

Stock Code: 6196

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

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

Company Website:

<http://www.micb2b.com>



Marketech International Corp.

**Handbook for the 2020
Annual General Meeting of Shareholders**

Time : May 27th, 2020 (Wednesday) at 9:00 a.m.

**Venue: 3F.,No.3, Yuancyu St., Nangang Dist., Taipei City
(Audio-Visual Meeting Center)**

DISCLAIMER

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2016 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 2020 Annual General Meeting of Shareholders

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Handbook for the 2020 Annual General Meeting of Shareholders

I. Meeting Procedures

1. Meeting Commencement Announced
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4. Report Items
5. Ratification Items
6. Discussion Items
7. Other Matters and Extemporaneous Motions
8. Adjournment

Marketech International Corp.
Handbook for the 2020 Annual General Meeting of Shareholders

II. Meeting Agenda

Time : May 27th, 2020 (Wednesday) at 9:00 a.m.

Venue: 3F.,No.3, Yuancyu St., Nangang Dist., Taipei City
(Audio-Visual Meeting Center)

1. Chairman to announce the commencement of meeting

2. Chairman's Remarks

3. Report Items

- (1) Directors' Remuneration and Employees' Compensation in 2019
- (2) 2019 Business Report
- (3) Audit Committee's review report of 2019
- (4) Investments in Mainland China in 2019
- (5) Status of implementing the Provision of Endorsements and Guarantees to Others in 2019
- (6) Status of implementation of the third domestic unsecured convertible bonds.
- (7) Other reports

4. Ratification Items

- (1) To ratify 2019 Business Report and Financial Statements
- (2) To ratify 2019 Earnings Distribution

5. Discussion Items

- (1) Amendment to the Articles of Corporation.
- (2) Amendment to the Procedures for Acquisition or Disposal of Assets.
- (3) To release the non-competition restrictions on directors.

6. Other Matters and Extemporaneous Motions

7. Adjournment

III. Report Items

- Item 1:** (proposed by the Board of Directors)
Description: Please refer to the Company's 2019 Directors' Remuneration and Employees' Compensation
Explanation: The 2019 directors' remuneration is NT\$9,867,603 and employees' compensation is NT\$98,676,035, please refer to "Appendixes 5" (page 59) of this handbook.
- Item 2:** (proposed by the Board of Directors)
Description: Please refer to the Company's 2019 Business Report
Explanation: Regarding the Company's 2019 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 2019 Business Report, Financial Statements and Earnings Distribution.
Explanation: Regarding the Company's Audit Committee Audit Report on the 2019 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 2019 Report on the Investments in Mainland China.
Explanation: Regarding the Company's 2019 Report on the Investments in Mainland China, please refer to "Annex 4" (page 37-41) of this handbook.
- Item 5:** (proposed by the Board of Directors)
Description: Please refer to the Company's Report on the Provision of Endorsements and Guarantees to Others for 2019
Explanation: Regarding the Company's Report on the Provision of Endorsements and Guarantees to Others for 2019, please refer to "Annex 5" (page 42-43) of this handbook.
- Item 6:** (proposed by the Board of Directors)
Description: Please refer to the Company's 2019 Implementation Report of the 3rd Offering of Domestic Unsecured Convertible Bonds.
Explanation: Regarding the Company's 2019 Implementation Report of the 3rd Offering of Domestic Unsecured Convertible Bonds, please refer to "Annex 6" (page 44) of this handbook.

IV. Ratification Items

Item 1: (proposed by the Board of Directors)

Description: Please ratify The Company's 2019 Business Report and Financial Statements.

Explanation:

- (1) The Company's 2019 Business Report and Financial Statements are completed and approved by the Board of Directors on March 5, 2020 with records. The 2019 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 2019 Earnings Distribution

Explanation:

- (1) Please refer to "Annex 7" (page 45) of the Company's 2019 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 employees' execution of employee stock options affects 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 dividends appointment base date stipulated by the Board of Directors separately.

