Impairment gain determined in accordance with IFRS 9	12(2)	21,031	-	-	-
6000 Total Operating Expenses		(530,273)	(7)	(631,023)	(8)
6900 Operating Loss		(258,839)	(3)	(122,116)	(2)
Non-operating Income and Expenses					
7100 Interest income	6(21)	26,894	-	38,078	1
7010 Other income	6(22)	192,663	3	69,788	1
7020 Other gains or losses	6(23)	(135,236)	(2)	(134,295)	(2)
7050 Finance costs	6(24)	(221)	-	(432)	-
7000 Total Non-operating Income and Expenses		84,100	1	(26,861)	-
7900 Loss before Income Tax		(174,739)	(2)	(148,977)	(2)
7950 Income tax benefit	6(26)	18,568	-	21,261	1
8200 Loss for the Year		(\$ 156,171)	(2)	(\$ 127,716)	(1)

(Continued)

ZINWELL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSSES PER SHARE DATA)

			Years ended December 31,			
			2020		2019	
Items	Notes		Amount	%	Amount	%
Other Comprehensive Income (Loss)						
8311	Losses on remeasurements of defined benefit plans	6(15)	(\$ 7,771)	-	(\$ 11,463)	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(2)	149	-	397	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	1,554	-	2,292	-
8310	Components of other comprehensive loss that will be reclassified to profit or loss		(6,068)	-	(8,774)	-
8361	Financial statement translation differences of foreign operations	6(19)	22,505	-	(52,057)	(1)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		22,505	-	(52,057)	(1)
8300	Other comprehensive income (loss) for the year, net of tax		\$ 16,437	-	(\$ 60,831)	(1)
8500	Total Comprehensive Loss for the Year		(\$ 139,734)	(2)	(\$ 188,547)	(2)
Loss Attributable to:						
8610	Owners of the parent		(\$ 151,162)	(2)	(\$ 116,859)	(1)
8602	Non-controlling interest		(5,009)	-	(10,857)	-
			(\$ 156,171)	(2)	(\$ 127,716)	(1)
Comprehensive Loss Attributable to:						
8710	Owners of the parent		(\$ 134,725)	(2)	(\$ 177,690)	(2)
8720	Non-controlling interest		(5,009)	-	(10,857)	-
			(\$ 139,734)	(2)	(\$ 188,547)	(2)
9750	Basic Losses Per Share (In dollars)	6(27)				
	Net loss		(\$ 0.48)		(\$ 0.37)	
9850	Diluted Losses Per Share (In dollars)	6(27)				
	Net loss		(\$ 0.48)		(\$ 0.37)	

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

ZINWELL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Notes	Equity attributable to owners of the parent									
	Capital surplus			Retained earnings			Other equity interest			
	Common stock	Additional paid-in capital	Changes in share of associates accounted for under equity method	Capital surplus, others	Legal reserve	Special reserve	Undistributed retained earnings	Financial statement translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Year ended December 31, 2019										
Balance at January 1, 2019	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ -	\$ 1,316,634	\$ 84,329	\$ 1,968,402	\$ (113,128)	\$ 4,032	\$ 6,934,831
Loss for the year	-	-	-	-	-	-	(116,859)	-	-	(116,859)
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(9,171)	(52,057)	397	(60,831)
Total comprehensive income (loss) income	-	-	-	-	-	-	(126,030)	(52,057)	397	(177,690)
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-
Distribution of 2018 earnings	-	-	-	1,592	-	-	-	-	-	1,592
Balance at December 31, 2019	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ -	\$ 1,346,300	\$ 117,161	\$ 1,617,394	\$ (165,185)	\$ -	\$ 6,599,888
Year ended December 31, 2020										
Balance at January 1, 2020	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,617,394	\$ (165,185)	\$ -	\$ 6,599,888
Loss for the year	-	-	-	-	-	-	(151,162)	-	-	(151,162)
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(6,217)	22,505	149	16,437
Total comprehensive income (loss)	-	-	-	-	-	-	(157,379)	22,505	149	(134,725)
Changes in non-controlling interests for the year	-	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,460,163	\$ (142,680)	\$ 148	\$ 6,465,163
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	\$ 3,176,890	\$ 503,594	\$ 2,142	\$ 1,592	\$ 1,346,300	\$ 117,161	\$ 1,460,163	\$ (142,680)	\$ 148	\$ 6,465,163

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

ZINWELL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31, 2020	2019
<u>Cash flows from operating activities</u>			
Loss before tax		(\$ 174,739)	(\$ 148,977)
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation (investment properties and right-of-use assets included)	6(7)(8)(9)(25)	234,638	194,304
Amortization	6(25)	9,495	11,040
Expected credit gain	12(2)	(21,301)	-
Interest expense	6(24)	221	432
Interest income	6(3)(21)	(26,894)	(38,078)
Dividend income	6(22)	(105)	(17)
(Gain) loss on disposal of property, plant and equipment	6(23)	(1,294)	43,618
Impairment loss on non-financial assets	6(10)(11)(23)	3,810	7,143
Gains on disposals of investments	6(23)	(3,715)	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes and accounts receivable		759,364	89,601
Other receivables		13,147	8,633
Inventories		(256,928)	478,939
Prepayments		10,888	28,122
Net changes in liabilities relating to operating activities			
Contract liabilities-current		56,511	114,724
Notes and accounts payable		335,112	(268,156)
Other payables		(18,586)	(70,299)
Other current liabilities		36,731	(9)
Other non-current liabilities		(2,226)	(30,889)
Cash provided by operations		954,129	420,131
Interest paid		(221)	(432)
Interest received		26,894	38,078
Dividend received	6(22)	105	17
Income taxes refunded (paid)		14,040	(31,006)
Net cash provided by operating activities		994,947	426,788

(Continued)

ZINWELL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2020	2019
<u>Cash flows from investing activities</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ 3,449	\$ -
Proceeds from disposal of subsidiaries		317	-
Acquisition of property, plant and equipment	6(28)	(469,515)	(398,532)
Proceeds from disposal of property, plant and equipment		2,310	16,401
Decrease in guarantee deposits paid		805	58,140
Acquisition of intangible assets	6(10)	(4,080)	(2,200)
(Increase) decrease in other financial assets		(12,730)	369,327
Decrease (increase) in other non-current assets		1,301	(8,565)
Decrease in prepayments for business facilities		78,932	64,094
Net cash flows (used in) provided by investing activities		(399,211)	98,665
<u>Cash flows from financing activities</u>			
(Decrease) increase in short-term borrowings	6(29)	(6,000)	6,308
(Decrease) increase in guarantee deposits received	6(29)	(291)	352
Cash dividends paid	6(18)	-	(158,845)
Changes in non-controlling interests		1,000	-
Unclaimed cash dividends		-	1,592
Net cash used in financing activities		(5,291)	(150,593)
Effects due to changes in exchange rate		15,269	(30,801)
Increase in cash and cash equivalents		605,714	344,059
Cash and cash equivalents at beginning of year	6(1)	1,656,530	1,312,471
Cash and cash equivalents at end of year	6(1)	\$ 2,262,244	\$ 1,656,530

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

[Attachment 3]

Zinwell Corporation
Loss Off-Setting for Fiscal Year 2020

Unit: New Taiwan Dollars

Item	Amount
Net loss after tax for 2020	(151,163,299)
Add: Retained earnings at beginning of the period	1,617,393,775
Less: Adjustments to retained earnings in 2020 – remeasurement of net defined benefit liability	(6,217,807)
Add: Adjustments to retained earnings for 2020 - Disposal of equity instruments measured at fair value through other comprehensive income	147,847
Accumulated retained earnings as of the end of 2020	1,460,160,516

Board Chairman:
Huang, Chi-Jui

Manager:
Lin, Ching-Hui

Accounting Supervisor:
H0, Wen-Shun

[Attachment 4]

Zinwell Corporation

Comparison of existing and revised "Ethical Behavior Guidelines"

