

**Stock Code: 6196**

**Taiwan Stock Exchange  
Market Observation Post  
System:**

<https://mops.twse.com.tw>

**Company Website:**

<https://www.micb2b.com>



**Marketch International Corp.**

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

**Time :** May 28<sup>th</sup>, 2021 (Friday) at 9:00 a.m.

**Venue:** 1F., No.3, Yuancyu St., Nangang Dist., Taipei City

## ***DISCLAIMER***

*THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2020 ANNUAL GENERAL MEETING (THE “HANDBOOK”) OF MARKETECH INTERNATIONAL CORP. (THE “COMPANY”). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.*

**Marketech International Corp.**  
**Handbook for the 2021 Annual General Meeting of Shareholders**  
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**I. Meeting Procedures**

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6. Matters to Discuss
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**Marketch International Corp.**  
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**II. Meeting Agenda**

**Time :** May 28<sup>th</sup>, 2021 (Friday) at 9:00 a.m.

**Venue:** 1F., No.3, Yuancyu St., Nangang Dist., Taipei City

**1. Chairman to announce the commencement of meeting**

**2. Chairman's Remarks**

**3. Matters to Report**

- (1) Employees' Compensation and Directors' Remuneration in 2020
- (2) 2020 Business Report
- (3) Audit Committee's review report of 2020
- (4) Investments in Mainland China in 2020
- (5) Status of implementing endorsements and guarantees to outside parties in 2020
- (6) Report on the execution of the 4<sup>th</sup> domestic unsecured convertible bonds in 2020
- (7) Other reports

**4. Matters for Ratification**

- (1) To ratify 2020 Business Report and Financial Statements
- (2) To ratify 2020 Earnings Distribution

**5. Matters for Discussion and Directors Election**

- (1) Amendment to "Procedure for Endorsements and Guarantees"
- (2) Dismissal of non-competition restrictions on the directors.

**6. Other Matters and Extempore Motion**

**7. Adjournment**

### III. Matters to Report

- Item 1:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's Employees' Compensation and Directors' Remuneration in 2020  
**Explanation:** The 2020 directors' remuneration is NT\$12,795,962 and employees' compensation is NT\$127,959,618, please refer to "Appendixes 5" (page 57) of this handbook.
- Item 2:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's 2020 Business Report  
**Explanation:** Regarding the Company's 2020 Business Report and Financial Statements, please refer to "Annex 1" (page 6-8) and "Annex 2" (page 9-35) of this handbook.
- Item 3:** (proposed by the Board of Directors)  
**Description:** Please refer to the Audit Committee Audit Report on the 2020 Business Report, Financial Statements and Earnings Distribution.  
**Explanation:** Regarding the Company's Audit Committee Audit Report on the 2020 Business Report, Financial Statements and Earnings Distribution, please refer to "Annex 3" (page 36) of this handbook.
- Item 4:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's 2020 Report on the Investments in Mainland China in 2020.  
**Explanation:** Regarding the Company's 2020 Report on the Investments in Mainland China, please refer to "Annex 4" (page 37-40) of this handbook.
- Item 5:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's Report of implementing Endorsements and Guarantees to outside parties in 2020  
**Explanation:** Regarding the Company's Report of implementing Endorsements and Guarantees to outside parties in 2020, please refer to "Annex 5" (page 41-42) of this handbook.
- Item 6:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's Implementation Report on the execution of the 4<sup>th</sup> Domestic Unsecured Convertible Bonds in 2020.  
**Explanation:** Regarding the Company's Implementation Report on the execution of the 4<sup>th</sup> Domestic Unsecured Convertible Bonds in 2020, please refer to "Annex 6" (page 43-44) of this handbook.

#### **IV. Matters for Ratification**

**Item 1:** (proposed by the Board of Directors)

**Description:** Please ratify The Company's 2020 Business Report and Financial Statements.

**Explanation:**

- (1) The Company's 2020 Business Report and Financial Statements are completed and approved by the Board of Directors on February 26, 2021 with records. The 2020 Annual Financial Statement has also been audited by Independent Accountant Chang Shu-Chiung and Independent Accountant Weng Shih-Jung of PricewaterhouseCoopers (PwC) Taiwan. Aforesaid statements and report are also audited by the audit committees with records.
- (2) Aforesaid statements / report and independent accountants' report are attached. Please refer to "Annex 1" (page 6-8) and "Annex 2" (page 9-35) of this handbook.

**Resolution:**

**Item 2:** (proposed by the Board of Directors)

**Description:** Please ratify the Company's 2020 Earnings Distribution

**Explanation:**

- (1) Please refer to "Annex 7" (page 45) of the Company's 2020 Earnings Distribution.
- (2) The distributed cash dividend shall be counted only until digit in ones (shall be rounded down to an integer).
- (3) Regarding the earnings distribution stated in preceding Paragraph, if the 4th domestic unsecured convertible bonds converted to ordinary shares and the employees' execution of employee stock options affect the number of the Company's ordinary shares outstanding and results in a change of shareholders' dividend declared ratio, it is hereby proposed at the Shareholders' Meeting to fully authorize the Chairman to make an adjustment according to the resolution of the board of directors.
- (4) According to earnings distribution stated in preceding Paragraph, the cash dividend shall be, after the authorization was approved at the General Meeting of Shareholders', distributed based on the ex-dividends date stipulated by the Board of Directors separately.

**Resolution:**

## **V. Matters for Discussion**

**Item 1:** (proposed by the Board of Directors)

**Description:** Amendment to “Procedure for Endorsements and Guarantees”

**Explanation:** (1) Amendments were made to Company’s “Procedure for Endorsements and Guarantees” are made to comply with legal regulations and to satisfy the Company’s actual operational needs.  
(2) Regarding the Comparison Table of Amendments to “Procedure for Endorsements and Guarantees”, please refer to “Annex 8” (page 46-47)of this handbook.

Resolution

**Item 2:** (proposed by the Board of Directors)

**Description:** Approved for dismissal of non-competition restrictions on directors.

**Explanation:** (1) Approved for dismissal the non-competition restriction for the newly elected directors and/or their representatives according to Article 209 of the Company Act, If the newly elected Directors actually does anything for themselves or on behalf of another person that is within the scope of the Company’s business.  
(2) Dismissal of non-competition restrictions on directors, please refer to “Appendix 6” (page 58)of this handbook.

Resolution:

## **VI. Other Matters and Extempore Motion**

## **VII. Adjournment**



## 【Annex 1: 2020 Business Report】

### Marketech International Corp.

### 2020 Business Report

#### I. Operating Results of 2020

##### 1. Operating Results

In 2020, MIC group's consolidated revenue was NT\$ 25,119,857 thousand with an increase of 3.88% comparing with NT\$24,182,681 thousand in 2019; consolidated net income was NT\$875,502 thousand with an increase of 30.84% comparing with NT\$669,120 thousand in 2019; and earnings per share was NT\$4.88 with an increase of 29.10% comparing with NT\$3.78 in 2019.

The company will continue to stabilize growth and profitability as the operational goals in the future, thus to create the largest shareholder equity.

Summary of the 2020 and 2019 Consolidated Financial Statement is listed as follows:

Unit: NT\$ thousands ; %

Items	2019	2020	Variance (\$)	Variance (%)
Operating Revenue	24,182,681	25,119,857	937,176	3.88%
Gross Profit	2,566,979	3,100,342	533,363	20.78%
Operating Income	819,338	1,201,498	382,160	46.64%
Net Income	669,120	875,502	206,382	30.84%
Earnings per share (in dollars) (Note2)	3.78	4.88	1.10	29.10%

Note 1: The above information is summarized from Audit Reports of 2019 and 2020.

Note 2: The Earnings per share is based on the weighted average number of outstanding shares to calculate the basic earning per share.

##### 2. Budget Implementation

In 2020, MIC Group's performance was below the expectation in the first half of the year as the industry economy was rather vague. In the second half of the year, due to continuous rise of economy and momentum of enlarging production capacity in both China and Taiwan, customers from different industry sectors had an increasing demand and resulted in a consolidated income that is slightly lower than the budget in 2020. However, as the Group's profits reached expected levels, MIC will continue to strive for stable growth and achievement of operational goals.

##### 3. Analysis of Receipts, Expenditures and Profitability

Items		Consolidated Financial Statements	
		2019	2020
Financial Structure	Ratio of liabilities to assets (%)	70.29	68.58
	Ratio of long-term capital to fixed assets (%)	319.46	410.58
Solvency	Current ratio (%)	124.21	143.84
	Quick ratio (%)	96.60	113.06
	Times interest earned	11.56	18.08
Profitability	Return on total assets (%)	3.89	4.66
	Return on shareholders' equity (%)	11.56	14.35
	Ratio of operating income to paid-in capital (%)	43.85	64.18
	Ratio of pre-tax income to paid-in capital (%)	47.69	61.41
	Profit margin (%)	2.77	3.49
	Earnings per share (dollar) (Note)	3.78	4.88

Note: The Earnings per share is based on the weighted average number of outstanding shares to calculate the basic earning per share.

#### 4. Research and Development

##### (1) Expenditure involved

Unit: NT\$ thousands; %

Items \ Year	Consolidated Financial Statements	
	2019	2020
Research and development expenses (A)	220,168	184,401
Operating revenue (B)	24,182,681	25,119,857
Ratio (C=A/B)(%)	0.91	0.73

##### (2) Developed technologies and products in 2020

Featured with the capability of integrating high-technology production, auto-control and precision machinery technologies, the R&D team of MIC Group has shown extraordinary results in developing high-technology system and facilities. Its major performance in 2020 is shown below:

Year	R&D Performance	Applications
2020	Sapphire wafer automatic loading machine -2nd generation	LED industry
	PSS sapphire wafer Aoi machine -2nd generation	LED industry
	Sapphire wafer laser marking machine -2nd generation	LED industry
	Sapphire wafer morphology measure and sort machine -2nd generation	LED industry
	Polymerase Chain Reaction (PCR) Instrument	Biotechnology industry 、Laboratories and Inspection office (Screening)
	Centrifugation	Biotechnology industry 、Laboratories and Inspection office (Screening)
	Digital Wireless X-Ray Flat Panel Detector	Medical radiography
	Auto pipetting system	Biotechnology industry 、Medical industry 、Semiconductor industry

## II. Highlights of 2021 Business Plan

### 1. Operating Strategies

- (1) Go further in high-tech equipment and material product lines to increase the operating revenue.
- (2) Upgrade capabilities in turnkey service of engineering, design and system integration.
- (3) Cooperate with well-known international manufacturers to develop capabilities in production relevant processing equipment.
- (4) Research and develop customized equipment and production.
- (5) Upgrade and extend equipment maintenance services.
- (6) Actively develop IoT, Big Data, AI applications, private 5G network and installation capabilities.

### 2. Sales volume forecast and basis thereof

Directorate General of Budget, Accounting and Statistics, Executive Yuan projected that the growth rate of 2021 would be 3.83%. In the meanwhile, International Monetary Fund (IMF) has, in its World Economic Outlook Report published in January 2021, mentioned that the recently approved COVID-19 vaccines will make people more optimistic about the improvement of the pandemic situation in late 2021. Nevertheless, the upcoming pandemic situation and viral mutations have shadowed the economic outlook. Affected by great uncertainty, the global economy is estimated to have a growth of 5.5% and 4.2% in 2021 and 2022, respectively.

Terry Tsao, Global Chief Marketing Officer and President of SEMI (Semiconductor Equipment and Materials International) Taiwan, expressed that the global semiconductor equipment market continued to grow due to not only the increasing demand for semiconductor front- and back-end

equipment, but also the demand for 5G and high performance computation (HPC) applications. SEMI therefore holds an optimistic view on the global economic prospects in the following 2 years.