Resolution:

V. Discussion Items

Item 1: (proposed by the Board of Directors)

Description: **Amendment to the Articles of Corporation**

Explanation: (1) Amendments were made to the Company's "Articles of Corporation" are made to comply with legal regulations and to satisfy the Company's actual operational needs.
(2) Regarding the Comparison Table of Amendments to "Articles of Corporation", please refer to "Annex 8" (page 46-47) of this handbook.

Resolution

Item 2: (proposed by the Board of Directors)

Description: **Amendments to the Procedures for Acquisition or Disposal of Assets**

Explanation: (1) Amendments were made to the Company's "Procedures for Acquisition or Disposal of Assets" are made to satisfy the Company's actual operational needs.
(2) Regarding the Comparison Table of Amendments to "Procedures for Acquisition or Disposal of Assets", please refer to "Annex 9" (page 48-49) of this handbook.

Resolution

Item 3: (proposed by the Board of Directors)

Description: **Please approve the release of non-competition restrictions on directors.**

Explanation: (1) Please approve to release 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 60) of this handbook.

Resolution:

VI. Other Matters and Extemporary Motions

VII. Adjournment

[Annex 1: 2019 Business Report]

Marketech International Corp. 2019 Business Report

I. Operating Results of 2019

1. Operating Results

In 2019, MIC group's consolidated revenue was NTD24,182,681,000 with a decline of 0.95% comparing with NTD24,415,723,000 in 2018; consolidated net income was NTD669,120,000 with a decline of 14.45% comparing with NTD782,164,000 in 2018; and earnings per share was NTD3.78 with a decline of 14.09% comparing with NTD4.40 in 2018.

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 2019 and 2018 Consolidated Financial Statement is listed as follows:

Unit: NT\$ thousands ; %

Items	2018	2019	Variance (\$)	Variance (%)
Operating Revenue	24,415,723	24,182,681	(233,042)	(0.95%)
Gross Profit	2,819,196	2,566,979	(252,217)	(8.95%)
Operating Income	875,753	819,338	(56,415)	(6.44%)
Net Income	782,164	669,120	(113,044)	(14.45%)
Earnings per share (in dollars) (Note2)	4.40	3.78	(0.62)	(14.09%)

Note 1: The above information is summarized from Audit Reports of 2018 and 2019.

Note 2: The Earnings per Share is calculated based on the no. of the weighted average outstanding shares.

2. Budget Implementation

In 2019, 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 higher than the budget in 2019. However, as the Group's profits failed to reach 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 Statement	
		2018	2019
Financial Structure	Ratio of liabilities to assets (%)	68.53	70.29
	Ratio of long-term capital to fixed assets (%)	273.52	319.46
Solvency	Current ratio (%)	125.95	124.21
	Quick ratio (%)	91.11	96.60
	Times interest earned	16.15	11.56
Profitability	Return on total assets (%)	4.87	3.89
	Return on shareholders' equity (%)	14.38	11.56
	Ratio of operating income to paid-in capital (%)	47.19	43.85
	Ratio of pre-tax income to paid-in capital (%)	53.93	47.69
	Profit margin (%)	3.20	2.77
	Earnings per share (dollar) (Note)	4.40	3.78

Note: The earnings per share is calculated based on the weighted average number of ordinary shares outstanding.

4. Research and Development

(1) Expenditure involved

Unit: NT\$ thousands; %

Items	Year	Consolidated Financial Statement	
		2018	2019
Research and development expenses (A)		256,600	220,168
Operating revenue (B)		24,415,723	24,182,681
Ratio (C=A/B)(%)		1.05	0.91

(2) Developed technologies and products in 2019

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 2019 is shown below:

Year	R&D Performance	Applications
2019	Repair methods for polyimide Film (PI)	Panel industry
	Repair methods for the attachment of PI patch	Panel industry
	LED Wafer auto film machine	LED industry

II. Highlights of 2020 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 and installation capabilities.

2. Sales volume forecast and basis thereof

With respect to the global macroeconomic trends, International Monetary Funds (IMF) has revised the 2020 global economic growth from 3.4% to 3.3%, which is still higher than 2.9% of 2019, in its newly published World Economic Outlook (WEO) report. IMF indicates that the global economy has not reached the turning point and that the global economic growth remains weak. Considering the tense situation in the Middle East at the beginning of 2020 and the consequences of climate change that are currently impacting Australia and some areas of Africa, IMF also revised the 2021 global economic growth from 3.6% to 3.4%.