Revised Article number	Before amendment	After amendment	Cause of amendment
Article 2	<p>In any of the following circumstances, an approval request shall be submitted to the Chairman for sign-off; matters of significant consequence will have to be resolved by the board of directors.</p> <p>(1) Prevention against conflict of interest:</p> <p>Directors and managers of the Company shall act in the overall interest of the organization, and shall refrain from any attempt to generate improper gains for self, spouse, parent, child, or 3rd degree relatives or closer, or undermine the Company's interests in any way. Any arrangement characterized as lending, endorsement, guarantee, major asset transaction, or purchase (sale) of goods between the Company and any business that the abovementioned parties are an affiliate of shall be carried out according to the Company's internal policies including "External Party Lending Procedures," "Endorsement and Guarantee Procedures," and "Asset Acquisition and Disposal Procedures" and rules of the authority. Directors or managers who are unable to act in accordance with the above rules shall take the initiative to explain to the board of</p>	<p>In any of the following circumstances, an approval request shall be submitted to the Chairman for sign-off; matters of significant consequence will have to be resolved by the board of directors.</p> <p>(1) Prevention against conflict of interest:</p> <p>Directors and managers of the Company shall act in the overall interest of the organization, and shall refrain from any attempt to generate improper gains for self, spouse, parent, child, or 2nd degree relatives or closer, or undermine the Company's interests in any way. Any arrangement characterized as lending, endorsement, guarantee, major asset transaction, or purchase (sale) of goods between the Company and any business that the abovementioned parties are an affiliate of shall be carried out according to the Company's internal policies including "External Party Lending Procedures," "Endorsement and Guarantee Procedures," and "Asset Acquisition and Disposal Procedures" and rules of the authority. Directors or managers who are unable to act in accordance with the above rules shall take the</p>	<p>1. Simplified wording considering that parents and children are 2nd degree relatives or closer.</p> <p>2. Revised wording to conform to Article 23 of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, which allows anonymous reporting.</p>

	<p>directors whether interests of their businesses are in conflict with those of the Company.</p> <p>(2) to (6) are unchanged.</p> <p>(7) Encouragement for the reporting of any action that is illegal or in violation of Ethical Behavior Guidelines:</p> <p>Employees are encouraged to report to appropriate personnel upon discovery of any action that violates laws or Ethical Behavior Guidelines. To encourage report of misconduct by employees, the Company shall follow appropriate procedures or systems and assure employees that it is fully committed to protecting informants from retaliation.</p>	<p>initiative to explain to the board of directors whether interests of their businesses are in conflict with those of the Company.</p> <p>(2) to (6) are unchanged.</p> <p>(7) Encouragement for the reporting of any action that is illegal or in violation of Ethical Behavior Guidelines:</p> <p>Employees are encouraged to report to appropriate personnel upon discovery of any action that violates laws or Ethical Behavior Guidelines. To encourage report of misconduct by employees, <u>the Company shall implement a whistleblowing system that allows anonymous reporting,</u> and assure employees that it is fully committed to protecting informants from retaliation.</p>	
Article 5	<p>The Guidelines shall be implemented once approved by the board of directors, and submitted for acknowledgment during shareholder meeting on a later date. The same applies to subsequent amendments.</p> <p>Version 1 Established on March 24, 2005</p> <p>Version 2 Amended on May 3, 2016</p>	<p>The Guidelines shall be implemented once approved by the board of directors, and submitted for acknowledgment during shareholder meeting on a later date. The same applies to subsequent amendments.</p> <p>Version 1 Established on March 24, 2005</p> <p>Version 2 Amended on May 3, 2016</p> <p><u>Version 3 Amended on November 4, 2020</u></p>	Added revision date.

[Attachment 5]

Zinwell Corporation

Comparison of changes to External Party Lending Procedures

Revised Article number	Before amendment	After amendment	Cause of amendment
Article 2	<p>Total and individual lending limits:</p> <p>(1) The sum of external party lending shall not exceed 50% of the Company's net worth, but the sum of external party lending granted to companies or businesses for short-term financing shall not exceed 40% of the Company's net worth.</p> <p>(2) Loans to individual companies or businesses that the Company has business dealing with shall not exceed the value of transactions between the two parties. Value of transactions refers to the amount of purchase or sale, whichever the higher, between two parties in the most recent year, and is capped at 20% of the Company's net worth.</p> <p>(3) Loans to companies or businesses that the Company has business dealing with or for the purpose of short-term financing shall not, on an</p>	<p>Total and individual lending limits:</p> <p>(1) The sum of external party lending shall not exceed 50% of the Company's net worth, but the sum of external party lending granted to companies or businesses for short-term financing shall not exceed 40% of the Company's net worth.</p> <p>(2) Loans to individual companies or businesses that the Company has business dealing with shall not exceed the value of transactions between the two parties. Value of transactions refers to the amount of purchase or sale, whichever the higher, between two parties in the most recent year, and is capped at 20% of the Company's net worth.</p> <p>(3) Loans to companies or businesses that the Company has business dealing with or for the purpose of short-term financing shall not, on an</p>	<p>Amended to conform to Article 3 of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," which removed the 40% net worth cap and the one-year tenor restriction on loans granted to a public company by foreign subsidiaries in which it holds 100% direct and indirect voting shares, and thereby provide additional flexibility for intra-group financing.</p> <p>The clause was added to conform to Paragraph 2, Article 15 of the Company Act, which requires subsidiary's person-in-charge to be held jointly liable for repayment and compensation for breach of external party lending rules.</p>

Revised Article number	Before amendment	After amendment	Cause of amendment
	<p>individual basis, exceed 20% of the Company's net worth.</p> <p>For lending between foreign subsidiaries in which the Company holds 100% direct and indirect voting shares, the amount of which is exempted from the restrictions stated in Subparagraphs 1 and 3, Paragraph 1, and shall comply with External Party Lending Procedures of the respective subsidiaries.</p>	<p>individual basis, exceed 20% of the Company's net worth.</p> <p>Lending between foreign subsidiaries in which the Company holds 100% direct and indirect voting shares, <u>or lending to the Company by foreign subsidiaries in which the Company holds 100% direct and indirect voting shares,</u> is exempted from the restrictions stated in Subparagraphs 1 and 3, Paragraph 1. <u>Details such as the aggregate loan limit, individual loan limit, and loan tenor</u> shall comply with External Party Lending Procedures of the respective subsidiaries.</p> <p><u>Subsidiary's person-in-charge shall be held jointly liable with the borrower for repayment in the event that terms of Paragraph 1 and the preceding Paragraph are breached. If the breach causes any damage to the subsidiary, the person-in-charge shall also be held liable for compensations.</u></p>	
Article 3-1		<p><u>Accounts that meet any of the following conditions shall be re-evaluated for reclassification into external party lending:</u></p> <p><u>1. Accounts receivable (related and non-related parties) of substantial amount that remain uncollected for 3 months past</u></p>	Added Article 3-1 according to Financial Supervisory Commission's amendment to "Q&A on Regulations Governing Loaning of Funds and

Revised Article number	Before amendment	After amendment	Cause of amendment
		<p><u>the normal credit term shall be reported to the Audit Committee at least on a quarterly basis. The Audit Committee may, with the support of more than half of committee members, raise a proposal to have the board of directors resolve whether the amount should be reclassified as external party lending. Amounts should be reclassified into external party lending unless there is evidence to prove that the Company has no intention of lending (such as proof of legal actions taken, proposal of feasible control measures etc.)</u></p> <p><u>2. The above rules shall also apply to accounts other than accounts receivable such as "other receivables," "prepayments," "guarantee deposits paid" etc. that are of substantial amount or special nature and remain uncollected 3 months after discovering that:</u></p> <p><u>1. no contractual relationship exists in relation to the amount paid; 2. the amount paid does not match the underlying contractual obligation, or; 3. the reason to make such a payment ceases to exist.</u></p> <p><u>3. Any of the abovementioned amounts that have been reclassified as external party lending shall be announced according to rules on the day of</u></p>	<p>Making of Endorsements/Guarantees by Public Companies" dated July 2020.</p>

Revised Article number	Before amendment	After amendment	Cause of amendment
		<u>board resolution.</u> <u>4. If the above reclassification of external party lending causes loan balance to exceed limits, an improvement plan shall be devised and executed according to the Regulations and presented to the Audit Committee for review.</u>	
Article 8	<p>Announcement and report:</p> <p>1. The Company is required to announce and report before the 10th calendar day each month the balance of loans granted by the Company and subsidiaries to external parties as at the previous month.</p> <p>2. Loans to external parties that satisfy any of the following criteria shall be announced and reported within two days from the date of occurrence:</p> <p>(1) When outstanding balance of loans granted to external parties by the Company and subsidiaries amounts</p>	<p>Announcement and report:</p> <p>1. The Company is required to announce and report before the 10th calendar day each month the balance of loans granted by the Company and subsidiaries to external parties as at the previous month.</p> <p>2. Loans to external parties that satisfy any of the following criteria shall be announced and reported within two days from the date of occurrence:</p> <p>(1) When outstanding balance of loans granted to external parties by the Company and subsidiaries amounts</p>	Added Paragraph 3 to define date of occurrence.