Terry Tsao further pointed out that this expansion wave was driven by the increasing demand for both semiconductor front- and back-end equipment. According to Tsao, the front-end foundry equipment (including wafer process, foundry and optical mask equipment) will have an increase of 15% in 2020, reaching USD59.4 billion; and is expected to have 4% and 6% growth in 2021 and 2022, respectively. Besides, facilitated by advanced packaging applications, wafer assembly and packaging equipment departments are expected to have 20% growth in 2020, with a total amount of USD3.5 billion; and grow further at about 8% and 5% in 2021 and 2022, respectively. On the other hand, the semiconductor test equipment market will rise by 20% with a total amount of USD6 billion in 2020; and this growth is expected to continue in 2021 and 2022 due to the demand for 5G and HPC applications.

Looking into 2021, MIC forecasts that the Group's business performance will be benefited from the estimated growth of microeconomy and semiconductor sales.

### 3. Important Production and Sales Policies

- (1) To integrate MIC Group's business units and build up the Company's core technology.
- (2) Increase the efficiency and reduce the costs to enhance the Company's business competitiveness.
- (3) To provide customer a full line service through synergy of the company's business units.
- (4) To enhance sales office's supply service to provide appropriate and on-time integrated services.
- (5) To enhance its relationship with customers in Asia and to extend the Company's capability to provide local services.

### III. Future Development Strategy

Centered on four major business groups – business agency, engineering design, system applications, and R&D and Manufacturing – MIC aims to further diversify its services and to include non-IT customers in order to expand its business in Asia.

Regarding the management system, MIS has implemented ISO9001, ISO13485, ISO14001, ISO45001, SA8000 and GMP work standards to enhance its work quality and efficiency to ensure the Group's competitiveness, to make employees confident, to bring customers a good protection and to maximize shareholders' benefits.

### IV. Impacts of External Competitive Environment, Regulatory Environment and Macroeconomic Environment

Impacted by the fierce competition of macroeconomic environment, the industry generally has the costs increased and profitability decreased. MIC Group is now making effort on the project and purchase management in order to enhance our competitiveness in the industry by controlling the costs and expenditure. As for the regulations, amendments concerning the protection of our environment, consumers and investors, as well as our social responsibilities were made, creating more restrictions on the business and turning the macroeconomic environment even more complicated. MIC Group values the spirit of ESG, therefore we will provide even more professional services to confront the incoming challenges. Upholding the spirit of "innovations", MIC Group will optimize our advantages and expand our market by offering "integrated", "eco-friendly", "differentiated" and "smart" solutions and services.

A Good Health and All the Bests to our Shareholders.

Sincerely yours,

Chairman: Margaret Kao

President: Scott Lin

Accounting Director: Chung Chi-Wen

## 【Annex 2:2020 Financial Statements and Report of Independent Accountants】

### I. 2020 Consolidated Financial Statements and Report of Independent Accountants



#### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Marketch International Corp.

#### ***Opinion***

We have audited the accompanying consolidated balance sheets of Marketch International Corp. and its subsidiaries (the “Group”) as at 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 at 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***

For the year ended December 31, 2020, we conducted our audit 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 (ROC GAAS). For the year ended December 31, 2019, we conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, the Financial Supervisory Commission (FSC) Jin-Guan-Zheng-Shen-Zi Order No. 1090360805 issued on February 25, 2020, and ROC GAAS. 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 in 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 consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters on the consolidated financial statements for the year ended December 31, 2020 were as follows:

## ***Recognition of construction contract revenue***

### Description

Refer to Note 4(28) for accounting policy on construction contract revenue, Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumptions, and Notes 6(18) and 6(4) for description on construction contract revenue and construction contract cost.

The Group recognized revenue and profit by using the percentage of completion method. This method is also being used to calculate the cost for each contract at year-end. Management will re-evaluate the cost if the budget had increased or decreased, and depending on the cost after adjustment, the percentage of completion will be recalculated. The construction contract revenue may be affected by the appropriateness of determination of cost and estimated cost. Thus, we considered this as one of the key audit matters.

### How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Obtained an understanding of the management's control system and determined whether the contract had been created or significantly changed with respect to estimated cost.
- B. Obtained the newly added construction contract list for this fiscal year, and ensured that the total contract price is equal to the amount being used to calculate construction contract revenue. Ensured that any additional construction supplement can be traced back to supplementary contracts.
- C. Checked the construction costs incurred estimation sheets in the current period, and sampled the basis of estimation and subcontract amount, and ensured that it has been approved appropriately by the management.
- D. Checked the rationality of significant changes in the estimation of construction cost, and sample tested whether the revised plan had been approved by the management.
- E. Obtained the billing details and selected samples of related vouchers by using statistical procedure to check the correctness of input cost in engineering reports and computation of percentage of completion.



## *Valuation of inventories*

### Description

Refer to Note 4(11) for description of accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for description on inventory.

The Group is primarily engaged in the import and export trading business, which include integrated circuit, electronic equipment, as well as materials and components used on electronic equipment. Due to the rapid technological changes, the semiconductor equipment industry has become more and more competitive, and the product price frequently changes. Therefore, the Group is now exposed to risk on inventory valuation loss and slow-moving inventory. Inventories are stated at the lower of cost or net realizable value, and the specific identification method is used to estimate the allowance for inventory valuation loss on slow-moving inventories.

The base stock of inventories is based on assumptions of future demand and development plan. Due to the large quantity of inventories for sale, and since the amounts involved are significant, the determination of net realizable value for obsolete or slow-moving inventory involves subjective judgement resulting in high degree of estimation uncertainty. As a result of the high uncertainties in these estimates, we considered this as one of the key audit matters.

### How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Assessed the policy on allowance for inventory valuation loss based on our understanding of the operations and industry of the Group.
- B. Tested whether the basis of market value used in calculating the net realizable value of inventory is consistent with the policy of the Group and validated selling prices of selected samples of respective inventory and their accuracy of net realizable value calculation.
- C. Acquired management's individually identified out-of-date inventory list, inspected the related supporting documents and proper recognition in the financial statements.

### *Valuation of loss allowance for accounts receivable*

#### Description

Refer to Note 4(8) for accounting policy on accounts receivable, Note 5(2) for accounting estimates and assumption uncertainty in relation to loss allowance of accounts receivable, and Note 6(3) for the details of accounts receivable.

The Group assesses the significant accounts receivable individually, and for those that are not significant, are assessed either individually or collectively. If there is no impairment after individual assessment, then the group of accounts receivable will be added for collective assessment. If the accounts receivable over a certain age is significant, the management will re-examine the collectability and assess each case for possible impairment. Management uses professional judgement during the process, and accounting estimates have a high possibility of becoming inappropriate. The professional judgement may be affected by several factors, such as customer's financial status, internal credit rating, order history, and economic situation. Accordingly, obtaining the supporting documents which management used for judgement is important. Thus, we considered the assessment on loss allowance of accounts receivable as one of our key audit matters.

#### How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Obtained an understanding of the process which management used to evaluate the collectability of accounts receivable.
- B. Ensured that the classification of impairment in the group of accounts receivable is appropriate and in accordance with the Group's accounting policy.
- C. Checked the details of significant impairment recognized by the management against the supporting documents to verify appropriateness.
- D. Verified the subsequent collection details of significant accounts receivable.
- E. Obtained the details of significant accounts receivable which have not yet been collected at year end, and re-evaluated the appropriateness.



***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Marketech International Corp. 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 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 ROC GAAS 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 ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:





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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, and for forming an audit opinion on the parent company only financial statements.


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.




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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.

  
Chang, Shu-Chiung  
For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2021

  
Weng, Shih-Jung

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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 report of independent auditors 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 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.

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,992,379	15	\$ 2,560,943	13
1110	Financial assets at fair value through profit or loss - current	6(2)	140,684	1	63,303	-
1140	Current contract assets	6(18)	5,306,618	26	4,095,623	21
1150	Notes receivable, net	6(3)	50,671	-	157,693	1
1170	Accounts receivable, net	6(3)	3,679,707	18	4,805,637	25
1180	Accounts receivable - related parties, net	6(3) and 7	150,311	1	229,575	1
1200	Other receivables		14,002	-	10,542	-
130X	Inventories, net	6(4)	2,852,312	14	3,114,071	16
1410	Prepayments	6(5)	574,914	3	361,171	2
1470	Other current assets	8	251,748	1	236,465	1
11XX	Total current assets		16,013,346	79	15,635,023	80
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	535,283	3	527,163	3
1550	Investments accounted for using equity method	6(6)	98,570	-	80,640	-
1600	Property, plant and equipment, net	6(7), 7 and 8	2,223,383	11	2,211,675	11
1755	Right-of-use assets	6(8)	1,004,862	5	971,068	5
1780	Intangible assets	7	52,792	-	16,695	-
1840	Deferred tax assets	6(22)	170,699	1	152,169	1
1900	Other non-current assets	6(6) and 8	162,488	1	58,445	-
15XX	Total non-current assets		4,248,077	21	4,017,855	20
1XXX	Total Assets		\$ 20,261,423	100	\$ 19,652,878	100

(Continued)

**MARKETECH INTERNATIONAL CORP. 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(9) and 8	\$ 1,474,800	7	\$ 3,048,408	15
2130	Current contract liabilities	6(18)	3,244,815	16	3,495,529	18
2150	Notes payable		1,152,035	6	951,202	5
2160	Notes payable - related parties	7	3,897	-	3,272	-
2170	Accounts payable		4,098,314	20	4,228,076	22
2180	Accounts payable - related parties	7	5,532	-	8,100	-
2200	Other payables	6(10)	651,328	3	509,591	3
2230	Current tax liabilities		165,237	1	97,851	-
2280	Current lease liabilities		106,385	-	107,955	1
2310	Advance receipts		123,228	1	39,092	-
2399	Other current liabilities		107,082	1	98,364	-
21XX	Total current liabilities		11,132,653	55	12,587,440	64
Non-current liabilities						
2530	Bonds payable	6(11)	1,455,438	7	-	-
2540	Long-term borrowings	6(12)	200,000	1	200,000	1
2570	Deferred tax liabilities	6(22)	51,303	-	19,383	-
2580	Non-current lease liabilities		874,040	5	833,369	4
2640	Net defined benefit liability - non-current	6(13)	178,133	1	170,165	1
2670	Other non-current liabilities	6(6)	3,473	-	4,553	-
25XX	Total non-current liabilities		2,762,387	14	1,227,470	6
2XXX	Total Liabilities		13,895,040	69	13,814,910	70
Equity						
	Share capital	6(15)				
3110	Ordinary shares		1,872,192	9	1,868,400	10
	Capital surplus	6(14)(16)				
3200	Capital surplus		1,029,109	5	982,882	5
	Retained earnings	6(17)				
3310	Legal reserve		841,627	4	771,326	4
3320	Special reserve		170,247	1	92,239	1
3350	Unappropriated retained earnings		2,526,327	13	2,255,413	11
	Other equity interest					
3400	Other equity interest		( 167,098 )	( 1 )	( 170,247 )	( 1 )
31XX	Total equity attributable to owners of parent		6,272,404	31	5,800,013	30
36XX	Non-controlling interests	4(3)	93,979	-	37,955	-
3XXX	Total Equity		6,366,383	31	5,837,968	30
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total Liabilities and Equity		\$ 20,261,423	100	\$ 19,652,878	100