According to SEMI's (formerly Semiconductor Equipment and Materials International) annual semiconductor equipment forecast report, the global semiconductor manufacturing equipment sales declined from the historical high record of USD64.4 billion (2018) to USD57.6 billion in 2019 with a decline rate of 10.5%. However, it is expected that the sales will gradually rebound in 2020 and reach another historical high record in 2021. The global semiconductor equipment sales are expected to have a growth of 5.5% (about USD60.8 billion) in 2020 and this growth momentum is likely to continue through 2021 and hit USD66.8 billion. SEMI points out that this growth momentum primarily comes from front-end manufacturers' investments in advanced production equipment for 10-nm and later processes. Among them, foundry and logic IC industry players are the major investors.

Looking into 2020, 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 will therefore 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 2:2019 Financial Statements and Report of Independent Accountants】

I. 2019 Consolidated Financial Statements and Report of Independent Accountants



REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Marketech International Corp. and its subsidiaries (the “Group”) as at December 31, 2019 and 2018, 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, 2019 and 2018, 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, 2019, we conducted our audits 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 generally accepted auditing standards in the Republic of China (ROC GAAS). For the year ended December 31, 2018, we conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and ROC GAAS. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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, 2019. 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, 2019 were as follows:

Recognition of construction contract revenue

Description

Refer to Note 4(29) for accounting policy on construction contract revenue, Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumptions, and Note 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 will recalculate the percentage of completion. 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 significant change 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 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 import and export trading business, which include integrated circuit, electronic equipment, and materials, 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 assesses 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 collectibility 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, 2019 and 2018.

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.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:

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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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-Chung


Weng, Shih-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 5, 2020

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 accountants 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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,560,943	13	\$ 2,155,357	12
1110	Financial assets at fair value through profit or loss - current	6(2)	63,303	-	90,944	1
1140	Current contract assets	6(18)	4,095,623	21	4,229,541	23
1150	Notes receivable, net	6(3)	157,693	1	95,991	1
1170	Accounts receivable, net	6(3)	4,805,637	25	4,151,194	23
1180	Accounts receivable - related parties, net	6(3) and 7	229,575	1	109,476	1
1200	Other receivables		10,542	-	21,586	-
130X	Inventories, net	6(4)	3,114,071	16	3,800,814	21
1410	Prepayments	6(5)	361,171	2	421,951	2
1470	Other current assets	8	236,465	1	192,067	1
11XX	Total current assets		<u>15,635,023</u>	<u>80</u>	<u>15,268,921</u>	<u>85</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	527,163	3	415,468	2
1550	Investments accounted for using equity method	6(6)	80,640	-	63,078	-
1600	Property, plant and equipment, net	6(7), 7 and 8	2,211,675	11	2,231,933	12
1755	Right-of-use assets	6(8)	971,068	5	-	-
1780	Intangible assets	7	16,695	-	19,441	-
1840	Deferred tax assets	6(22)	152,169	1	149,061	1
1900	Other non-current assets	6(2)	58,445	-	80,304	-
15XX	Total non-current assets		<u>4,017,855</u>	<u>20</u>	<u>2,959,285</u>	<u>15</u>
1XXX	Total Assets		<u>\$ 19,652,878</u>	<u>100</u>	<u>\$ 18,228,206</u>	<u>100</u>

(Continued)