Revised Article number	Before amendment	After amendment	Cause of amendment
	<p>to more than 20% of the Company's net worth, as shown in the latest financial statements.</p> <p>(2) When outstanding balance of loans granted to a single entity by the Company and subsidiaries amounts to more than 10% of the Company's net worth, as shown in the latest financial statements.</p> <p>(3) When additional lending granted by the Company or subsidiary amounts to NTD 10 million or more and represents 2% or more of the Company's net worth, as shown in the latest financial statements.</p> <p>For subsidiaries that are not characterized as domestic public companies, all matters subject to announcement and regulatory reporting as mentioned in Subparagraph 3 of the preceding Paragraph shall be made by the Company instead.</p>	<p>to more than 20% of the Company's net worth, as shown in the latest financial statements.</p> <p>(2) When outstanding balance of loans granted to a single entity by the Company and subsidiaries amounts to more than 10% of the Company's net worth, as shown in the latest financial statements.</p> <p>(3) When additional lending granted by the Company or subsidiary amounts to NTD 10 million or more and represents 2% or more of the Company's net worth, as shown in the latest financial statements.</p> <p>For subsidiaries that are not characterized as domestic public companies, all matters subject to announcement and regulatory reporting as mentioned in Subparagraph 3 of the preceding Paragraph shall be made by the Company instead.</p> <p><u>The term "date of occurrence" mentioned in the Procedures</u></p>	

Revised Article number	Before amendment	After amendment	Cause of amendment
		<u>shall be determined as the earliest between the contract signing date, the payment date, the board resolution date, and any other dates when the transaction counterparty and the transaction amount can be confirmed with certainty.</u>	
Article 11	<p>Establishment of External Party Lending Procedures shall proceed according to relevant rules with Audit Committee's consent and raised for board of directors' resolution followed by acknowledgment in a shareholder meeting before implementation. Where directors have expressed objections on record or in writing, such objections shall also be escalated to each Audit Committee member and during shareholder meeting for discussion. The same process shall apply to subsequent amendments.</p> <p>Independent directors' opinions shall be fully taken into consideration when External Party Lending Procedures are submitted for discussion among the board of directors according to the preceding Paragraph. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting</p>	<p>Establishment of External Party Lending Procedures <u>shall be agreed by at least half of Audit Committee members</u> and raised for board of directors' resolution followed by acknowledgment in a shareholder meeting before implementation. Where directors have expressed objections on record or in writing, such objections shall also be escalated to the <u>Audit Committee</u> and during shareholder meeting for discussion. The same process shall apply to subsequent amendments.</p> <p>Independent directors' opinions shall be fully taken into consideration <u>when the Procedures are submitted for discussion among the board of directors. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes.</u></p>	<p>Revised wording for Paragraph 2 in reference to Article 14-3 of the Securities and Exchange Act.</p> <p>Added Paragraphs 3 and 4 as Article 14-5 of the Securities and Exchange Act specifically states that companies with Audit Committee in place shall establish or amend External Party Lending Procedures with the approval of the Audit Committee.</p>

Revised Article number	Before amendment	After amendment	Cause of amendment
	minutes.	<p><u>If the proposal mentioned in Paragraph 1 is not agreed by at least half of Audit Committee members, the proposal can still be effected with the support of more than two-thirds of board members; in which case, the Audit Committee's resolution shall be stated in the board of directors meeting minutes.</u></p> <p><u>The notion of "all Audit Committee members" and "all directors" mentioned in the Article refer to those who are currently in active duty.</u></p>	
Article 12	<p>The Procedures were first established on June 18, 2003.</p> <p>The 1st amendment was made on June 19, 2009.</p> <p>The 2nd amendment was made on June 17, 2010.</p> <p>The 3rd amendment was made on June 14, 2013.</p> <p>The 4rd amendment was made on June 18, 2015.</p> <p>The 5th amendment was made on June 14, 2016.</p>	<p>The Procedures were first established on June 18, 2003.</p> <p>The 1st amendment was made on June 19, 2009.</p> <p>The 2nd amendment was made on June 17, 2010.</p> <p>The 3rd amendment was made on June 14, 2013.</p> <p>The 4rd amendment was made on June 18, 2015.</p> <p>The 5th amendment was made on June 14, 2016.</p> <p><u>The 6th amendment was made on June 16, 2021.</u></p>	Added revision date

Zinwell Corporation

Comparison of changes to Endorsement and Guarantee Procedures

Revised Article number	Before amendment	After amendment	Cause of amendment
Article 2	<p>Endorsements and guarantees mentioned in the Procedures shall include the following:</p> <p>(1) Financing endorsements and guarantees, which include:</p> <p>1. Discount on customer's check.</p> <p>2. Endorsements or guarantees provided to facilitate financing of other companies.</p> <p>3. Negotiable instruments issued to non-financial institutions as security for the Company's financing activities.</p> <p>(2) Customs-related endorsements and guarantees: endorsements and guarantees for customs duty-related purposes, either for the Company or for other companies.</p> <p>(3) Other endorsements and guarantees: endorsements and guarantees that cannot be classified into any of the two preceding Paragraphs.</p> <p>Pledge of movable or real estate property as collateral for loans undertaken by other companies, or endorsements or guarantees of other similar nature, shall also comply with the Procedures.</p>	<p>Endorsements and guarantees mentioned in the Procedures shall include the following:</p> <p>(1) Financing endorsements and guarantees, which include:</p> <p>1. Discount on customer's check.</p> <p>2. Endorsements or guarantees provided to facilitate financing of other companies.</p> <p>3. Negotiable instruments issued to non-financial institutions as security for the Company's financing activities.</p> <p>(2) Customs-related endorsements and guarantees: endorsements and guarantees for customs duty-related purposes, either for the Company or for other companies.</p> <p>(3) Other endorsements and guarantees: endorsements and guarantees that cannot be classified into any of the two preceding Paragraphs.</p> <p>Pledge of movable or real estate property as collateral for loans undertaken by other companies shall also comply with the Procedures.</p>	Revised wording.
Article 10	<p>Announcement and reporting procedures:</p> <p>The Company is required to announce and report before the 10th calendar day each month the balance of endorsements/guarantees granted by the Company and subsidiaries to external parties as at the previous month. Endorsements/guarantees</p>	<p>Announcement and reporting procedures:</p> <p>The Company is required to announce and report before the 10th calendar day each month the balance of endorsements/guarantees granted by the Company and subsidiaries to external parties as at the previous month. Endorsements/guarantees</p>	Revised Subparagraph 3, Paragraph 1 in reference to Subparagraph 1, Paragraph 4, Article 9 of Regulations Governing the

Revised Article number	Before amendment	After amendment	Cause of amendment
	<p>that satisfy any of the following criteria shall be announced and reported within 2 days from the date of occurrence:</p> <ol style="list-style-type: none"> 1. When the outstanding balance of endorsements and guarantees offered by the Company and subsidiaries amount to more than 50% of the Company's net worth, as shown in the latest financial statements. 2. When the balance of endorsements and guarantees offered to a single business by the Company and subsidiaries amount to more than 20% of the Company's net worth, as shown in the latest financial statements. 3. When the balance of endorsements and guarantees offered to a single business by the Company and subsidiaries aggregate to NTD 10 million or above, while the balance of endorsements, guarantees, long-term investments, and loans to the business amounts to more than 30% of the Company's net worth, as shown in the latest financial statements. 4. When additional endorsement or guarantee undertaken by the Company or subsidiary amounts to NTD 30 million or above and represents 5% or more of the Company's net worth, as shown in the latest financial statements. <p>For subsidiaries that are not characterized as domestic public companies, all matters subject to announcement and regulatory reporting as mentioned in Subparagraph 4 above shall be made by the Company instead.</p>	<p>that satisfy any of the following criteria shall be announced and reported within 2 days from the date of occurrence:</p> <ol style="list-style-type: none"> 1. When the outstanding balance of endorsements and guarantees offered by the Company and subsidiaries amount to more than 50% of the Company's net worth, as shown in the latest financial statements. 2. When the balance of endorsements and guarantees offered to a single business by the Company and subsidiaries amount to more than 20% of the Company's net worth, as shown in the latest financial statements. 3. When the balance of endorsements and guarantees offered to a single business by the Company and subsidiaries aggregate to NTD 10 million or above, while the balance of endorsements, guarantees, <u>book value of equity-accounted investments</u>, and loans to the business amounts to more than 30% of the Company's net worth, as shown in the latest financial statements. 4. When additional endorsement or guarantee undertaken by the Company or subsidiary amounts to NTD 30 million or above and represents 5% or more of the Company's net worth, as shown in the latest financial statements. <p>For subsidiaries that are not characterized as domestic public companies, all matters subject to announcement and regulatory reporting as mentioned in Subparagraph 4 above shall be made by the Company instead.</p> <p>The term "date of occurrence"</p>	<p>Preparation of Financial Reports by Securities Issuers for a better definition of long-term investment. Revised wording for Paragraph 3 considering that endorsements and guarantees are not transactions.</p>