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

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		Notes	Year ended December 31,			
			2020		2019	
			AMOUNT	%	AMOUNT	%
Items						
4000	Operating Revenue	6(18) and 7	\$ 25,119,857	100	\$ 24,182,681	100
5000	Operating Costs	6(4)(21) and 7	( 22,019,515)	( 88)	( 21,615,702)	( 89)
5900	Gross Profit		3,100,342	12	2,566,979	11
	Operating Expenses	6(21)				
6100	Sales and marketing expenses		( 609,897)	( 2)	( 654,881)	( 3)
6200	General and administrative expenses		( 929,473)	( 4)	( 857,743)	( 3)
6300	Research and development expenses		( 184,401)	( 1)	( 220,168)	( 1)
6450	Impairment on expected credit loss	12(2)	( 175,073)	( 1)	( 14,849)	-
6000	Total operating expenses		( 1,898,844)	( 8)	( 1,747,641)	( 7)
6900	Operating Profit		1,201,498	4	819,338	4
	Non-operating Income and Expenses					
7100	Interest income		9,227	-	10,125	-
7010	Other income	6(19)	65,680	-	85,560	-
7020	Other gains and losses	6(2)(20)	( 60,139)	-	55,485	-
7050	Finance costs		( 67,326)	-	( 84,370)	-
7060	Share of profit of associates and joint ventures accounted for using equity method		810	-	4,883	-
7000	Total non-operating income and expenses		( 51,748)	-	71,683	-
7900	<b>Profit before Income Tax</b>		1,149,750	4	891,021	4
7950	Income tax expense	6(22)	( 274,248)	( 1)	( 221,901)	( 1)
8200	<b>Net Income</b>		<u>\$ 875,502</u>	<u>3</u>	<u>\$ 669,120</u>	<u>3</u>

(Continued)

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	Year ended December 31,			
			2020		2019	
			AMOUNT	%	AMOUNT	%
	<b>Other Comprehensive Income</b>					
8311	Losses on remeasurements of defined benefit plans	6(13)	(\$ 10,884)	-	(\$ 10,782)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	2,155	-	2,157	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		( 8,729)	-	( 8,625)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign operations		4,274	-	( 37,108)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method		( 343)	-	( 451)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(22)	( 417)	-	7,329	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		3,514	-	( 30,230)	-
8300	<b>Other comprehensive loss, net of tax</b>		(\$ 5,215)	-	(\$ 38,855)	-
8500	<b>Total Comprehensive Income</b>		<u>\$ 870,287</u>	<u>3</u>	<u>\$ 630,265</u>	<u>3</u>
	Profit (loss) attributable to:					
8610	Owners of the parent		\$ 913,736	3	\$ 703,006	3
8620	Non-controlling interests		( 38,234)	-	( 33,886)	-
	Total		<u>\$ 875,502</u>	<u>3</u>	<u>\$ 669,120</u>	<u>3</u>
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 908,156	3	\$ 665,065	3
8720	Non-controlling interests		( 37,869)	-	( 34,800)	-
	Total		<u>\$ 870,287</u>	<u>3</u>	<u>\$ 630,265</u>	<u>3</u>
9750	Basic earnings per share (in dollars)	6(23)	<u>\$ 4.88</u>		<u>\$ 3.78</u>	
9850	Diluted earnings per share (in dollars)	6(23)	<u>\$ 4.85</u>		<u>\$ 3.74</u>	

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

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent					Other Equity Interest Financial statement translation differences of foreign operations	Total	Non-controlling interests	Total equity
	Share capital - ordinary shares	Capital Surplus - share premium	Capital Surplus - others	Legal reserve	Special reserve				
Year ended December 31, 2019									
Balance at January 1, 2019	\$ 1,855,913	\$ 959,959	\$ 10,422	\$ 602,068	\$ 92,239	\$ 2,197,064	\$ 5,666,734	\$ 70,569	\$ 5,737,303
Profit (loss) for the period	-	-	-	-	-	703,006	703,006	( 33,886 )	669,120
Other comprehensive loss for the period	-	-	-	-	-	( 8,625 )	( 37,941 )	( 914 )	( 38,855 )
Total comprehensive income (loss)	-	-	-	-	-	694,381	665,065	( 34,800 )	630,265
Appropriations and distribution of 2018 retained earnings: 6(17)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	79,258	-	( 79,258 )	-	-	-
Cash dividends	-	-	-	( 556,774 )	-	556,774	( 556,774 )	-	( 556,774 )
Share-based payment	7,625	9,229	( 3,767 )	-	-	-	13,087	-	13,087
Changes in equity of associates and joint ventures accounted for using equity method	-	-	42	-	-	-	42	-	42
Conversion of convertible bonds	4,862	7,500	( 503 )	-	-	-	11,859	-	11,859
Change in non-controlling interests	-	-	-	-	-	-	-	2,186	2,186
Balance at December 31, 2019	\$ 1,868,400	\$ 976,688	\$ 6,194	\$ 771,326	\$ 92,239	\$ 2,255,413	\$ 5,800,013	\$ 37,955	\$ 5,837,968
Year ended December 31, 2020									
Balance at January 1, 2020	\$ 1,868,400	\$ 976,688	\$ 6,194	\$ 771,326	\$ 92,239	\$ 2,255,413	\$ 5,800,013	\$ 37,955	\$ 5,837,968
Profit (loss) for the period	-	-	-	-	-	913,736	913,736	( 38,234 )	875,502
Other comprehensive income (loss) for the period	-	-	-	-	-	( 8,729 )	( 5,580 )	365	( 5,215 )
Total comprehensive income (loss)	-	-	-	-	-	905,007	908,156	( 37,869 )	870,287
Appropriations and distribution of 2019 retained earnings: 6(17)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	70,301	-	( 70,301 )	-	-	-
Special reserve	-	-	-	-	78,008	( 78,008 )	-	-	-
Cash dividends	-	-	-	-	-	( 485,784 )	( 485,784 )	-	( 485,784 )
Share-based payment	3,792	4,479	( 2,370 )	-	-	-	5,901	1,431	7,332
Changes in ownership interest in subsidiaries	-	-	912	-	-	-	912	( 912 )	-
Due to recognition of equity component of convertible bonds issued	-	-	43,206	-	-	-	43,206	-	43,206
Change in non-controlling interests	-	-	-	-	-	-	-	93,374	93,374
Balance at December 31, 2020	\$ 1,872,192	\$ 981,167	\$ 47,942	\$ 841,627	\$ 170,247	\$ 2,526,327	\$ 6,272,404	\$ 93,979	\$ 6,366,383

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

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
	Notes	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,149,750	\$ 891,021
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(20)	( 39,251 )	( 97,017 )
Impairment on expected credit loss	12(2)	175,073	14,849
Share of profit of associates and joint ventures accounted for using equity method		( 810 )	( 4,883 )
Depreciation	6(7)(8)(21)	317,411	326,822
Amortisation	6(21)	20,329	15,897
Loss (gain) on disposal of property, plant and equipment	6(7)(20)	4,127	( 3,792 )
Compensation cost of share-based payments	6(14)(16)(21)	1,431	2,080
Interest income		( 9,227 )	( 10,125 )
Interest expense		67,325	84,370
Dividend income	6(19)	( 16,798 )	( 13,856 )
Gain recognised from bargain purchase	6(24)	( 309 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets – current		( 1,210,995 )	133,918
Notes receivable, net		107,022	( 61,702 )
Accounts receivable, net		976,109	( 749,787 )
Accounts receivable – related parties, net		79,230	( 120,096 )
Other receivables		( 5,905 )	11,499
Inventories		270,620	670,780
Prepayments		( 213,537 )	56,109
Other current assets		( 21,209 )	56,060
Changes in operating liabilities			
Contract liabilities – current		( 250,714 )	175,063
Notes payable		200,833	( 79,283 )
Notes payable – related parties		625	( 10,402 )
Accounts payable		( 152,024 )	( 6,938 )
Accounts payable – related parties		( 2,568 )	( 6,020 )
Other payables		142,541	( 70,666 )
Advance receipts		84,136	10,547
Other current liabilities		8,719	48,657
Other non-current liabilities		( 2,916 )	( 2,574 )
Cash inflow generated from operations		1,679,018	1,260,531
Interest received		9,183	10,051
Dividends received		16,798	13,856
Interest paid		( 70,380 )	( 83,886 )
Income tax paid		( 188,892 )	( 224,705 )
Net cash flows from operating activities		1,445,727	975,847

(Continued)



**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
	Notes	2020	2019
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through profit or loss - non-current		( \$ 58,303 )	( \$ 84,945 )
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		12,241	100,661
Proceeds from capital reduction of financial assets at fair value through profit or loss		2,812	2,047
Increase in other financial assets		( 36,865 )	( 45,093 )
Acquisition of investments accounted for using equity method		( 20,000 )	( 17,063 )
Proceeds from capital reduction of investments accounted for using the equity method		1,471	-
Net cash flow from acquisition of subsidiaries	6(24)	( 3,300 )	-
Acquisition of property, plant and equipment	6(7)	( 215,592 )	( 193,776 )
Proceeds from disposal of property, plant and equipment	6(7)	2,358	41,625
Acquisition of right-of-use assets		( 4,942 )	( 44,693 )
Acquisition of intangible assets		( 56,449 )	( 13,283 )
Increase in refundable deposits		( 1,708 )	( 78,043 )
Increase in prepayments for business facilities		( 29,685 )	-
Increase in prepayments for investments		( 28,480 )	-
Dividends received		-	3,756
Decrease in other non-current assets		-	2,650
Net cash flows used in investing activities		( 436,442 )	( 326,157 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings	6(26)	( 1,575,565 )	440,129
Proceeds from exercise of employee stock options	6(14)	5,902	12,078
Repayments of lease principal	6(8)(26)	( 91,033 )	( 114,231 )
(Decrease) increase in guarantee deposits received		( 12 )	11
Proceeds from issuance of bonds	6(11)(26)	1,495,000	-
Cash dividends paid	6(17)	( 485,784 )	( 556,774 )
Changes in non-controlling interests		93,374	1,116
Net cash flows used in financing activities		( 558,118 )	( 217,671 )
Effect of exchange rate changes on cash and cash equivalents		( 19,731 )	( 26,433 )
Net increase in cash and cash equivalents		431,436	405,586
Cash and cash equivalents at beginning of year	6(1)	2,560,943	2,155,357
Cash and cash equivalents at end of year	6(1)	\$ 2,992,379	\$ 2,560,943

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

## II. 2020 Parent Company only Financial Statements and Report of Independent Accountants



### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Marketch International Corp.

#### ***Opinion***

We have audited the accompanying parent company only balance sheets of Marketch International Corp. (the “Company”) as at December 31, 2020 and 2019, and the parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at 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***

For the year ended December 31, 2020, we conducted our audit 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 (ROC GAAS). For the year ended December 31, 2019, we conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, the Financial Supervisory Commission (FSC) Jin-Guan-Zheng-Shen-Zi Order No. 1090360805 issued on February 25, 2020, and ROC GAAS. Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant 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 parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters on the parent company only financial statements for the year ended December 31, 2020 were as follows:

## ***Recognition of construction contract revenue***

### Description

Refer to Note 4(27) for accounting policy on construction contract and revenue, Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumptions, and Notes 6(17) and 6(4) for details of construction contract revenue and construction contract cost.

The Company recognized revenue and profit by using the percentage of completion method. This method is also being used to calculate the cost for each contract at year-end. Management will re-evaluate the cost if the budget had increased or decreased, and depending on the cost after adjustment, the percentage of completion will be recalculated. The construction contract revenue may be affected by the appropriateness of determination of cost and estimated cost. Thus, we considered this as one of the key audit matters.

### How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Obtained an understanding of the management's control system and determined whether the contract had been created or significantly changed with respect to estimated cost.
- B. Obtained the newly added construction contract list for this fiscal year, and ensured that the total contract price is equal to the amount being used to calculate construction contract revenue. Ensured that any additional construction supplement can be traced back to supplementary contracts.
- C. Checked the construction costs incurred estimation sheets in the current period, and sampled the basis of estimation and subcontract amount, and ensured that it has been approved appropriately by the management.
- D. Checked the rationality of significant changes in the estimation of construction cost, and sample tested whether the revised plan had been approved by the management.
- E. Obtained the billing details and selected samples of related vouchers by using statistical procedure to check the correctness of input cost in engineering reports and computation of percentage of completion.