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9) and 8	\$ 3,048,408	15	\$ 2,635,425	15
2130	Current contract liabilities	6(18)	3,495,529	18	3,320,466	18
2150	Notes payable		951,202	5	1,030,485	6
2160	Notes payable to related parties	7	3,272	-	13,674	-
2170	Accounts payable		4,228,076	22	4,306,179	24
2180	Accounts payable to related parties	7	8,100	-	14,120	-
2200	Other payables	6(10)	509,591	3	588,941	3
2230	Current tax liabilities		97,851	-	124,087	1
2280	Current lease liabilities		107,955	1	-	-
2310	Advance receipts		39,092	-	28,545	-
2320	Long-term liabilities, current portion	6(11)	-	-	11,766	-
2399	Other current liabilities		98,364	-	49,707	-
21XX	Total current liabilities		<u>12,587,440</u>	<u>64</u>	<u>12,123,395</u>	<u>67</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)	200,000	1	200,000	1
2570	Deferred tax liabilities	6(22)	19,383	-	835	-
2580	Non-current lease liabilities		833,369	4	-	-
2640	Accrued pension liabilities	6(13)	170,165	1	161,957	1
2670	Other non-current liabilities	6(6)	4,553	-	4,716	-
25XX	Total non-current liabilities		<u>1,227,470</u>	<u>6</u>	<u>367,508</u>	<u>2</u>
2XXX	Total Liabilities		<u>13,814,910</u>	<u>70</u>	<u>12,490,903</u>	<u>69</u>
Equity						
Share capital						
3110	Ordinary shares	6(15)	1,868,400	10	1,855,913	10
Capital surplus						
3200	Capital surplus	6(14)(16)	982,882	5	970,381	5
Retained earnings						
3310	Legal reserve	6(17)	771,326	4	692,068	4
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings		2,255,413	11	2,197,064	12
Other equity interest						
3400	Other equity interest		(170,247)	(1)	(140,931)	(1)
31XX	Total equity attributable to owners of parent		<u>5,800,013</u>	<u>30</u>	<u>5,666,734</u>	<u>31</u>
36XX	Non-controlling interests	4(3)	<u>37,955</u>	<u>-</u>	<u>70,569</u>	<u>-</u>
3XXX	Total Equity		<u>5,837,968</u>	<u>30</u>	<u>5,737,303</u>	<u>31</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the						
3X2X	Total Liabilities and Equity		<u>\$ 19,652,878</u>	<u>100</u>	<u>\$ 18,228,206</u>	<u>100</u>

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, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating Revenue	6(18) and 7	\$ 24,182,681	100	\$ 24,415,723	100
5000 Operating Costs	6(4)(21) and 7	(21,615,702)	(89)	(21,596,527)	(88)
5900 Gross Profit		<u>2,566,979</u>	<u>11</u>	<u>2,819,196</u>	<u>12</u>
Operating Expenses	6(21)				
6100 Sales and marketing expenses		(654,881)	(3)	(589,043)	(2)
6200 General and administrative expenses		(857,743)	(3)	(820,513)	(4)
6300 Research and development expenses		(220,168)	(1)	(256,600)	(1)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(14,849)	-	(277,287)	(1)
6000 Total operating expenses		<u>(1,747,641)</u>	<u>(7)</u>	<u>(1,943,443)</u>	<u>(8)</u>
6900 Operating Profit		<u>819,338</u>	<u>4</u>	<u>875,753</u>	<u>4</u>
Non-operating Income and Expenses					
7010 Other income	6(19)	95,685	-	92,805	-
7020 Other gains and losses	6(2)(20)	55,485	-	103,198	-
7050 Finance costs		(84,370)	-	(66,071)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method		<u>4,883</u>	-	<u>(4,846)</u>	-
7000 Total non-operating income and expenses		<u>71,683</u>	<u>-</u>	<u>125,086</u>	<u>-</u>
7900 Profit before Income Tax		<u>891,021</u>	<u>4</u>	<u>1,000,839</u>	<u>4</u>
7950 Income tax expense	6(22)	(221,901)	(1)	(218,675)	(1)
8200 Net Income		<u>\$ 669,120</u>	<u>3</u>	<u>\$ 782,164</u>	<u>3</u>

(Continued)