Revised Article number	Before amendment	After amendment	Cause of amendment
	The term "date of occurrence" mentioned in the Guidelines shall be determined as the earliest between the contract signing date, the payment date, the board resolution date, and any other dates when the transaction counterparty and the transaction amount can be confirmed with certainty.	mentioned in the <u>Procedures</u> shall be determined as the earliest between the contract date, the payment date, the board resolution date, and any other dates when the <u>endorsement/guarantee</u> counterparty and amount can be confirmed with certainty.	
Article 14	The Procedures shall be established in compliance with relevant rules, agreed by the Audit Committee, and raised for board of directors' resolution followed by acknowledgment in a shareholder meeting before implementation. Where directors have expressed objections on record or in writing, such objections shall also be escalated to the Audit Committee and during shareholder meeting for discussion. The same process shall apply to subsequent amendments. Independent directors' opinions shall be fully taken into consideration when the Procedures are submitted for discussion among the board of directors according to the preceding Paragraph. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes.	<u>Establishment of Endorsement and Guarantee Procedures shall be agreed by at least half of Audit Committee members and raised for board of directors' resolution followed by acknowledgment in a shareholder meeting before implementation. Where directors have expressed objections on record or in writing, such objections shall also be escalated to the Audit Committee and during shareholder meeting for discussion. The same process shall apply to subsequent amendments. Independent directors' opinions shall be fully taken into consideration when the Procedures are submitted for discussion among the board of directors. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes.</u> <u>If the proposal mentioned in Paragraph 1 is not agreed by at least half of Audit Committee members, the proposal can still be effected with the support of more than two-thirds of board members; in</u>	Revised wording for Paragraph 2 in reference to Article 14-3 of the Securities and Exchange Act. Added Paragraphs 3 and 4 as Article 14-5 of the Securities and Exchange Act specifically states that companies with Audit Committee in place shall establish or amend Endorsement and Guarantee Procedures with the approval of the

Revised Article number	Before amendment	After amendment	Cause of amendment
		<u>which case, the Audit Committee's resolution shall be stated in the board of directors meeting minutes.</u> <u>The notion of "all Audit Committee members" and "all directors" mentioned in the Article refer to those who are currently in active duty.</u>	Audit Committee.
Article 15	<p>The Procedures were first established on June 18, 2003.</p> <p>The 1st amendment was made on June 14, 2006.</p> <p>The 2nd amendment was made on June 19, 2009.</p> <p>The 3rd amendment was made on June 17, 2010.</p> <p>The 4th amendment was made on June 14, 2013.</p> <p>The 5th amendment was made on June 14, 2016.</p>	<p>The Procedures were first established on June 18, 2003.</p> <p>The 1st amendment was made on June 14, 2006.</p> <p>The 2nd amendment was made on June 19, 2009.</p> <p>The 3rd amendment was made on June 17, 2010.</p> <p>The 4th amendment was made on June 14, 2013.</p> <p>The 5th amendment was made on June 14, 2016.</p> <p><u>The 6th amendment was made on June 16, 2021.</u></p>	Added revision date

Ten. Appendices

[Appendix 1]

Zinwell Corporation Shareholder Meeting Conference Rules

1. Unless otherwise specified in law, shareholder meetings of the Company shall proceed according to the Conference Rules.
2. The term "shareholder" mentioned throughout the Conference Rules shall include shareholders and their proxies.
3. Shareholders shall present attendance cards to signify their presence at shareholder meetings. The quantity of shares represented in the meeting is calculated based on the attendance cards collected.
4. Attendance and votes in a shareholder meeting are calculated based on the number of shares represented.
5. Shareholder meetings shall be held at the Company's business location, plant premise, branch premise, or at any location that is suitable and convenient for shareholders to attend. Meetings shall not commence anytime earlier than 9AM or later than 3PM.
6. Shareholder meetings that are convened by the board of directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is also unavailable, the Chairman may appoint one of the directors to act on behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on behalf.
7. The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.
8. Organizers of the shareholder meeting shall wear proper identification or arm badges. The chairperson may instruct picketers or security staff to help maintain order in the meeting. While maintaining order in the meeting, all picketers (or security staff) shall wear arm badges that identify their role as "Picketer."

9. The entire proceeding of the Company's shareholder meetings shall be recorded in video or audio, and kept for at least 1 year. Shareholder meeting resolutions shall be compiled into detailed minutes, signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. Meeting minutes mentioned in the preceding Paragraph may be disseminated by way of public announcements. The minutes shall detail: the date and venue of the meeting, the chairperson's name, the method of resolution, the proceeding, and voting outcomes of various motions (including weight). If director election is held during the meeting, the minutes shall disclose the number of votes received by each candidate. Minutes shall be retained indefinitely for as long as the Company exists.
10. The chairperson should announce commencement of meeting as soon as it is due. However, if current attendees represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If attending shareholders represent more than one-third but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of The Company Act. However, special resolutions and director elections cannot be reached by way of tentative resolution.

If the number of shares represented accumulates to more than half of all outstanding shares as the meeting progresses, the chairperson may, depending on the state of the meeting, propose the tentative resolutions for final voting according to Article 174 of The Company Act. Proposal of tentative resolution for final voting is not considered a change of meeting agenda as mentioned in Paragraph 1, Article 11 of the Conference Rules.
11. For shareholder meetings that are convened by the board of directors, the board of directors will determine the meeting agenda. All proposed motions (including special motions and amendments to existing motions) shall be voted on a case-by-case basis. A conference handbook shall be prepared and distributed to attending shareholders or proxies. Meetings shall proceed accordingly to the agenda unless resolved otherwise during the shareholder meeting.

The above rule also applies to shareholder meetings that are convened by any entitled party other than the board of directors.

In either of the two arrangements described above, the chairperson cannot dismiss the meeting while a motion (including special motions) is still in progress. However, the chairperson may announce to adjourn the meeting whilst in session if disorder or any other occurrence prevents the meeting from progressing.

Once a meeting is adjourned, shareholders may not elect to continue the meeting with another chairperson or at a different venue unless the chairperson is found to have dismissed the meeting in violation of the conference rules. In which case, attending shareholders may elect another chairperson with the support of more than half of voting rights represented to continue the meeting.

12. Shareholders who wish to speak during the meeting shall produce an opinion slip detailing the topic, shareholder ID (or the attendance ID serial) and shareholder's name. The order of shareholders' comments is determined by the chairperson. Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the opinion slip, the actual comments expressed shall be taken into record. While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.
13. Opinions should be concise. Shareholders cannot speak for more than two times, for 5 minutes each, on the same topic without the consent of the chairperson. The chairperson may restrain shareholders or interrupt any comments that violate the above rules. Speakers should speak politely on matters that are relevant to the discussion, and refrain from speaking on private matters. The chairperson should restrain or interrupt speakers who are impolite or speak outside the designated topic; other attending shareholders may also request to have the chairperson exercise restraint or interruption.
14. Corporate entities may only appoint one representative to attend shareholder meetings. Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak per motion.
15. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.

16. The chairperson may announce to discontinue further discussion if the topic in question is considered to have been sufficiently discussed to proceed with voting. Sufficient time should be allocated for voting.
17. Unless otherwise specified in The Company Act or the Articles of Incorporation, a decision is passed with the consent of shareholders representing more than half of total voting interests in the meeting. A motion is considered passed if the chairperson receives no objection from any attending shareholders upon inquiry. This voting method is deemed as effective as does the conventional ballot method.
18. In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which proposals are to be voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.
19. The chairperson shall appoint ballot examiners and ballot counters to support the voting process. The ballot examiner shall be a shareholder. Outcome of a vote shall be documented and announced on site.
20. The chairperson may call the meeting into recess at a suitable time. If a motion cannot be completed in one meeting session, shareholders may reach a resolution to continue the meeting in the next 5 days and no further notice or announcement is needed.
21. In the event of a major disaster such as air raid, earthquake, or fire, the chairperson shall terminate or suspend the meeting immediately to evacuate attendees, and announce a new meeting time one hour after the alert is lifted.
22. Any matters that are not addressed in the Conference Rules shall be governed by The Company Act and Articles of Incorporation.
23. The above Conference Rules shall take effect immediately once approved during shareholder meeting; the same applies to all subsequent revisions.

The Conference Rules were first established on December 9, 1988.
The 1st amendment was made on April 28, 1998.
The 2nd amendment was made on June 14, 2002.
The 3rd amendment was made on June 18, 2012.
The 4th amendment was made on June 14, 2016.
The 5th amendment was made on June 16, 2020.

[Appendix 2]

Zinwell Corporation Articles of Incorporation

Chapter One General Provisions

Article 1: The company is incorporated in accordance with the Company Act, and has been named Zinwell Corporation.