### *Valuation of inventories*

#### Description

Refer to Note 4(10) for description of accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for description on inventory.

The Company is primarily engaged in the import and export trading business, which include integrated circuit, electronic equipment, as well as materials and components used on electronic equipment. Due to the rapid technological changes, the semiconductor equipment industry has become more and more competitive, and the product price frequently changes. Therefore, the Company is now exposed to risk on inventory valuation loss and slow-moving inventory. Inventories are stated at the lower of cost or net realizable value, and the specific identification method is used to estimate the allowance for inventory valuation loss on slow-moving inventories.

The base stock of inventories is based on assumptions of future demand and development plan. Due to the large quantity of inventories for sale, and since the amounts involved are significant, the determination of net realizable value for obsolete or slow-moving inventory involves subjective judgement resulting in high degree of estimation uncertainty. As a result of the high uncertainties in these estimates, we considered this is one of the key audit matters.

#### How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Assessed the policy on allowance for inventory valuation loss based on our understanding of the operations and industry of the Company.
- B. Tested whether the basis of market value used in calculating the net realizable value of inventory is consistent with the policy of the Company and validated selling prices of selected samples of respective inventory and their accuracy of net realizable value calculation.
- C. Acquired management's individually identified out-of-date inventory list, inspected the related supporting documents and proper recognition in the financial statements.

### *Valuation of loss allowance for accounts receivable*

#### Description

Refer to Note 4(7) for accounting policy on accounts receivable, Note 5(2) for accounting estimates and assumption uncertainty in relation to loss allowance of accounts receivable, and Note 6(3) for the details of accounts receivable.

The Company assesses the significant accounts receivable individually, and those that are not significant, are assessed either individually or collectively. If there is no impairment after individual assessment, then the group of accounts receivable will be subject to collective assessment. If the accounts receivable over a certain age is significant, the management will re-examine the collectability, and assess each case for possible impairment. Management uses professional judgement during the process, and accounting estimates have a high possibility of becoming inappropriate. The professional judgement may be affected by several factors, such as customer's financial status, internal credit rating, order history, and economic situation. Accordingly, obtaining the supporting documents which management used for judgement is important. Thus, we considered the assessment on loss allowance of accounts receivable as one of our key audit matters.

#### How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Obtained an understanding of the process which management used to evaluate the collectability of accounts receivable.
- B. Ensured that the classification of impairment in the group of accounts receivable is appropriate and in accordance with the Company's accounting policy.
- C. Checked the details of significant impairment recognized by the management against the supporting documents to verify appropriateness.
- D. Verified the subsequent collection details of significant accounts receivable.
- E. Obtained the details of significant accounts receivable which have not yet been collected at year end, and re-evaluated the appropriateness.



***Responsibilities of management and those charged with governance for the parent company only financial statements***

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company’s financial reporting process.

***Auditors’ responsibilities for the audit of the parent company only financial statements***

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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



資誠

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

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.

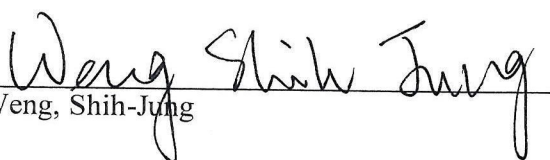




資誠

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements 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.

  
Chang, Shu-Chiung

  
Weng, Shih-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2021

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The accompanying parent company only 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 parent company only financial statements and report of independent auditors 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 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.



MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,562,493	9	\$ 1,249,502	8
1110	Financial assets at fair value through profit or loss - current	6(2)	140,684	1	63,303	1
1140	Current contract assets	6(17) and 7	4,226,388	25	3,202,655	20
1150	Notes receivable, net	6(3)	30,083	-	87,379	1
1170	Accounts receivable, net	6(3)	2,395,135	14	2,716,489	17
1180	Accounts receivable - related parties, net	6(3) and 7	156,710	1	137,620	1
1200	Other receivables	7	48,374	-	47,963	-
130X	Inventories, net	6(4)	2,385,410	14	2,697,586	17
1410	Prepayments		373,638	2	183,925	1
1470	Other current assets	8	132,612	1	110,885	1
11XX	Total current assets		11,451,527	67	10,497,307	67
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	535,283	3	527,163	3
1550	Investments accounted for using equity method	6(5)	2,279,900	14	2,016,204	13
1600	Property, plant and equipment, net	6(6) and 7	1,717,285	10	1,672,574	11
1755	Right-of-use assets	6(7)	905,860	5	858,772	5
1780	Intangible assets	7	48,026	-	11,377	-
1840	Deferred tax assets	6(21)	170,699	1	152,169	1
1900	Other non-current assets	8	34,970	-	36,128	-
15XX	Total non-current assets		5,692,023	33	5,274,387	33
1XXX	Total Assets		\$ 17,143,550	100	\$ 15,771,694	100

(Continued)

**MARKETECH INTERNATIONAL CORP.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2020		December 31, 2019	
			Notes	AMOUNT	%	AMOUNT
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 1,085,778	6	\$ 2,320,000	15
2130	Current contract liabilities	6(17) and 7	2,354,775	14	2,465,351	16
2150	Notes payable		1,150,933	7	951,202	6
2160	Notes payable - related parties	7	3,897	-	3,272	-
2170	Accounts payable		2,585,841	15	2,363,414	15
2180	Accounts payable - related parties	7	14,506	-	13,222	-
2200	Other payables	6(9)	468,688	3	334,909	2
2230	Current tax liabilities		149,664	1	81,427	1
2280	Current lease liabilities		71,518	-	72,117	-
2310	Advance receipts		118,015	1	39,092	-
2399	Other current liabilities		104,025	-	95,829	1
21XX	Total current liabilities		8,107,640	47	8,739,835	56
Non-current liabilities						
2530	Bonds payable	6(10)	1,455,438	9	-	-
2540	Long-term borrowings	6(11)	200,000	1	200,000	1
2570	Deferred tax liabilities	6(21)	51,303	-	19,383	-
2580	Non-current lease liabilities		841,381	5	790,178	5
2640	Net defined benefit liability - non-current	6(12)	178,133	1	170,165	1
2670	Other non-current liabilities	6(5)	37,251	-	52,120	-
25XX	Total non-current liabilities		2,763,506	16	1,231,846	7
2XXX	Total Liabilities		10,871,146	63	9,971,681	63
Equity						
	Share capital	6(14)				
3110	Ordinary shares		1,872,192	11	1,868,400	12
	Capital surplus	6(13)(15)				
3200	Capital surplus		1,029,109	6	982,882	6
	Retained earnings	6(16)				
3310	Legal reserve		841,627	5	771,326	5
3320	Special reserve		170,247	1	92,239	1
3350	Unappropriated retained earnings		2,526,327	15	2,255,413	14
	Other equity interest					
3400	Other equity interest		( 167,098)	( 1)	( 170,247)	( 1)
3XXX	Total Equity		6,272,404	37	5,800,013	37
	Significant contingent liabilities and unrecognised contract commitments	7 and 9				
	Significant events after the balance sheet date	11				
3X2X	Total Liabilities and Equity		\$ 17,143,550	100	\$ 15,771,694	100

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

**MARKETECH INTERNATIONAL CORP.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

			Year ended December 31,			
			2020		2019	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating Revenue	6(17) and 7	\$ 18,404,137	100	\$ 17,631,899	100
5000	Operating Costs	6(4)(20) and 7	( 16,027,833)	( 87)	( 15,776,299)	( 90)
5900	Gross Profit		<u>2,376,304</u>	<u>13</u>	<u>1,855,600</u>	<u>10</u>
	Operating Expenses	6(20) and 7				
6100	Sales and marketing expenses		( 339,893)	( 2)	( 345,000)	( 2)
6200	General and administrative expenses		( 662,102)	( 3)	( 547,794)	( 3)
6300	Research and development expenses		( 153,325)	( 1)	( 183,891)	( 1)
6450	Impairment on expected credit loss	12(2)	( 149,153)	( 1)	( 26,657)	-
6000	Total operating expenses		( 1,304,473)	( 7)	( 1,103,342)	( 6)
6900	Operating Profit		<u>1,071,831</u>	<u>6</u>	<u>752,258</u>	<u>4</u>
	Non-operating Income and Expenses					
7100	Interest income	7	3,485	-	4,994	-
7010	Other income	6(18) and 7	73,940	-	109,039	1
7020	Other gains and losses	6(2)(19)	( 13,947)	-	61,604	-
7050	Finance costs		( 38,855)	-	( 36,695)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method		<u>42,387</u>	<u>-</u>	<u>( 12,983)</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>67,010</u>	<u>-</u>	<u>125,959</u>	<u>1</u>
7900	Profit before Income Tax		<u>1,138,841</u>	<u>6</u>	<u>878,217</u>	<u>5</u>
7950	Income tax expense	6(21)	( 225,105)	( 1)	( 175,211)	( 1)
8200	Net Income		<u>\$ 913,736</u>	<u>5</u>	<u>\$ 703,006</u>	<u>4</u>
	Other Comprehensive Income (Loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(12)	( \$ 10,884)	-	( \$ 10,782)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	<u>2,155</u>	<u>-</u>	<u>2,157</u>	<u>-</u>
8310	Other comprehensive loss that will not be reclassified to profit or loss		<u>( 8,729)</u>	<u>-</u>	<u>( 8,625)</u>	<u>-</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations		3,909	-	( 36,194)	-
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method		( 343)	-	( 451)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(21)	( 417)	-	<u>7,329</u>	<u>-</u>
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		<u>3,149</u>	<u>-</u>	<u>( 29,316)</u>	<u>-</u>
8300	Other comprehensive loss, net of tax		<u>( \$ 5,580)</u>	<u>-</u>	<u>( \$ 37,941)</u>	<u>-</u>
8500	Total Comprehensive Income		<u>\$ 908,156</u>	<u>5</u>	<u>\$ 665,065</u>	<u>4</u>
9750	Basic earnings per share (in dollars)	6(22)	<u>\$ 4.88</u>		<u>\$ 3.78</u>	
9850	Diluted earnings per share (in dollars)	6(22)	<u>\$ 4.85</u>		<u>\$ 3.74</u>	