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
Other Comprehensive Income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains (losses) on remeasurements of defined benefit plans	6(13)	(\$ 10,782)	-	(\$ 10,438)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	2,157	-	2,859	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		(8,625)	-	(7,579)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Exchange differences on translation of foreign operations		(37,108)	-	(52,271)	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		451	-	190	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(22)	7,329	-	14,002	-
8360	Other comprehensive loss that will be reclassified to profit or loss		(30,230)	-	(38,079)	-
8300	Other comprehensive loss, net of tax		(\$ 38,855)	-	(\$ 45,658)	-
8500	Total Comprehensive Income		\$ 630,265	3	\$ 736,506	3
Profit (loss) attributable to:						
8610	Owners of the parent		\$ 703,006	3	\$ 792,582	3
8620	Non-controlling interests		(33,886)	-	(10,418)	-
	Total		\$ 669,120	3	\$ 782,164	3
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		\$ 665,065	3	\$ 747,730	3
8720	Non-controlling interests		(34,800)	-	(11,224)	-
	Total		\$ 630,265	3	\$ 736,506	3
9750	Basic earnings per share	6(23)	\$	3.78	\$	4.40
9850	Diluted earnings per share	6(23)	\$	3.74	\$	4.21

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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent										
	Capital Reserves			Retained Earnings			Other Equity Interest		Total	Non-controlling interests	Total equity
	Share capital - ordinary shares	Share premium	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets			
2018											
Balance at January 1, 2018	\$ 1,770,164	\$ 822,905	\$ 20,152	\$ 626,773	\$ 92,239	\$ 1,893,389	(\$ 103,658)	\$ 23,013	\$ 5,144,977	(\$ 975)	\$ 5,144,002
Effect of retrospective application and retrospective restatement	-	-	-	-	-	19,315	-	(23,013)	(3,698)	205	(3,493)
Balance at January 1, 2018 after restatement	1,770,164	822,905	20,152	626,773	92,239	1,912,704	(103,658)	-	5,141,279	(770)	5,140,509
Profit (loss) for the year	-	-	-	-	-	792,582	-	-	792,582	(10,418)	782,164
Other comprehensive income (loss) for the year	-	-	-	-	-	(7,579)	(37,273)	-	(44,852)	(806)	(45,658)
Total comprehensive income (loss) for the year	-	-	-	-	-	785,003	(37,273)	-	747,730	(11,224)	736,506
Appropriations and distribution of 2017 retained earnings: 6(17)											
Legal reserve	-	-	-	65,295	-	(65,295)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(442,541)	-	-	(442,541)	-	(442,541)
Share-based payment 6(14)(15)(16)	10,520	13,391	(3,521)	-	-	-	-	-	20,390	-	20,390
Changes in equity of associates and joint ventures accounted for using equity method 6(16)	-	-	2,000	-	-	7,193	-	-	9,193	-	9,193
Conversion of convertible bonds 6(15)(16)(25)	75,229	123,663	(8,209)	-	-	-	-	-	190,683	-	190,683
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	82,563	82,563
Balance at December 31, 2018	<u>\$ 1,855,913</u>	<u>\$ 959,959</u>	<u>\$ 10,422</u>	<u>\$ 692,068</u>	<u>\$ 92,239</u>	<u>\$ 2,197,064</u>	<u>(\$ 140,931)</u>	<u>\$ -</u>	<u>\$ 5,666,734</u>	<u>\$ 70,569</u>	<u>\$ 5,737,303</u>
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	\$ 70,569	\$ 5,737,303
Profit (loss) for the year	-	-	-	-	-	703,006	-	-	703,006	(33,886)	669,120
Other comprehensive income (loss) for the year	-	-	-	-	-	(8,625)	(29,316)	-	(37,941)	(914)	(38,855)
Total comprehensive income (loss)	-	-	-	-	-	694,381	(29,316)	-	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)
Share-based payment 6(14)(15)(16)	7,625	9,229	(3,767)	-	-	-	-	-	13,087	-	13,087
Changes in equity of associates and joint ventures accounted for using equity method 6(16)	-	-	42	-	-	-	-	-	42	-	42
Conversion of convertible bonds 6(11)(15)(16)(25)	4,862	7,500	(503)	-	-	-	-	-	11,859	-	11,859
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	2,186	2,186
Balance at December 31, 2019	<u>\$ 1,868,400</u>	<u>\$ 976,688</u>	<u>\$ 6,194</u>	<u>\$ 771,326</u>	<u>\$ 92,239</u>	<u>\$ 2,255,413</u>	<u>(\$ 170,247)</u>	<u>\$ -</u>	<u>\$ 5,800,013</u>	<u>\$ 37,955</u>	<u>\$ 5,837,968</u>