Article 2: The Company's business activities comprise the following:

1. CA01090 Aluminum Casting.
2. CA04010 Surface Treatments.
3. CC01020 Electric Wires and Cables Manufacturing.
4. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
5. CC01050 Data Storage Media Units Manufacturing.
6. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
7. CC01070 Telecommunication Equipment and Apparatus Manufacturing.
8. CC01080 Electronic Parts and Components Manufacturing.
9. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing.
10. CC01110 Computers and Peripheral Equipment Manufacturing.
11. F118010 Wholesale of Computer Software.
12. F119010 Wholesale of Electronic Materials.
13. F401010 International Trade.
14. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
15. F601010 Intellectual Property.
16. I103060 Management Consulting Services.
17. I301010 Software Design Services.
18. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide endorsements and guarantees to outside parties for business-related purposes. All endorsements and guarantees to outside parties shall comply with relevant rules of the securities authority.

Article 2-2: The Company may become limited liability shareholders of other companies; its total investments are not subject to the "40% paid-up capital" restriction imposed under Article 13 of The Company Act, but the amount of which is to be determined by board of directors of the Company.

Article 3: The Company is headquartered in New Taipei City, Taiwan, and may establish domestic or foreign branches subject to board of directors' approval.

Article 4: Deleted.

Chapter Two Share Capital

Article 5: The Company has an authorized capital of Three Billion Nine Hundred and Ninety Million New Taiwan Dollars in three hundred and ninety-nine million shares. Each share has a face value of Ten New Taiwan Dollars. Share capital can be raised in multiple issues. The board of directors is authorized to issue unissued shares in multiple offerings depending on the actual circumstances. The total capital mentioned in the above Paragraph shall have NT\$200 million in twenty million shares reserved to accommodate issuance of employee warrants, preferred shares with embedded warrant, or corporate bonds with embedded warrant. Each share has a face value of NT\$10, which the board of directors may resolve to issue in multiple offerings. The board of directors is authorized to exercise discretion in situations where the Company is permitted by laws to buy back its own shares. Any transfer of shares to employees below the average buyback price or issuance of employee warrants with exercise price below market price shall be resolved in a shareholder meeting with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting.

Article 6: Unless otherwise specified by law and securities regulation, issues concerning transfer of share ownership, pledge of shares, loss of share certificate, ownership inheritance, gifting, loss/change of seal, change of address, and share-related affairs shall be handled according to "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 7: Deleted.

Article 8: Shares of the Company may be issued in non-tangible form, subject to registration and compliance with rules of the centralized securities depository.

Article 9: Unless otherwise regulated by laws, transfer of share ownership shall be suspended during the 60 days prior to an annual general meeting, during the 30 days prior to an extraordinary shareholder meeting, and during the 5 days prior to the baseline date of any dividend, bonus or rights distribution.

Chapter Three Shareholder Meetings

Article 10: The Company convenes two types of shareholder meeting: the annual general meeting

and extraordinary shareholder meetings. Annual general meetings (AGMs) are convened once a year within six months after the end of each financial year. Extraordinary shareholder meetings may be held whenever deemed necessary, subject to compliance with the relevant laws.

Article 11: The Company is required to notify all shareholders at least 30 days before convention of annual general meeting, and at least 15 days before convention of extraordinary shareholder meeting. Notifications, as mentioned in the preceding Paragraph, shall specify the date, the venue, and topics to be discussed during the meeting. Unless otherwise specified in The Company Act, shareholder meetings are to be convened by the board of directors.

Article 12: Shareholder meetings of the Company shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is also unavailable, the Chairman may appoint one of the directors to act on behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on behalf. Shareholder meetings that are convened by entitled parties other than the board of directors shall be chaired by the convener; if there are two or more conveners, one shall be appointed among them to act as chairperson.

Article 13: If a shareholder is unable to attend the shareholder meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority.

Use of proxy form shall comply with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 14: Shareholders of the Company are entitled to one vote for every share held, except for the circumstances described in Article 179 of The Company Act where shareholders are restricted or prohibited from exercising voting rights.

Article 14-1: The following motions have to be resolved in a shareholder meeting:

1. Amendment of the Articles of Incorporation.
2. Election and dismissal of directors.
3. Permission for directors to engage in business activities that coincide with those of the Company, whether for directors' own benefits or for the benefits of others.
4. Establishment, modification, or termination of agreements that involve the leasing, mandate, or co-management of the entire business.

5. Transfer of entire or major businesses or properties.
6. Acceptance of full business or property from another party that has significant effect on the Company's operations.
7. Other matters that have to be resolved in a shareholder meeting, as mandated by law.

Article 15: Except otherwise regulated by law, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Chapter Four Board of Directors

Article 16: The Company shall have 9 to 15 directors who are elected using the nomination system from the list of director candidates presented during the shareholder meeting. Directors shall serve a term of 3 years, which is renewable if re-elected. The total quantity of shares held across all directors shall comply with "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies." When electing directors at shareholder meetings, each share shall be vested with voting rights equal to the number of directors to be elected; these voting rights may be concentrated on one candidate or spread across multiple candidates. Candidates receiving the highest number of votes are elected as directors. Amongst the directors chosen above, there shall be no fewer than two independent directors and they shall not represent less than one-fifth of the board. Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, nomination, method of election and all other compliance issues are governed by relevant laws of the securities authority.

Article 16-1: The Company shall assemble an Audit Committee that consists entirely of independent directors according to Article 14-4 of Securities and Exchange Act. The Audit Committee is responsible for carrying out supervisors' duties mentioned in The Company Act, Securities and Exchange Act, and related regulations.

Article 17: The board of directors shall appoint one Chairman and one Vice Chairman during a board meeting with more than two-thirds of directors present, and with the support of more than half of all attending directors. The Chairman serves as the Company's representative to the outside world.

Article 18: The board of directors shall convene regular meetings at least once every three months, and may convene ad-hoc meetings at any time deemed necessary. All meetings are to be convened and chaired by the Chairman. If the Chairman is unable to perform duties, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors shall appoint one among them to perform the

Chairman's duties.

Article 18-1: Convention of board meeting shall be advised to all directors at least 7 days in advance. However, meetings can be held in shorter notices in the case of emergency. Convention of board of directors meetings may be advised through written correspondence, E-mail, or fax.

Article 19: The board of directors shall exercise the following authorities:

Making of business decisions for the Company. All business decisions should be executed according to board of directors' resolutions, except for matters that have to be resolved in a shareholder meeting, as specified in laws or the Articles of Incorporation.

Article 20: Unless otherwise regulated by The Company Act, board resolution is passed only if more than half of total board members are present in a meeting, and with more than half of attending directors voting in favor.

Article 21: Directors may appoint other directors to attend board meetings and exercise voting rights on their behalf for all motions raised during the meeting by issuing a written authorization. However, one director can only represent the presence of one other director. Where board meeting is carried out by way of video conferencing, those who participate in the video conference are considered to have attended the meeting in person.

Article 22: Deleted

Article 23: Deleted

Article 24: The Company may compensate the Chairman and directors for the services rendered regardless of the state of its profitability. The board of directors is authorized to determine the level of compensation based on individual directors' participation and contribution to the Company's operations, up to the highest salary tier stated in the Company's Salary Determination Policy. Any earnings concluded by the Company are subject to distribution of remuneration according to Article 27.

The board of directors is authorized to determine compensation for independent directors in reference to peer levels. However, independent directors are not entitled to profit sharing mentioned in Article 27.

Article 24-1: The Company shall purchase liability insurance policies to cover directors' and supervisors' liabilities over the course of their service, and thereby reduce and diversify risk of major losses that the Company and shareholders may suffer as a result of mistake or negligence committed by directors.

Chapter Five Managers

Article 25: The Company has one President position. Appointment, dismissal, and compensation of whom shall comply with Article 29 of The Company Act.

Chapter Six Accounting

Article 26: The Company's accounting period begins January 1 and ends December 31 each year. The board of directors is responsible for preparing the following statements and reports at the end of each financial year. These statements and reports shall be submitted to the Audit Committee for review (with review report issued) at least 30 days before the AGM, and presented during the AGM for the final acknowledgment.

1. Business report.
2. Financial statements.
3. Earnings appropriation or loss reimbursement proposal.

Article 27: The Company may not distribute dividends or share profit if there are no earnings available to do so.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve and provision of special reserve as the laws may require. Any surpluses remaining shall be added to unappropriated earnings accumulated from previous years and designated as cumulative distributable earnings, which the board of directors may propose to distribute according to the terms of the dividend policy outlined in Paragraph 4 of this Article. Dividends that are distributed in the form of new shares will have to be resolved in a shareholder meeting before proceeding.