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

**MARKETECH INTERNATIONAL CORP.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - ordinary shares	Capital surplus - share premium	Capital Reserves	Retained Earnings			Other Equity Interest	
				Capital Surplus - others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Total equity
Year ended December 31, 2019									
Balance at January 1, 2019		\$ 1,855,913	\$ 959,959	\$ 10,422	\$ 692,068	\$ 92,239	\$ 2,197,064	(\$ 140,931 )	\$ 5,666,734
Profit for the period		-	-	-	-	-	703,006	-	703,006
Other comprehensive loss for the period		-	-	-	-	-	( 8,625 )	( 29,316 )	( 37,941 )
Total comprehensive income (loss)		-	-	-	-	-	694,381	( 29,316 )	665,065
Appropriations and distribution of earnings for 2018	6(16)	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	79,258	-	( 79,258 )	-	-
Cash dividends		-	-	-	-	-	( 556,774 )	-	( 556,774 )
Share-based payment	6(13)(14)(15)	7,625	9,229	( 3,767 )	-	-	-	-	13,087
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	6(15)	-	-	-	-	-	-	-	-
Conversion of convertible bonds	6(14)(15)	4,862	7,500	( 42	-	-	-	-	42
Balance at December 31, 2019		\$ 1,868,400	\$ 976,688	\$ 6,194	\$ 771,326	\$ 92,239	\$ 2,255,413	(\$ 170,247 )	\$ 5,800,013
Year ended December 31, 2020									
Balance at January 1, 2020		\$ 1,868,400	\$ 976,688	\$ 6,194	\$ 771,326	\$ 92,239	\$ 2,255,413	(\$ 170,247 )	\$ 5,800,013
Profit for the period		-	-	-	-	-	913,736	-	913,736
Other comprehensive loss for the period		-	-	-	-	-	( 8,729 )	3,149	( 5,580 )
Total comprehensive income		-	-	-	-	-	905,007	3,149	908,156
Appropriations and distribution of earnings for 2019	6(16)	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	70,301	-	( 70,301 )	-	-
Special reserve		-	-	-	-	78,008	( 78,008 )	-	-
Cash dividends		-	-	-	-	-	( 485,784 )	-	( 485,784 )
Share-based payment	6(13)(14)(15)	3,792	4,479	( 2,370 )	-	-	-	-	5,901
Changes in ownership interest in subsidiaries	6(15)	-	-	912	-	-	-	-	912
Due to recognition of equity component of convertible bonds issued	6(10)(15)	-	-	43,206	-	-	-	-	43,206
Balance at December 31, 2020		\$ 1,872,192	\$ 981,167	\$ 47,942	\$ 841,627	\$ 170,247	\$ 2,526,327	(\$ 167,098 )	\$ 6,272,404

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

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31,	
	Notes	2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,138,841	\$ 878,217
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(19)	( 39,251 )	( 97,017 )
Impairment on expected credit loss	12(2)	149,153	26,657
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method		( 42,387 )	12,983
Depreciation	6(6)(7)(20)	219,933	207,265
Amortisation	6(20)	18,816	14,105
Loss (gain) on disposal of property, plant and equipment	6(6)	3,768	( 4,862 )
Compensation cost of share-based payments	6(13)(15)(20)	-	1,009
Interest income	7	( 3,485 )	( 4,994 )
Interest expense		38,855	36,695
Dividend income	6(18)	( 16,798 )	( 13,856 )
Gain recognised from bargain purchase		( 309 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		( 1,023,733 )	95,052
Notes receivable, net		57,296	( 69,020 )
Accounts receivable, net		134,021	107,070
Accounts receivable - related parties, net		19,090	22,943
Other receivables		( 5,599 )	( 16,083 )
Inventories, net		312,176	485,863
Prepayments		( 189,612 )	129,992
Other current assets		( 25,757 )	25,259
Changes in operating liabilities			
Current contract liabilities		( 110,576 )	( 302,894 )
Notes payable		199,731	( 86,597 )
Notes payable – related parties		625	( 3,088 )
Accounts payable		289,381	( 453,834 )
Accounts payable – related parties		1,284	( 2,171 )
Other payables		67,968	( 91,236 )
Advance receipts		78,923	18,186
Other current liabilities		8,196	51,036
Other non-current liabilities		( 2,916 )	( 2,574 )
Cash inflow generated from operations		1,277,634	964,106
Interest received		3,485	4,994
Dividends received		16,798	13,856
Interest paid		( 39,187 )	( 35,976 )
Income tax paid		( 136,552 )	( 185,824 )
Net cash flows from operating activities		1,122,178	761,156

(Continued)

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31,	
		2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss - non-current		( \$ 58,303 )	( \$ 84,945 )
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		12,241	100,661
Proceeds from capital reduction of financial assets at fair value through profit or loss		2,812	2,047
Increase in other financial assets		-	( 45,000 )
Acquisition of investments accounted for using equity method – subsidiaries		( 212,863 )	( 100,509 )
Acquisition of investments accounted for using equity method – non-subsiidiaries		( 20,000 )	( 1,500 )
Proceeds from capital reduction of investments accounted for using equity method		1,471	-
Acquisition of property, plant and equipment	6(6)	( 202,042 )	( 112,592 )
Proceeds from disposal of property, plant and equipment	6(6)	2,336	37,211
Acquisition of right-of-use assets		( 4,058 )	( 7,740 )
Acquisition of intangible assets		( 55,466 )	( 11,449 )
Decrease (increase) in refundable deposits		14,216	( 64,968 )
Increase in prepayments for business facilities		( 9,037 )	-
Dividends received		-	3,756
Net cash flows used in investing activities		( 528,693 )	( 285,028 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(24)	( 1,234,222 )	708,000
Proceeds from exercise of employee stock options	6(13)	5,902	12,078
Repayments of lease principal	6(7)(24)	( 61,390 )	( 69,028 )
Proceeds from issuance of bonds	6(10)(24)	1,495,000	-
Cash dividends paid	6(16)	( 485,784 )	( 556,774 )
Net cash flows (used in) from financing activities		( 280,494 )	94,276
Net increase in cash and cash equivalents		312,991	570,404
Cash and cash equivalents at beginning of year	6(1)	1,249,502	679,098
Cash and cash equivalents at end of year	6(1)	\$ 1,562,493	\$ 1,249,502

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

## **【Annex 3: 2020 Audit Committee Audit Report】**

### **Marketch International Corp.**

### **Audit Committee Audit Report**

To: The 2021 Annual General Shareholders' Meeting of Marketch International Corp.

We, as the Audit Committee of MIC Group, have audited the 2020 Business Report, Financial Statements and Earnings Distribution Proposal made and submitted by the board of directors. The said Financial Statements were audited by Independent Accountant Chang Shu-Chiung and Independent Accountant Weng Shih-Jung of PricewaterhouseCoopers (PwC) Taiwan, and are supported with an audit report issued by PwC. We believe that there is no inconsistent information of aforementioned Business Report, Financial Statements and Earnings Distribution Proposal and hereby submit these documents to you according to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

Chairperson of Audit Committee, Lin Hsiao-Min

February 26, 2021

## 【Annex 4 : Investments in Mainland China in 2020】

### Marketch International Corp. Information on investments in Mainland China For the year ended December 31, 2020

#### I. Financial Information of Investments in Mainland China

Unit: NT\$ thousands

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
MIC-Tech (WuXi) Co., Ltd..	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembling of wrapping device and cooling equipment; producing, assembling and sale of LED illuminator and its component; wholesale, commission agency and import and export of the aforementioned products their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants; design, manufacturing, sales and installation of automatic warehousing equipment and accessories, automatic logistics transporting equipment and accessories; R&D, sales and installation of supplementary engineering in logistics dispatch system; manufacturing and sales of medical devices.	\$ 726,240 (Note 4)	\$ 583,840	\$ -	\$ -	\$ 583,840	(\$ 18,272)	100%	(\$ 17,717)	\$ 16,715	\$ -
MIC-Tech (Shanghai) Corp.	Wholesale, commission agency, maintenance, repairment, manufacture, import and export of semiconductor production, inspection equipment and its consumables and boilers that generate electricity; storage and allocation of mainly chemical and boiler products; international and entrepot trade; trading and trading agency among enterprises in customs bonded area; consulting services in customs bonded area	234,704 (Note 4)	14,240	-	-	14,240	112,451	100%	112,451	497,616	-
Shanghai Maohua Electronics Engineering Co.,Ltd.	Production of scrubber bins for semiconductor manufacturers, design, installation, debugging and technology services of tunnel system, equipment repair for semiconductor manufacturers, consulting service for electrical and medical equipment; wholesale, commissioned distribution	17,088 (Note 4)	17,173	-	-	17,173	12,753	87%	11,095	(3,284)	-



Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
	(exclude auction), export, import and related services of electronic products, machinery equipment, chemical products (exclude dangerous articles), communication equipment, metal products, plastic products										
MIC-Tech Electronics Engineering Corp.	Installation and construction of mechanical and electrical systems; construction of chemical and petroleum projects; construction of public municipal infrastructure projects; professional building renovation and decoration services; design and construction of smart buildings; construction of electronic projects and related technical services and consulting. Building equipment, building materials (excluding steel and cement), electronic products, chemical products (excluding hazardous products), metal products, electrical equipment, wholesale of communications equipment, commission-based agency (excluding auctions) and import-export business, and delivery of all related and supplementary services	\$ 501,789 (Note 4)	\$ 242,650	\$ -	\$ -	\$ 242,650	\$ 20,178	100%	\$ 20,178	\$ 537,392	-
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	8,544 (Note 4)	8,544	-	-	8,544	( 254)	100%	( 254)	( 1,810)	-
Frontken MIC (Wuxi) Co., Ltd.	Research of specialized cleaning equipment of semiconductor device and integrated circuit, cleaning of special components of semiconductor device, integrated circuit and micro module and cleaning technology for semiconductors, assembling, installation and maintenance of cooling equipment; design, manufacture, sale and installation of automatic warehouse equipment and fittings, and automatic logistics transporting equipment and fittings; development, sale and installation of computer aided engineering; wholesale, commission, import and export of above products and parts	65,732 (Note 4)	26,293	-	-	26,293	( 194)	100%	( 194)	4,983	-

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products (except for hazardous chemicals, chemicals used in production of narcotic drugs and psychotropic substances and special chemicals), semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, consulting service for trading, installation, repair, and maintenance of automation equipment, electronic equipment, and their parts	42,720 (Note 4)	42,720	-	-	42,720	13,605	100%	13,605	32,857	-
Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high definition projection cathode-ray tube and micro-display module, and production, cleaning and regeneration of new electrical device; sells the products that manufactured by itself; machinery equipment, research and development of production technology of utilities equipment, technology transfer, technology consulting, technology service; processing of metal salvage and junk (except for hazardous chemicals and hazardous waste); metallic material (except for steels and noble metal), ceramic product, paper products and wholesale, retail and import and export of hardware products.	\$ 199,360 (Note 4)	\$ 111,072	\$ -	\$ -	\$ 111,072	(\$ 23,798)	60%	(\$ 14,279)	\$ 37,159	\$ -
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	27,253 (Note 4)	8,565	-	-	8,565	3,982	31.43%	1,251	( 3,399)	-
Fortune International Corporation	Research and development, design, manufacturing, sales, installation and repair services of semiconductor-related devices, equipment and materials; research and development, transfer, consulting and service of semiconductor-related	34,176 (Note 4)	14,240	-	-	14,240	( 8,053)	27.78%	( 2,237)	6,377	-

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
	technology; supply chain management service; self-operation and agency of import and export business of various products and technologies; property management service; industrial park management service; accommodation service; retail of articles of daily use, food and beverages; venue rental; enterprise management service; conference and exhibition services; warehousing service; handling and transportation agency services										

Note 1: Refers to the paid-in capital, amount remitted to Mainland China / back to Taiwan, and book value of investments in Mainland China until December 31, 2020.

Note 2: Paid-in capital and investment amount were translated at the original currency times exchange rate at period end..

Note 3: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2018' column:  
(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.  
(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:  
A. The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.  
B. The financial statements that are reviewed and attested by R.O.C. parent company's CPA.  
C. Others

Note 4: Through investing in Market Go Profits Ltd., which then invested in the investee in Mainland China.

## II. Information of Ceiling on Investments in Mainland China

December 31, 2020  
Unit: NT\$ thousands

Accumulated amount of remittance from Taiwan to Mainland China until December 31, 2020 (Note 1 and Note 2)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
\$ 1,116,125	\$ 1,860,227	\$ 3,819,830

Note 1: The amount was translated at the original currency times exchange rate at period end.

Note 2: The Company has sold WUXI Probeleader Electronics Co., Ltd. at the end of November 2011. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$186 thousand.

Note 3: The liquidation of TPP-MIC (WuXi) Co., Ltd. was completed in November, 2015. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018, and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$180 thousand.