The Company may, in compliance with Paragraph 5, Article 240 of The Company Act, authorize the board of directors to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a board of directors meeting where more than two-thirds of the board is present, and voted in favor by more than half of all directors present at the meeting.

The Company shall set its dividend policy in shareholders' best interest after taking into consideration the current state and future prospect of the investment environment, the domestic and foreign competitive landscape, capital expenditure plans, and operational requirements. No less than 20% of distributable earnings shall be allocated as dividends (the distributable earnings mentioned here refer to the amount of current net income net of legal reserves and special reserves). Dividends can be paid in shares or in cash, and cash dividends shall amount to no

less than 8% of total dividends.

The Company may, subject to compliance with Article 241 of the Company Act, distribute all or part of its legal/special reserves either in cash or by issuing new shares proportional to shareholders' existing shareholding percentage. The board of directors is authorized to pay out reserves in cash, provided that the decision is resolved in a board meeting with more than two-thirds of board members present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.

Article 27-1: As an incentive for employees and the management team, annual profits concluded by the Company (i.e. pre-tax profits before employee and director remuneration) are subject to employee remuneration of no less than 3% and director remuneration of no higher than 3%. However, profits shall first be reserved to offset against cumulative losses, if any, before the remainder can be distributed as employee/director remuneration in the above percentages. Share-based or cash payment of employee remuneration and cash payment of director remuneration are subject to resolution in a board meeting with more than two-thirds of the board present, and voted in favor by more than half of all attending directors. This decision shall also be reported in shareholder meeting.

Article 28: Any matters that are not addressed in the Articles of Incorporation shall be governed by The Company Act and relevant regulations.

Article 29: The Articles of Incorporation was established on February 28, 1981.

The 1st amendment was made on June 19, 1981.

The 2nd amendment was made on August 3, 1982.

The 3rd amendment was made on May 11, 1984.

The 4th amendment was made on December 17, 1986.

The 5th amendment was made on November 2, 1989.

The 6th amendment was made on November 27, 1989.

The 7th amendment was made on November 10, 1992.

The 8th amendment was made on December 10, 1992.

The 9th amendment was made on February 1, 1993.

The 10th amendment was made on May 17, 1996.

The 11th amendment was made on January 15, 1997.

The 12th amendment was made on May 29, 1997.

The 13th amendment was made on June 20, 1998.

The 14th amendment was made on May 29, 2000.

The 15th amendment was made on May 2, 2000.
The 16th amendment was made on July 11, 2000.
The 17th amendment was made on July 11, 2000.
The 18th amendment was made on May 2, 2001.
The 19th amendment was made on June 14, 2002.
The 20th amendment was made on June 18, 2003.
The 21st amendment was made on June 15, 2004.
The 22nd amendment was made on June 14, 2005.
The 23rd amendment was made on June 14, 2006.
The 24th amendment was made on June 13, 2007.
The 25th amendment was made on June 13, 2008.
The 26th amendment was made on June 19, 2009.
The 27th amendment was made on June 17, 2010.
The 28th amendment was made on June 18, 2015.
The 29th amendment was made on June 14, 2016.
The 30th amendment was made on June 12, 2019.

[Appendix 3]

Zinwell Corporation Directors Election Policy

- Article 1 Election of directors shall proceed according to the terms of this Policy.
- Article 2 When electing directors, each share shall be vested with voting rights equal to the number of directors to be elected, unless otherwise specified in the Articles of Incorporation. These voting rights may be concentrated on one candidate or spread across multiple candidates. Independent directors and non-independent directors are to be elected during the same session, with electoral quota calculated separately.
- Article 3 Election of the Company's directors shall proceed according to the candidate nomination system mentioned in Article 192-1 of The Company Act, in which directors are to be elected from a list of candidates during shareholder meeting. Candidates who receive the highest number of votes are assigned the role of director, until the number of director seats mentioned in the Articles of Incorporation are fully filled. If two or more candidates receive the same number of votes, they shall draw for the remaining seats available. The chairperson will draw on behalf of those who are absent during the meeting.
- Elected directors who are found to fail eligibility or legal requirements on a later date shall be removed from the elected position.
- Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, nomination, method of election and all other compliance issues are governed by relevant laws of the securities authority.
- Article 4 Once the election commences, the chairperson shall designate ballot examiners and ballot counters to perform ballot examination and counting.
- Article 5 Ballots shall be prepared by the Company with conference pass ID and the number of votes pre-printed on the ballot.
- Article 6 If the candidate is a shareholder, voters will have to specify both shareholder account name and number in the "candidate" field of the ballot. If the candidate is not a shareholder, the candidate's name and ID card number will have to be specified instead. However, if the candidate is a corporate shareholder, the name of the corporation shall be specified in the

"candidate" field of the ballot; alternatively, voters may also specify the name of the corporation and the name of its representative. If there are multiple representatives, the names of all representatives shall be specified in the ballot.

Article 7 Votes are voided in any of the following circumstances:

- (I) Use of ballot that does not conform to the formats specified in this Policy.
- (II) Blank ballots cast into the ballot box.
- (III) Ballots with illegible writing or are altered.
- (IV) Where the candidate is a shareholder, the written identity and shareholder account number do not match the shareholder registry; or where the candidate is a non-shareholder, the written name and identity document number do not match the candidate's identity proof.
- (V) Ballots that contain writings other than the candidate's account name, shareholder account number (or ID card number), and allocated votes.
- (VI) Ballots that do not specify the candidate's account name or shareholder account number (or ID card number).
- (VII) Where the names of two or more candidates are printed on the same ballot.

Article 8 Ballots are to be counted in the presence of a ballot examiner. The chairperson will announce the outcome of the vote immediately on site.

Article 9 Any matters that are not addressed in this policy shall be governed by The Company Act, the Articles of Incorporation, and relevant regulations.

Article 10 This Policy shall be implemented once approved in a shareholder meeting. The same applies to subsequent amendments.

The Policy was first established on June 14, 2002.

The 1st amendment was made on June 18, 2015.

The 2nd amendment was made on June 14, 2016.

The 3rd amendment was made on June 12, 2018.

[Appendix 4]

Zinwell Corporation External Party Lending Procedures

Article 1 Eligible borrowers:

The Company may, for business-related purposes, lend capital to external parties (referred to as Borrowers), subject to compliance with rules of The Company Act and the Financial Supervisory Commission. Only Borrowers of adequate solvency may apply for loan.

- (I) Companies or businesses that the Company has business dealing with.
- (II) Companies or businesses that are in need of short-term funding from the Company.

"Short term" refers to a period of one year. For companies with business cycle longer than one year, "short term" shall refer to one business cycle.

"Amount of loan" refers to the cumulative balance of short-term lending made by the Company.

Article 2 Total and individual lending limits:

- (I) The sum of external party lending shall not exceed 50% of the Company's net worth, but the sum of external party lending granted to companies or businesses for short-term financing shall not exceed 40% of the Company's net worth.
- (II) Loans to individual companies or businesses that the Company has business dealing with shall not exceed the value of transactions between the two parties. Value of transactions refers to the amount of purchase or sale, whichever the higher, between two parties in the most recent year, and is capped at 20% of the Company's net worth.
- (III) Loans to companies or businesses that the Company has business dealing with or for short-term financing shall not, on an individual basis, exceed 20% of the Company's net worth.

For lending between foreign subsidiaries in which the Company holds 100% direct and indirect voting shares, the amount of which is exempted from the restrictions stated in Subparagraphs 1 and 3, Paragraph 1, and shall comply with External Party Lending Procedures of the respective subsidiaries.

Article 3 Reason and necessity of loans to external parties:

Loans granted by the Company to facilitate business dealings with other companies or businesses are subject to the limits stated in Paragraph 2, Article 2. Loans granted for short-term liquidity are only permitted under the following circumstances:

- (1) The Company holds more than 50% ownership interest in the Borrower, and the short-term liquidity is needed to facilitate business dealings.

- (2) When other companies or businesses are in need of short-term financing for material purchases or for working capital.
- (3) Other lending circumstances approved by the Company's board of directors.

Article 4 External Party Lending Procedures:

I. Credit assessment:

To apply for a loan, the Borrower is required to submit to the Company a loan application in writing along with Borrower's profile and financial information.

Once the Company accepts the application, the Treasury Division shall investigate and assess the Borrower's business activities, financial position, solvency, credibility, profitability, and purpose of loan, and produce an assessment report.

The Treasury Division shall conduct detailed assessments on the Borrower, including but not limited to the following aspects:

- (I) The necessity and rationality for lending to an external party.
- (II) Whether the loan is necessary, given Borrower's financial position.
- (III) Whether the amount of cumulative lending is still within limit.
- (IV) Impacts to the Company in terms of business risk, financial position, and shareholders' equity.
- (V) Whether collateral is needed and the appraised value of collateral.
- (VI) Credit assessment and risk evaluation on the Borrower.

II. Security:

When lending capital, the Company shall obtain a secured promissory note of equivalent sum from the Borrower. Lien may be placed on movable or real estate properties if necessary. The abovementioned debt security can be waived if the Borrower is able to find an individual or company of adequate financial strength to guarantee the debt; in which case, the Treasury Division shall assess the acceptability of such a guarantee and advise the board of directors on the final decision. If the guarantor is a corporate entity, investigations shall be conducted on whether the corporate guarantor is permitted under its Articles of Incorporation to offer guarantees to external parties.

III. Scope of authorization:

External party lending is subject to credit assessment by the Treasury Division, and shall be escalated for Chairman's approval and board of directors' resolution. This decision cannot be delegated to other employees. Opinions of independent directors shall be fully taken into consideration. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes.

Lending to the Company's parent or subsidiaries, and lending among the Company's subsidiaries, are subject to board of directors' resolution, and the Chairman may be authorized to approve loans in multiple drawdowns or on a revolving basis to a single Borrower up to the board-resolved limit for a period no more than one year.

The term "board-resolved limit" mentioned above means the single-party lending limit, which is set at 10% of the Company's or subsidiary's net worth, as shown in the latest financial statements; however, lending between foreign subsidiaries in which the Company holds 100% direct or indirect voting shares is exempted from the above limit.

Article 5 Loan tenor and interest accrual:

- I. Lending of capital shall be no longer than one year.
- II. The interest rate shall not be lower than the rate of the Company's short-term borrowing from financial institutions. Loan interest shall be payable once a month; in special circumstances, however, payment intervals can be adjusted as needed with the approval of the board of directors.

Article 6 Post-lending management and procedures on overdue loans:

- I. Once a loan has been disbursed, the Company shall constantly monitor the financial position, business performance, and credit standing of both the Borrower and guarantor. If the loan is secured by collateral, changes in collateral value will also have to be monitored. Any major changes in the above shall be escalated to the Chairman immediately, and responded as instructed.
- II. The amount of interests payable by the Borrower shall be calculated when repayment is due at maturity or when early repayment is made. Only when principal and interest have been settled in full may the Company proceed to return the promissory note being held as collateral or remove lien from the pledged collateral.
- III. Borrowers are required to settle all outstanding principals and interests upon loan maturity.

- Article 7 I. Loan officers shall place proofs of debt entitlement, such as contracts and promissory notes, for the cases handled inside sealed bags. All documents pertaining to a single case shall have handling officer's seal and line manager's seal stamped across multiple pages and filed properly.
- II. Internal control:
- (I) The Company shall maintain a registry of all loans granted. This registry shall contain details such as name of borrower, amount of

loan, board approval date, disbursement date, and matters that are subject to due diligence assessment by rules.

- (II) Internal audit staff shall perform audits on external party lending procedures and execution at least on a quarterly basis, and produce written reports of audit findings. Any major violation discovered shall be escalated immediately to Audit Committee members in writing. Appropriate disciplinary actions shall be taken against the manager and the case officer for any major violation discovered.
- (III) In the event that the Company is found to have loaned to an ineligible party or in excess of its authorized limits due to change of circumstances, the Company shall propose a correction plan to Audit Committee members and complete corrections according to plan for enhanced internal control.

Article 8 Announcement and report:

- I. The Company is required to announce and report before the 10th calendar day each month the amount of loans granted by the Company and its subsidiaries in the previous month.
- II. Loans to external parties that satisfy any of the following criteria shall be announced and reported within two days from the date of occurrence
Announcement and report:
 - (I) When outstanding balance of loans granted to external parties by the Company and subsidiaries amounts to more than 20% of the Company's net worth, as shown in the latest financial statements.
 - (II) When outstanding balance of loans granted to a single entity by the Company and subsidiaries amounts to more than 10% of the Company's net worth, as shown in the latest financial statements.
 - (III) When additional lending granted by the Company or subsidiary amounts to NTD 10 million or more and represents 2% or more of the Company's net worth, as shown in the latest financial statements.

For subsidiaries that are not characterized as domestic public companies, all matters subject to announcement and regulatory reporting as mentioned in Subparagraph 3 of the preceding Paragraph shall be made by the Company instead.

Article 9 Penalties

Employees of the Company who are found to have violated the Procedures when lending to external parties shall be subjected to regular evaluation according to the Company's Personnel Management Policy and Employee Handbook, and disciplined depending on severity.

- Article 10 I. Subsidiaries that have the intention to lend to external parties shall be instructed to establish their own external party lending procedures and

proceed accordingly.

- II. The Company shall monitor the portfolio of loans granted to external parties, make adequate loss provisions, and disclose relevant information in financial reports in an appropriate manner. The Company shall also provide CPAs with the necessary information to perform audit and issue audit report.
- III. Any matters that are not addressed in the Procedures shall be governed by applicable laws and rules of the Company.

Article 11 Establishment of External Party Lending Procedures shall proceed according to relevant rules with Audit Committee's consent and raised for board of directors' resolution followed by acknowledgment in a shareholder meeting before implementation. Where directors have expressed objections on record or in writing, such objections shall also be escalated to each Audit Committee member and during shareholder meeting for discussion. The same process shall apply to subsequent amendments.

Independent directors' opinions shall be fully taken into consideration when External Party Lending Procedures are submitted for discussion among the board of directors according to the preceding Paragraph. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes.

Article 12 The Procedures were first established on June 18, 2003.

The 1st amendment was made on June 19, 2009.

The 2nd amendment was made on June 17, 2010.

The 3rd amendment was made on June 14, 2013.

The 4th amendment was made on June 18, 2015.

The 5th amendment was made on June 14, 2016.

[Appendix 5]

Zinwell Corporation Endorsement and Guarantee Procedures

- Article 1 All matters relating to the Company's endorsements and guarantees to outside parties shall proceed according to the Procedures.
- Article 2 Endorsements and guarantees mentioned in the Procedures shall include the following:
- (I) Financing endorsements and guarantees, which include:
 - 1. Discounts on customers' checks.
 - 2. Endorsements or guarantees provided to facilitate financing of other companies.
 - 3. Negotiable instruments issued to non-financial institutions as security for the Company's financing activities.
 - (II) Customs-related endorsements and guarantees: endorsements and guarantees for customs duty-related purposes, either for the Company or for other companies.
 - (III) Other endorsements and guarantees: endorsements and guarantees that can not be classified into any of the two preceding Paragraphs.
- Pledge of movable or real estate property as collateral for loans undertaken by other companies, or endorsements or guarantees of other similar nature, shall also comply with the Procedures.
- Article 3 The endorsed/guaranteed
- Except in situations where the Company is in need to provide endorsement or guarantee to peers or partners of a construction contract, or issue proportional endorsement/guarantee as contributing shareholder for investee in a joint investment arrangement, the Company may only offer endorsements/guarantees to the following parties:
- I. Businesses that the Company has business dealing with.
 - II. Businesses in which the Company holds more than 50% direct or indirect voting interest.
 - III. Business that holds more than 50% direct or indirect voting interest in the Company.
- Businesses in which the Company holds more than 90% direct and indirect voting interest may provide endorsements and guarantees to each other, provided that the amount of endorsements and guarantees does not exceed 10% of net worth of the respective companies. This restriction does not apply to endorsements and guarantees among investees in which the Company holds 100% direct or indirect voting interest. "Subsidiary" and "parent company" are defined according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- Where financial statements are prepared based on IFRS, the net worth mentioned throughout the guidelines shall refer to parent company shareholders' equity, as defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4 Endorsement/guarantee limit

- I. Total endorsement/guarantee limit: The sum of endorsements/guarantees offered by the Company and subsidiaries shall not exceed 50% of the Company's net worth.
- II. Individual endorsement/guarantee limit: The amount of endorsement/guarantee granted by the Company or the Company and subsidiaries to a single entity shall not exceed 20% of total endorsements/guarantees.
- III. Guarantees/endorsements offered for business dealings are subject to the limits mentioned above, and shall not exceed the amount of business transactions between two parties. Value of business transaction refers to the amount of purchase or sale between two parties, whichever the higher.
- IV. Should the Company and subsidiaries decide to grant guarantees/endorsements above 50% of current net worth, the underlying necessity and rationale shall have to be explained during shareholder meeting.