# **【Annex 5: Status of implementing Endorsements and Guarantees to outside parties in 2020】**

## **Marketch International Corp. and Subsidiaries Endorsements and Guarantees to outside parties For the year ended December 31, 2020**

Unit: NT\$ thousands

Endorser / Guarantor	Endorsee / Guarantee		Shareholding (%)	Limit on endorsements / guarantees provided for a single party (Note 2 and 3)	Maximum outstanding endorsements / guarantees (Note 4)	Outstanding endorsements / guarantees at period end (Note 5)	Actual drawdown amount (Note 6)	Ceiling on total amount of endorsement / guarantee (Note 2 and 3)	Content of Guarantee
	Company Name	Relationship							
Marketch International Corp.	Marketch Integrated Pre Ltd.	Note 1 (2)	100%	\$ 3,136,202	\$ 34,543	\$ 17,131	\$ 4,140	\$ 6,272,404	Signed a contract for joint guarantee.
Marketch International Corp.	MIC-Tech (Shanghai) Corp.	Note 1 (2)	100%	3,136,202	885,360	706,031	39,011	6,272,404	Provide promissory notes as bank loan guarantee.
Marketch International Corp.	MIC-Tech (WuXi) Co., Ltd.	Note 1 (2)	100%	3,136,202	314,307	283,900	184,209	6,272,404	Provide promissory notes as bank loan guarantee.
Marketch International Corp.	MIC-Tech Electronics Engineering Corp.	Note 1 (2)	100%	3,136,202	1,696,667	1,474,209	589,605	6,272,404	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee.
Marketch International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Note 1 (2)	87%	3,136,202	528,055	318,971	241,707	6,272,404	Signed a contract for joint guarantee.
Marketch International Corp.	Marketch International Sdn. Bhd.	Note 1 (2)	100%	3,136,202	239,840	227,840	31,266	6,272,404	Provide Standby Letter of Credit as bank loan guarantee.
Marketch International Corp.	eZoom Information, Inc.	Note 1 (2)	100%	3,136,202	120,000	60,000	-	6,272,404	Provide promissory notes as bank loan guarantee.
Marketch International Corp.	Marketch International Corporation USA	Note 1 (2)	100%	3,136,202	332,750	-	-	6,272,404	Provide promissory notes as bank loan guarantee.
Marketch International Corp.	Te Chang Construction Co., LTD.,	Note 1 (5)	0%	3,136,202	174,000	174,000	86,997	6,272,404	Provide banker's letter of guarantee for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp.	Note 1 (4)	0%	1,612,176	103,729	-	-	2,686,960	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	Marketch International Corp.	Note 1 (3)	0%	1,612,176	511,679	481,739	481,739	2,686,960	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	Note 1 (4)	0%	1,612,176	8,561	8,557	8,557	2,686,960	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech Viet Nam Co., Ltd.	Note 1 (4)	0%	1,612,176	272,362	269,930	269,930	2,686,960	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	The Fourth Construction Co., Ltd. of China Electronics System Engineering	Note 1 (5)	0%	1,612,176	807,834	807,467	784,817	2,686,960	Signed a contract for joint guarantee.
MIC-Tech (Shanghai) Corp.	MIC-Tech Electronics Engineering Corp.	Note 1 (4)	0%	1,492,848	596,060	-	-	2,488,080	Signed a contract for joint guarantee.
Marketch Co. Ltd.	MIC-Tech Viet Nam Co. Ltd.	Note 1 (4)	0%	167,510	130,641	126,166	126,166	167,510	Signed a contract for joint guarantee.

Note 1: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 2: Limit on endorsements and guarantees stated in "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies":

- (1) In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on the total amount is 5 times of the Company's net assets.
  - (2) Except for guarantees for contracting constructions, limit on the Company's accumulated endorsement/guarantee is the Company's net assets; limit on endorsement/guarantee to a single party is 50% of the Company's net assets. Limit on the total endorsement/guarantee of the Company and its subsidiaries as a whole is 1.5 times of the Company's net assets; limit on endorsement/guarantee to a single party is 75% of the Company's net assets.
- Note 3: Limit on endorsements and guarantees of the Group's subsidiary - MIC-Tech Electronics Engineering Corp. and MIC-Tech (Shanghai) Corp.
- (1) In accordance with mutual guarantee requirement in the same industry or the common builders for contracting constructions, or provision of endorsements and guarantees for joint ventures from shareholders in proportion to shareholding ratio, limit on the total amount is 5 times of the net assets of the endorser/guarantor on endorsement/guarantee to a single party is three times of the net assets of the endorser/guarantor.
  - (2) Except for (1), the Group follows standards of endorsements and guarantees as below:
    - (2-1) Total amount:
      - (2-1-1) Limit on the accumulated endorsements and guarantees is 5 times of the net assets of the endorser/guarantor;
      - (2-1-2) Limit on endorsements and guarantees to a company of which the endorser company and the Company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the ultimate parent's net assets.
      - (2-1-3) Total endorsements and guarantees of the endorser/guarantor and its subsidiaries are limited to 5 times of the net assets of the endorser/guarantor.
    - (2-2) Limit on endorsement/guarantee to a single party
      - (2-2-1) For the companies having business relationship with the endorser/guarantor and thus being provided endorsements/guarantees, limit on endorsements to a single party is the total value of business transactions within past 12 months. (the value of business transactions is the higher of purchase or sales)
      - (2-2-2) Limit on endorsement/guarantee to a single party who having business relationship with the Group is 3 times of the net assets of the endorser/guarantor.

Limit on endorsements and guarantees of the Group's subsidiary - Marktech Co., Ltd.:

- (1) In accordance with mutual guarantee requirement in the same industry or the common builders for contracting constructions, or provision of endorsements and guarantees for joint ventures from shareholders in proportion to shareholding ratio, limit on the total amount is 5 times of the net assets of Marktech Co., Ltd. Limit on endorsement/guarantee to a single party is three times of the net assets of Marktech Co., Ltd.
- (2) Except for (1), the Group follows standards of endorsements and guarantees as below:
  - (2-1) Total amount:
    - (2-1-1) Limit on the accumulated endorsements and guarantees is 10 times of the net assets of Marktech Co., Ltd.;
    - (2-1-2) Limit on endorsements and guarantees to a company of which the endorser company and the Company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the Company's net assets.
  - (2-1-3) Total endorsements and guarantees of Marktech Co., Ltd. and its subsidiaries are limited to 10 times of the net assets of Marktech Co., Ltd..

(2-2) Limit on endorsement/guarantee to a single party

- (2-2-1) For the companies having business relationship with Marktech Co., Ltd. and thus being provided endorsements/guarantees, limit on endorsements to a single party is the total value of business transactions within past 12 months. (the value of business transactions is the higher of purchase or sales)

(2-2-2) Limit on endorsement/guarantee to a single party who having business relationship with the Group is 10 times of the net assets of Marktech Co., Ltd..

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period. (2020)

Note 5: The amount agreed by the Board of Directors until December 31, 2020. But the board of directors authorized the chairman of the board of directors to agree the amount in accordance with Article 12, Clause 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, which refer to amount determined by the chairman of the board of directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

## 【Annex 6: 2020 Report on the execution of the 4<sup>th</sup> Domestic Unsecured Convertible Bonds.】

### Marketch International Corp. Report on the execution of the 4<sup>th</sup> Domestic Unsecured Convertible Bonds

#### 1. Issuance of Corporate Bonds

Type of Corporate Bond	The 4 <sup>th</sup> Domestic Unsecured Convertible Bonds.
Date of Resolution by the Board of Directors	September 30, 2020
Approval Reference Number from Financial Supervisory Commission	Official Letter of Jin-Guan-Zheng-Fa-Zhi No. 1090374130 issued on November 27, 2020.
Issuing Date	December 15, 2020
Denomination	NT\$100,000
Offering Price	Par
Total Amount	NT\$1.5 billion
Coupon rate	0%
Tenor and Maturity Date	Tenor: Three Years Maturity Date: December 15, 2023
Methods of Redemption	Except for creditors who convert common shares according to Article 10 of Rules for Issuance and Conversion of Unsecured Convertible Bonds, or the Company redeems the bond prior to its maturity or repurchases the bond at the place of business of a securities firm for write-down according to Article 18 of the Rules for Issuance and Conversion, redemption will be made by cash at once according to the par value at maturity.
Reason for Raising Capital and Expected Benefits	All of the funds will be used to repay bank loans, which will lift the Company's financial burden and improve liquidity. It will also strengthen the Company's financial structure and benefit overall business development.
Outstanding Convertible Bonds	NT\$1.5 billion (as of December 31, 2020)
Converted Into Ordinary Shares	0 share (as of December 31, 2020)

Note: Please refer to MIC Regulation of the 4<sup>th</sup> Domestic Unsecured Convertible Bonds and Conversion Measures.

#### 2. Implementation Status

The Company's 4<sup>th</sup> domestic unsecured convertible bonds was completed on December 11, 2020, issued on December 15, 2020 and implemented in the forth quarter of 2020 according to the schedule.

Unit: NT\$ thousands; %

Schedule	Implementation Situation	Implementation Status		Reasons for advanced or delayed progress, and improvement plan.
		Amount of Expenditure	Implementation Progress	
Repayment of Bank Loans	Planning	1,515,000	100%	The implementation is completed according to the schedule.
	Actual	1,515,000	100%	

Note: The total amount raised by corporate bonds(NT\$1,500,000,000) and plus the cash in hand(NT\$15,000,000) were NT\$1,515,000,000, which all were repaid the short-term borrowings.

### 3. Conversion Status

According to Article 9 of the Corporate Bond Issuance and Conversion Rules, the bondholder may, within 3 months from the next day upon the issuance of corporate bond (March 16, 2021) to the expiry thereof (March 15, 2023), request the Company to convert corporate bonds into the Company's common stock at any time, except: (1) during the period in which the transfer of common stock is suspended by laws; (2) from fifteen working days prior to the Company's book closure day for stock grants/ cash dividends/ share subscription in a cash capital increase to the recordation date for rights assignment; (3) from the recordation date for capital decrease to the day prior to the stock exchange date for capital reduction; (4) from when the change of stock par value is ceased to one day prior to the exchange of new shares.

As of December 31 of 2020, no convertible bonds were converted.

## 【Annex 7: Ratification of 2020 Earnings Distribution】

### Marketch International Corp. Ratification of 2020 Earnings Distribution

Unit: NT\$

Items	Amount
Beginning unappropriated retained earnings	\$1,621,320,531
Plus: Net income in 2020	\$ 913,735,854
Less: Adjusted retained earnings in 2020(Note 1)	(8,729,700)
Total	905,006,154
Less: Legal reserve	(90,500,615)
Plus: Reversal of special reserve (Note 2)	3,150,351
Retained earning available for distribution	2,438,976,421
Distribution item(s): (Note 3)	
Shareholders' dividend – Cash dividends 3.5 / per share	(655,267,200)
Unappropriated retained earnings	<u>\$1,783,709,221</u>

Note: 1. Refers to re-measurements of defined benefit plans, which was recognized as other comprehensive income due to actuarial assumption variables of defined benefit / pension plan of 2020 and then transferred into retained earnings was NT\$8,729,700.

2. As stipulated under the Financial Supervisory Commission R.O.C (Taiwan) No. 1010012865 directive, to reversal of special reserve.
3. The distributed profit was generated mainly in 2020 as the priority.
4. Regarding the dividend distribution rate set in profit distribution proposal, if the 4th domestic unsecured convertible bonds converted to ordinary shares and the employees' execution of employee stock options affect the number of the Company's ordinary shares outstanding and results in a change of shareholders' dividend declared ratio, it is hereby proposed at the Shareholders' Meeting to fully authorize the Chairman to make an adjustment according to the resolution of the board of directors.
5. The distributed cash dividends shall be counted only until digit in ones. Digits below shall all be rounded off. Fractional amount less than one dollar should be recorded.