Article 5 Levels of decision-making and approval authority:

- I. Guarantees and endorsements offered by the Company are subject to board of directors' resolution. If the Company has independent directors in place, opinions of independent directors shall be fully taken into consideration. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes. The board of directors may authorize the Chairman to approve decisions according to the Procedures up to NTD 50 million upfront and seek acknowledgment from the board afterwards. In which case, details of such transactions shall be reported during the upcoming shareholder meeting.
- II. Any guarantee/endorsement offered in excess of the limits stated herein for business dealings shall be approved by the board of directors followed by amendments to the guarantee/endorsement procedures, with more than half of board members jointly guaranteeing to cover possible losses that the Company may suffer as a result, and acknowledged by shareholders on a later date. In circumstances where shareholders reject the pre-approved guarantee/endorsement on a later date, the Company shall devise plans to reduce the excess within a period of time.
- III. The Company and subsidiaries may offer endorsements/guarantees for subsidiaries that have net worth falling below half of paid-up capital, but shall request the endorsed/guaranteed party to present a feasible response plan, which the Company will review and present to its board of directors for final resolution. Control measures will also have to be devised for the endorsement/guarantee granted.
If the Company has independent directors in place, opinions of independent directors shall be fully taken into consideration when the

decision is raised for discussion among the board of directors. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes.

For subsidiaries that have shares without face value or a face value that is not NTD 10, the paid-up capital mentioned in Subparagraph 3 of the preceding Paragraph shall be calculated by adding capital reserve - share premium to share capital.

Article 6 Endorsement and Guarantee Procedures

- I. To apply for endorsement/guarantee from the Company, the endorsed/guaranteed party will first have to raise a request to the Company's Treasury Division. The Treasury Division then conducts credit assessment on the endorsed/guaranteed company, evaluates risks associated with the arrangement, and seeks approval from the President and Chairman once it passes review. Collateral shall be obtained if necessary.
- II. The Treasury Division's credit assessment and risk investigation on the endorsed/guaranteed party shall address:
 - (I) The necessity and rationality of endorsement or guarantee.
 - (II) Whether the amount of endorsement is considered necessary, given the financial position of the endorsed/guaranteed party.
 - (III) Whether the amount of cumulative endorsement/guarantee is still within limit.
 - (IV) Whether the amount of guarantee/endorsement is within the value of transactions between two parties, if the guarantee/endorsement is offered to facilitate business dealings.
 - (V) Impacts to the Company in terms of business risk, financial position, and shareholders' equity.
 - (VI) Whether collateral is needed and the appraised value of collateral.
 - (VII) Attach a credit assessment and risk evaluation report for the endorsement/guarantee.
- III. The Treasury Division shall maintain a registry to record details such as: the endorsed/guaranteed party, amount, board approval date or Chairman's decision date, date of endorsement/guarantee, and issues requiring thorough assessment as mentioned in the preceding Paragraph.
- IV. The Treasury Division shall assess or recognize contingent loss on endorsements and guarantees, make appropriate disclosures, and provide the financial statement auditor with relevant information to facilitate the necessary audit process and to issue audit report on the appropriateness of such endorsement or guarantee.
- V. If a change of circumstance renders the guaranteed/endorsed party no longer eligible to this policy or if the amount guaranteed/endorsed exceeds the stated limit due to change of calculation basis on a later date, the Company shall devise an improvement plan to eliminate the excess either naturally upon expiry or within a proposed period of time.

This improvement is subject to review by the Audit Committee and shall be reported during an upcoming board meeting.

Article 7 Cancellation of endorsement or guarantee

- I. To cancel an endorsement/guarantee, whether due to settlement of debt, renewal/extension of relevant document or negotiable instrument etc., the endorsed/guaranteed party will have to issue official instructions and return the original endorsement/guarantee certificate to the Company's Treasury Division. Endorsement/guarantee certificate shall be stamped "Voided" and returned to the endorsed/guaranteed party, whereas the official instruction is to be retained by the Company for future reference.
- II. The Treasury Division shall constantly update canceled endorsements/guarantees onto the Endorsement/Guarantee Registry to reduce the sum of outstanding endorsements/guarantees.

Article 8 Internal control

- I. Internal audit staff shall audit the execution of endorsements and guarantees at least on a quarterly basis, and produce written reports of audit findings. Any major violation discovered shall be notified immediately to the Audit Committee in writing.
- II. All guarantees and endorsements offered by the Company shall proceed according to procedures. Appropriate disciplinary actions shall be taken against the manager and the case officer for any major violation discovered.

Article 9 Seal custody and procedures

- I. The common seal registered with the Ministry of Economic Affairs shall be used for endorsements/guarantees. The seal and guarantee notes shall be kept by different personnel, and used/issued strictly according to procedures. Any appointment, dismissal, or change of seal custodian will have to be reported to and agreed by the board of directors.
- II. When offering guarantee in favor of a foreign company, the Company's letter of guarantee shall be signed by a board-authorized personnel.

Article 10 Announcement and reporting procedures:

The Company is required to announce and report before the 10th calendar day each month the balance of endorsements/guarantees granted by the Company and subsidiaries to external parties as at the previous month. Endorsements/guarantees that satisfy any of the following criteria shall be announced and reported within 2 days from the date of occurrence:

- I. When the outstanding balance of endorsements and guarantees offered by the Company and subsidiaries amount to more than 50% of the Company's net worth, as shown in the latest financial statements.
- II. When the balance of endorsements and guarantees offered to a single business by the Company and subsidiaries amount to more than 20% of the Company's net worth, as shown in the latest financial statements.
- III. When the balance of endorsements and guarantees offered to a single business by the Company and subsidiaries aggregate to NTD 10 million

or above, while the balance of endorsements, guarantees, long-term investments and loans to the business amounts to more than 30% of the Company's net worth, as shown in the latest financial statements.

- IV. When additional endorsement or guarantee undertaken by the Company or subsidiary amounts to NTD 30 million or above and represents 5% or more of the Company's net worth, as shown in the latest financial statements.

For subsidiaries that are not characterized as domestic public companies, all matters subject to announcement and regulatory reporting as mentioned in Subparagraph 4 of the preceding Paragraph shall be made by the Company instead.

The term "date of occurrence" mentioned in the Guidelines shall be determined as the earliest between the contract signing date, the payment date, the board resolution date, and any other dates when the transaction counterparty and the transaction amount can be confirmed with certainty.

- Article 11 Subsidiaries that have the intention to offer endorsements/guarantees to others shall be instructed to establish their own endorsement and guarantee procedures and proceed accordingly.

- Article 12 Penalties
Employees of the Company who are found to have violated the Procedures when offering endorsements/guarantees to external parties shall be subjected to regular evaluation according to the Company's Personnel Management Policy and Employee Handbook, and disciplined depending on severity.

- Article 13 Any matters that are not addressed in the Procedures shall be governed by applicable laws and rules of the Company.

- Article 14 The Procedures shall be established in compliance with relevant rules, agreed by the Audit Committee, and raised for board of directors' resolution followed by acknowledgment in a shareholder meeting before implementation. Where directors have expressed objections on record or in writing, such objections shall also be escalated to the Audit Committee and during shareholder meeting for discussion. The same process shall apply to subsequent amendments.

Independent directors' opinions shall be fully taken into consideration when the Procedures are submitted for discussion among the board of directors according to the preceding Paragraph. Any opinions in favor or against the proposal and the underlying reasons shall be shown in board meeting minutes.

- Article 15 The Procedures were first established on June 18, 2003.
The 1st amendment was made on June 14, 2006.
The 2nd amendment was made on June 19, 2009.
The 3rd amendment was made on June 17, 2010.
The 4th amendment was made on June 14, 2013.
The 5th amendment was made on June 14, 2016.

[Appendix 6]

Shareholding of Current Directors

Below is a breakdown of directors' shareholding, based on shareholder registry as of the book closure date (April 18, 2021). Statutory minimum required shareholding across all directors as of the above date is: 12,707,561 (%).

The Company has assembled an Audit Committee, therefore supervisors' statutory minimum shareholding requirements do not apply.

Title	Name	Shareholding position as of the book closure date (shares)
Chairman	Chi-Jui Huang	11,564,943
Vice Chairman	Hung-Chi Hsiao	8,832,329
Director	Ching-Hui Lin	6,574,132
Director	Chi-An Huang	3,064,161
Director	Chi-Nan Huang	3,634,019
Director	I-Chuan Lin	946,339
Director	Yu-Hsing Liang	553,352
Director	Wen-Hsien Chiang	487,295
Director	Chien-Cheng Wu	498,079
Director	Wen-Shun Ho	50,217
Independent Director	Ming-Yu Huang	0
Independent Director	Chien-Te Liu	0
Total directors' shareholding		36,204,866

Note: Total outstanding shares as of the book closure date (April 18, 2021):

Common 317,689,037 shares.