Chairman: Margaret Kao

President: Scott Lin

Accounting Director: Chung Chi-Wen



**【Annex 8: Comparison Table of Amendments to the “Procedure for Endorsements and Guarantees”】**

**Comparison Table of Amendments to the “Procedure for Endorsements and Guarantees”**

Article before the amendment	Article after the amendment	Explanations										
<p>4.Limits of Endorsements and Guarantees</p> <p>The Company's cumulative liability to and limits and amount of endorsements/ guarantees provided to others are as follows:</p> <p><u><b>4.1 Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms, the amount of endorsement/ guarantee shall not exceed five times of the Company's net worth.</b></u></p> <p><u><b>4.2 Except for guarantees of 4.1, limit on the Company's accumulated endorsement/guarantee is the Company's net worth. Limit on the total endorsement/guarantee of the Company and its subsidiaries as a whole is 1.5 times of the</b></u></p>	<p>4. Limits of Endorsements and Guarantees</p> <p><b>4.1</b> The Company's cumulative liability to and limits and amount of endorsements/ guarantees provided to others are as follows:</p> <table><tr><th>Item(s)</th><th>Limit on the endorsement/ guarantee of the Company to a single party</th><th>Limit on the total endorsement/ guarantee of the Company as a whole</th><th>Limit on the total endorsement/ guarantee of the Company and its subsidiaries to a single party</th><th>Limit on the total endorsement/ guarantee of the Company and its subsidiaries as a whole</th></tr><tr><td>Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms.</td><td>Shall not exceed the Company's net worth.</td><td>Shall not exceed five times of the Company's net worth.</td><td>Shall not exceed the Company's net worth.</td><td>Shall not exceed five times of the Company's net worth.</td></tr></table>	Item(s)	Limit on the endorsement/ guarantee of the Company to a single party	Limit on the total endorsement/ guarantee of the Company as a whole	Limit on the total endorsement/ guarantee of the Company and its subsidiaries to a single party	Limit on the total endorsement/ guarantee of the Company and its subsidiaries as a whole	Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms.	Shall not exceed the Company's net worth.	Shall not exceed five times of the Company's net worth.	Shall not exceed the Company's net worth.	Shall not exceed five times of the Company's net worth.	<p>Summarizing the cumulative liability to, and limits and amount of endorsements/ guarantees; and number of provisions to perfect the Procedures (Regulations).</p>
Item(s)	Limit on the endorsement/ guarantee of the Company to a single party	Limit on the total endorsement/ guarantee of the Company as a whole	Limit on the total endorsement/ guarantee of the Company and its subsidiaries to a single party	Limit on the total endorsement/ guarantee of the Company and its subsidiaries as a whole								
Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms.	Shall not exceed the Company's net worth.	Shall not exceed five times of the Company's net worth.	Shall not exceed the Company's net worth.	Shall not exceed five times of the Company's net worth.								

Article before the amendment	Article after the amendment					Explanations
<p><b><u>Company's net assets; limit on endorsement/guarantee to a single party is 75% of the Company's net assets.</u></b></p> <p><b><u>4.3</u></b> If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.</p> <p><b><u>4.4</u></b> Net worth of the Procedures refers to the balance sheet equity attributable to the owners of the parent company; the said balance sheet shall be made according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p><b><u>4.5</u></b> Its subsidiaries and parent company to which referred in the Procedures shall be recognized in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>Where the Company is engaged in endorsement and guarantee due to business activities.</p>	<p>Endorsements/ guarantees that are not mentioned above.</p>	<p>Shall not exceed the total transaction amount (here the "transaction amount" refers to the sales or purchasing amount between the parties, whichever is higher) between the parties during the period of 12 months prior to the endorsement/ guarantee.</p>	<p>Shall not exceed 50% of the Company's net worth.</p>	<p>Shall not exceed the Company's net worth.</p>	
<p><b><u>4.3</u></b> If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.</p> <p><b><u>4.4</u></b> Net worth of the Procedures refers to the balance sheet equity attributable to the owners of the parent company; the said balance sheet shall be made according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p><b><u>4.5</u></b> The subsidiaries and parent company to which referred in the Procedures shall be recognized in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p><b><u>4.2</u></b> If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.</p> <p><b><u>4.3</u></b> Net worth of the Procedures refers to the balance sheet equity attributable to the owners of the parent company; the said balance sheet shall be made according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p><b><u>4.4</u></b> The subsidiaries and parent company to which referred in the Procedures shall be recognized in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>					

## 【 Appendix 1: Article of Incorporation 】

### Marketch International Corp. Articles of Incorporation

Approved by the Shareholders' Meeting on May 27, 2020

#### CHAPTER I GENERAL PRINCIPLES

Article 1 The Corporation is incorporated as a company limited by shares under the Company Act of the Republic of China and is named "Marketch International Corp.", and English is named "Marketch International Corp.".

Article 2 The Company is engaged in the following businesses:

1. F107170 Wholesale of Industrial Catalyst
2. F207170 Retail Sale of Industrial Catalyst
3. C801010 Basic Industrial Chemical Manufacturing
4. F107200 Wholesale of Chemistry Raw Material
5. F207200 Retail sale of Chemistry Raw Material
6. F113050 Wholesale of Computing and Business Machinery Equipment
7. F213030 Retail sale of Computing and Business Machinery Equipment
8. F119010 Wholesale of Electronic Materials
9. F219010 Retail Sale of Electronic Materials
10. F207060 Retail Sale of Virulence Chemical Materials
11. F107060 Wholesale of Virulence Chemical Substance
12. F207990 Retail Sale of Other Chemical Products
13. F113070 Wholesale of Telecom Instruments
14. F213060 Retail Sale of Telecom Instruments
15. F114030 Wholesale of Motor Vehicle Parts and Supplies
16. F214030 Retail Sale of Motor Vehicle Parts and Supplies
17. F213080 Retail Sale of Machinery and Equipment
18. F113020 Wholesale of Household Appliance
19. F213010 Retail Sale of Household Appliance
20. F110010 Wholesale of Clocks and Watches
21. F210010 Retail Sale of Watches and Clocks
22. F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures
23. F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
24. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
25. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
26. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
27. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
28. F102170 Wholesale of Food and Grocery
29. F203010 Retail sale of Food and Grocery
30. F108040 Wholesale of Cosmetics
31. F208040 Retail Sale of Cosmetics
32. F201010 Retail sale of Agricultural Products
33. EZ99990 Other Construction
34. IG03010 Energy Technical Services

35. CE01010 Precision Instruments Manufacturing
36. CB01010 Machinery and Equipment Manufacturing
37. F113010 Wholesale of Machinery
38. F113030 Wholesale of Precision Instruments
39. E602011 Frozen and Air-conditioning Engineering
40. I301010 Software Design Services
41. J101040 Waste Disposing
42. E599010 Pipe Lines Construction
43. E603010 Cables Construction
44. E603040 Fire Fighting Equipments Construction
45. E603050 Cybernation Equipments Construction
46. E603090 Illumination Equipments Construction
47. E603100 Electric Welding Construction
48. E604010 Machinery Installation Construction
49. E801030 Interior Light Rigid Frame Construction
50. EZ05010 Apparatus Installation Construction
51. F107990 Wholesale of Other Chemical Products
52. E502010 Fuel Pipe Construction
53. E603020 Elevator Construction
54. E605010 Computing Equipments Installation Construction
55. E701010 Telecommunications Construction
56. EZ02010 Derrick Construction
57. EZ06010 Traffic Labels Construction
58. EZ07010 Drilling Construction
59. F401010 International Trade
60. G801010 Warehousing and Storage
61. H701050 Public Works Construction and Investment
62. I103060 Management Consulting Services
63. JD01010 Industry and Commerce Credit Bureau Services
64. IF01010 Fire Fighting Equipments Overhauling
65. IZ06010 Cargoes Packaging
66. IZ12010 Manpower Services
67. J101030 Waste Clearing
68. J101050 Sanitary and Pollution Controlling Services
69. J101060 Wastewater (Sewage) Treatment
70. J101070 Radwaste Disposing Service
71. E501011 Water Pipe Construction
72. E601010 Electric Appliance Construction
73. E103101 Environmental Protection Construction
74. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
75. E103071 Underground Utilities Project Construction
76. H701010 Residence and Buildings Lease Construction and Development
77. H701020 Industrial Factory Buildings Lease Construction and Development
78. H701040 Specialized Field Construction and Development
79. H701060 New County and Community Construction and Investment
80. H701070 Land Levy and Delimit
81. H701080 Reconstruction within the renewal area
82. H701090 Renovation, or maintenance within the renewal area
83. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
84. E603080 Traffic Signals Construction
85. E903010 Eroding and Rusting Construction

- 86. EZ09010 Static Electricity Protecting and Clearing Construction
  - 87. E402010 Ballast and Mud Construction on Sea
  - 88. E401010 Dredge Engineering
  - 89. E503011 User's Drainage Facility Installation Contractor of Sewer System
  - 90. CF01011 Medical Materials and Equipment Manufacturing
  - 91. F108031 Wholesale of Drugs, Medical Goods
  - 92. F208031 Retail sale of Medical Equipments
  - 93. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company has its headquarter established in Taipei City and may set up branch offices inside the country whenever the Board of Directors deem necessary.
- Article 4 The Company shall make public announcement according to Article 28 of the Company Act.
- Article 4-1 The Company may provide endorsement and guarantee and act as a guarantor
- Article 4-2 The total amount of the Company's reinvestment shall not be subject to the restriction of not exceeding forty percent of the amount of its own paid-up capital as provided in Article 13 of the Company Act.

## **CHAPTER 2 SHARES**

- Article 5 The total capital stock of the Company is in the amount of NT\$3,000,000,000, divided into 300,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments. A total of NT\$98,000,000 among the above total capital stock, which equals to 9,800,000 shares, should reserved for issuing employee stock options from time to time upon the resolutions of Board of Directors.
- Article 6 Deleted.
- Article 7 The Company's share certificates shall be in registered form, shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated according to law before issuance.  
The shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with Taiwan Depository and Clearing Corporation.
- Article 8 The transfer of share certificates shall be carried out in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.

## **CHAPTER 3 SHAREHOLDERS' MEETING**

- Article 9 Shareholders' meeting shall be of two kinds: (1) Regular meetings, to be held at least once every year and within six months after close of each fiscal year; (2) Special meetings, to be held whenever necessary and according to law.
- Article 10 Shareholder who is unable to attend shareholders' meeting for any cause may appoint a proxy to attend the meeting in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy and affixed with the signatures / personal seals.
- Article 11 A shareholder shall have one voting power in respect of each share in his/her/its possession except in the circumstances set forth in Item 3 of Article 157 and Paragraph 2 of Article 179, where the shares shall have no voting power or have such power limited.
- Article 12 A resolution at the meeting of shareholders shall be adopted only by a majority of the shareholders present who represent half of the total number of its outstanding shares by the company, unless otherwise provided for by law.

## **CHAPTER 4 DIRECTORS AND SUPERVISORS**

- Article 13 The Company has 5 to 9 directors, whose term of office shall be 3 years and are eligible for re-election. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates as the Company has adopted the candidates nomination system.  
The quota of directors stated in preceding Paragraph shall include no less than three independent directors. Independent directors' professional qualifications, shareholdings and concurrent serving restrictions, recognition of independence, nomination and election methods, and other governing rules shall be carried out in accordance with the Company Act and relevant regulations.
- Article 13-1 The Company has established an audit committee, which is constituted by the entire number of independent directors.  
The power and authority of audit committee, rules governing the proceedings of meetings and other governing rules shall be carried in accordance with Securities and Exchange Act, Company Act, other relevant regulations and Articles of Incorporation.
- Article 14 The Board of Directors is constituted by directors. The directors shall, with the concurrence of a majority of the directors present who represent two-thirds or more of all the directors, elect from among them a chairman, and a vice chairman through the same method. The chairman shall represent the Company externally.
- Article 15 In case the chairman of the board of directors is on leave or absent or cannot exercise his / her power and authority for any cause, his / her proxy shall be appointed in accordance with Article 208 of the Company Act.
- Article 16 Chairman's remuneration shall not exceed the doubled amount of general manager's remuneration and shall be determined by the Board of Directors upon the deliberation of remuneration committee.  
Director who takes a position at the functional committee under the Board of Directors concurrently shall have his/her income from professional practice paid according to the number of meetings held by the functional committee. The said fees shall be determined by the Board of Directors according to the standard generally adhered by other firms of the same trade.
- Article 16-1 The notice of Board of Directors meetings may be delivered by methods like fax and e-mail. Each director shall attend the meeting of the board of directors in person. In case a director is unable to attend the meeting for any cause and appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

## **CHAPTER 5 MANAGEMENT**

- Article 17 The Company has one general manager, whose appointment, discharge and remuneration shall be carried out in accordance with Article 29 of the Company Act.

## **CHAPTER 6 ACCOUNTING**

- Article 18 The Board of Directors shall prepare and submit below statements and reports at the end of each fiscal year:  
1. Business report  
2. Financial statements  
3. Earnings distribution or offsetting of deficit relevant statements and reports.  
Above statements and reports shall be submitted to regular shareholders' meeting and request for ratification
- Article 19 Deleted
- Article 20 If there is any surplus profit of the year, the Company shall firstly pay directors' remuneration, which shall not exceed 3%. Then 1% to 15% of the remaining amount shall then be paid as employees' remuneration. However, if the Company has any left-over deficit, the amount to make up the deficit shall be reserved in advance.  
Upon closing of accounts, if there is surplus profit, the Company shall firstly estimate and reserve

the all taxes and dues, make up the losses for preceding years, set aside a legal reserve of 10% of the net profit and then set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Then the remaining profit shall be added with the remaining profit of precedent year. The Board of Directors shall draft a surplus distribution proposal, in which will be submitted to shareholders' meeting to decide whether to distribute or reserve the surplus profit. However, if legal reserve amounts reach to the total paid-in capital, this provision shall not apply.

Article 20-1 To respond to the development of the overall environment and industry's growth drivers, the Company's objective is to firstly satisfy the demand of future development and to maintain a sound financial structure. Therefore, the Company distributes no more than 50% of its total dividend of the year.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

Article 21 Other unspecified matters of the Company's Articles of Incorporation shall be carried in accordance with the Company Act and other relevant regulations.

Article 22 The Articles of Incorporation was established on December 22, 1988. The 1<sup>st</sup> amendment was made on February 2, 1990. The 2<sup>nd</sup> amendment was made on June 29, 1991. The 3<sup>rd</sup> amendment was made on June 20, 1992. The 4<sup>th</sup> amendment was made on November 11, 1992. The 5<sup>th</sup> amendment was made on June 21, 1994. The 6<sup>th</sup> amendment was made on July 20, 1995. The 7<sup>th</sup> amendment was made on October 9, 1996. The 8<sup>th</sup> amendment was made on June 6, 1998. The 9<sup>th</sup> amendment was made on July 31, 2000. The 10<sup>th</sup> amendment was made on October 13, 2000. The 11<sup>th</sup> amendment was made on April 26, 2001. The 12<sup>th</sup> amendment was made on October 22, 2001. The 13<sup>th</sup> amendment was made on May 22, 2002. The 14<sup>th</sup> amendment was made on May 22, 2002. The 15<sup>th</sup> amendment was made on June 6, 2003. The 16<sup>th</sup> amendment was made on June 11, 2004. The 17<sup>th</sup> amendment was made on June 14, 2005. The 18<sup>th</sup> amendment was made on June 9, 2006. The 19<sup>th</sup> amendment was made on April 10, 2007. The 20<sup>th</sup> amendment was made on June 15, 2007. The 21<sup>st</sup> amendment was made on June 19, 2009. The 22<sup>nd</sup> amendment was made on June 17, 2010. The 23<sup>rd</sup> amendment was made on June 10, 2011. The 24<sup>th</sup> amendment was made on June 12, 2012. The 25<sup>th</sup> amendment was made on June 12, 2014. The 26<sup>th</sup> amendment was made on May 28, 2015. The 27<sup>th</sup> amendment was made on May 31, 2016. The 28<sup>th</sup> amendment was made on May 30, 2018. The 29<sup>th</sup> amendment was made on May 27, 2020.

Marketch International Corp.  
Chairman: Margaret Kao

## 【Appendix 2: Rules of Shareholders' Meeting】

### Marketch International Corp. Rules of Shareholders' Meeting

Approved by the Shareholders' Meeting on June 15, 2007

1. The Company's shareholders' meeting (hereinafter shortened as "the Meeting") shall be conducted in accordance with these Rules and Procedures, unless otherwise provided for by law.
2. The Company shall provide an attendance list bearing the signatures of shareholders present at the meeting, or the shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.  
The attendance and votes of the Meeting shall be counted based on the shares. The shares represented by shareholders attending the Meeting shall be calculated according to the attendance list or submitted attendance cards.
3. The term "shareholder" in these Rules and Procedures refers to the shareholder in person or proxy appointed by the shareholder.
4. The Meeting shall be held at the headquarters of the Company or at any other appropriate place that is convenient for shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
5. For a shareholders' meeting convened by the Board of Directors, the chairman of the meeting shall be the chairman of the Board of Directors. If the chairman of the Board of Directors is on leave or absent or cannot exercise his / her power and authority for any cause, he / she shall designate one of the directors to act on his / her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
6. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.
7. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least one year.
8. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act of the Republic of China..  
If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act of the Republic of China.
9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.  
The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. However, in the event that the chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as



chairman to continue the Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman or continue the Meeting in the same or other place after the Meeting is adjourned.

10. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.
11. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder
12. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the meeting.  
If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
13. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond
14. The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.
15. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
16. During the Meeting, the chairman may, at his discretion, set time for intermission.
17. Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman during the voting.  
The Company's shareholders shall be entitled to one vote per share of stock, except those whose shares have no voting power or have such power limited according to Article 157 and Section 2 of Article 179 of the Company Act.
18. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
19. The chairman may conduct the disciplinary officers (or the security guard) to assist in keeping order of the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.
20. Other unspecified matters in these Rules and Procedures shall be carried in accordance with the Company Act and other relevant regulations.
21. These Rules and Procedures shall be effective from the date it is approved by the shareholders' meeting. The Board of Directors is also authorized to make amendments depending on actual situations.

## 【Appendix 3: Shareholdings of Directors】

### Marketch International Corp. Shareholdings of Directors

1. The Company's actual paid-in capital is NT\$1,873,382,000 with 187,338,200 issued shares and share types.
2. The company has elected three independent directors, all directors other than the independent directors shall collectively hold at least 11,240,292 common shares. As the company has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for supervisors do not apply.
3. Until the book closure date for the 2021 shareholders' meeting, the status of shareholdings of individual and all directors and supervisors are shown below:

Shareholder Account	Job Title	Name	Appointment Date	No. of Shares at the Time of Appointment			As of March 30, 2021 (Note1)	
				Appointment Term	No. of Shares	Holding Percentage	No. of Shares	Holding Percentage
4	Director	Ji Shuan Investment Co. representative: Kao Hsin-Ming	May 30, 2019	3 years	11,005,795	5.93%	11,005,795	5.87%
12	Director	Yi Wei Investment Co. representative: Lin Yue-Yeh	May 30, 2019	3 years	6,647,112	3.58%	6,647,112	3.55%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Chu, Fu-Chuan	May 30, 2019	3 years	83,468,613	44.95%	83,468,613	44.56%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Lou, Chao-Tsung	May 30, 2019	3 years	83,468,613	44.95%	83,468,613	44.56%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Li, Yu-Lung	May 30, 2019 (Note 2)	3 years	83,468,613	44.95%	83,468,613	44.56%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Tsai, Neng-Chi	May 30, 2019 (Note 2)	3 years	83,468,613	44.95%	83,468,613	44.56%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Wu, You-Mei	May 30, 2019	3 years	83,468,613	44.95%	83,468,613	44.56%
—	Independent Director	Wu Chung-Pao	May 30, 2019	3 years	83,468,613	44.95%	83,468,613	44.56%
—	Independent Director	Lin Hsiao-Ming	May 30, 2019	3 years	-	-	-	-
—	Independent Director	Wang, Yi-Chun	May 30, 2019	3 years	-	-	-	-
<b>Total number of shares held by all directors</b>					101,121,520	54.46%	101,121,520	53.98%

Note 1: Refers to the number of shares stated in shareholder register until the book closure date for the 2021 shareholders' meeting (March 30, 2021).

Note 2: Mr. Li, Yu-Lung was released on February 19, 2021, and appointed Mr. Deng, Chin-Tai as the representative of the corporate director of Ennoconn International Investment Co., Ltd..

4. The total shares held by the Company's directors and supervisors already reached the statutory standard.

#### **【Appendix 4: The Impact of Stock Dividend Issuance proposed in this Annual General Meeting of Shareholders on the Company's Business Performance, Earnings Per Share, and Return on Shareholders' Investment】**

As the Company's shareholders' meeting in 2021 does not have any proposal regarding the stock dividend distribution, it makes no effect upon the Company's business performance, earnings per share and return on shareholders' investment.

## **【Appendix 5: Information on Employees' Compensation and Directors' Remuneration】**

### **Information on Employees' Compensation and Directors' Remuneration**

The distribution of employees' compensation and directors' remuneration of 2020 approved by the 8<sup>th</sup> Board of Directors at the 15<sup>th</sup> meeting on February 26, 2021.

1. The amount of any employees' compensation and directors' compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

- (1) Proposed employees' compensation and directors' remuneration:  
The distribution of employees' compensation amounted NT\$127,959,618 and directors' remuneration amounted NT\$12,795,962.

Unit: NT\$

Items / Amount	Proposed Distribution Amount
Employees' Compensation– in Cash	127,959,618
Employees' Compensation– in Stocks	0
Remuneration of Directors	12,795,962

- (2) If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

Above proposed employees' compensation and directors' remuneration for 2020 resolved by the Board of Directors were in agreement with those amounts recognised in the 2020 financial statements, which were NT\$127,959,618 and NT\$12,795,962, respectively.

2. The amount of any employees' compensation distributed in stocks as a percentage of the sum of the current after-tax net income and total employees' compensation in individual financial statement:

Not applicable as the employees' compensation of 2020 approved by the Board of Directors does not involve stocks distribution relevant matters.

## 【Appendix 6 : Dismissal of non-competition restrictions on directors】

### Dismissal of non-competition restrictions on directors.

Position	Name	The position who also currently serves at other companies
Director	Ennoconn International Investment Co., Ltd. representative: Tsai, Neng-Chi	President, Ennoconn Corp.
		Chairman, American Industrial Systems Inc.
		Chairman, VECOW CO., LTD.
		Director, AIS Cayman Technology Group

## **Additional Information**

Processing of proposals submitted by this shareholders' meeting:

- Explanations:
1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal be limited to not more than three hundred (300) words
  2. Shareholders may submit proposals regarding the 2021 regular shareholders' meeting to the Company from March 22, 2021 to March 31, 2021. The information is already announced on a market observation post system.
  3. The Company has not received any proposal from the shareholders.



***Thank you for coming to Annual Meeting of Shareholders!***  
***We welcome any comments or suggestions!***