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, 2019 and 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 891,021	\$ 1,000,839
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(20)	(97,017)	(93,134)
Impairment on expected credit loss	12(2)	14,849	277,287
Share of (profit) loss of associates and joint ventures accounted for using equity method		(4,883)	4,846
Depreciation	6(7)(8)(21)	326,822	120,032
Amortisation	6(21)	15,897	17,154
Loss on disposal of property, plant and equipment	6(7)	(3,792)	(1,296)
Compensation cost of share-based payments	6(14)(16)(21)	2,080	2,580
Interest income	6(19)	(10,125)	(8,349)
Interest expense		84,370	66,071
Dividend income	6(19)	(13,856)	(14,485)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets – current		133,918	(1,065,683)
Notes receivable, net		(61,702)	79,649
Accounts receivable, net		(749,787)	(625,617)
Accounts receivable – related parties, net		(120,096)	(109,313)
Other receivables		11,499	95
Inventories		670,780	(760,871)
Prepayments		56,109	389,875
Other current assets		56,060	(60,442)
Changes in operating liabilities			
Contract liabilities – current		175,063	507,609
Notes payable		(79,283)	125,282
Notes payable – related parties		(10,402)	10,527
Accounts payable		(6,938)	424,058
Accounts payable – related parties		(6,020)	(7,933)
Other payables		(70,666)	59,556
Advance receipts		10,547	(24,591)
Other current liabilities		48,657	36,790
Other non-current liabilities		(2,574)	(2,495)
Cash inflow generated from operations		1,260,531	348,041
Interest received		10,051	9,159
Dividends received		13,856	14,485
Interest paid		(83,886)	(74,850)
Income tax paid		(224,705)	(199,666)
Net cash flows from operating activities		<u>975,847</u>	<u>97,169</u>

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 84,945)	(\$ 81,498)
Proceeds from disposal of financial assets at fair value through profit or loss		100,661	56,872
Proceeds from capital reduction of financial assets at fair value through profit or loss		2,047	3,428
(Increase) decrease in other financial assets – current		(45,093)	9,042
Acquisition of investments accounted for using equity method		(17,063)	(11,695)
Acquisition of property, plant and equipment	6(7)	(193,776)	(516,266)
Proceeds from disposal of property, plant and equipment	6(7)	41,625	10,199
Acquisition of right-of-use assets		(44,693)	-
Acquisition of intangible assets		(13,283)	(16,486)
(Increase) decrease in refundable deposits		(78,043)	38,697
Dividends received		3,756	-
Decrease in other non-current assets		2,650	2,379
Net cash flows used in investing activities		<u>(326,157)</u>	<u>(505,328)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(9)(26)	440,129	644,096
Decrease in guarantee deposits received		11	-
Proceeds from exercise of employee stock options	6(14)	12,078	17,810
Repayments of lease principal	6(8)(26)	(114,231)	-
Cash dividends paid	6(17)	(556,774)	(442,541)
Changes in non-controlling interests		1,116	82,563
Net cash flows (used in) from financing activities		<u>(217,671)</u>	<u>301,928</u>
Effect of exchange rate changes on cash and cash equivalents		(26,433)	(38,984)
Net increase (decrease) in cash and cash equivalents		405,586	(145,215)
Cash and cash equivalents at beginning of year	6(1)	2,155,357	2,300,572
Cash and cash equivalents at end of year	6(1)	<u>\$ 2,560,943</u>	<u>\$ 2,155,357</u>

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

II. 2019 Parent Company only Financial Statements and Report of Independent Accountants



REPORT OF INDEPENDENT ACCOUNTANTS 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, 2019 and 2018, 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, 2019 and 2018, 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, 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 generally accepted auditing standards in the Republic of China (ROC GAAS). For the year ended December 31, 2018, we conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and ROC GAAS. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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, 2019. 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, 2019 were as follows:

Recognition of construction contract revenue

Description

Refer to Note 4(29) for accounting policy on construction contract revenue, Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumptions, and Note 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 will recalculate the percentage of completion. 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 significant change 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 sampling 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 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 import and export trading business, which include integrated circuit, electronic equipment, and materials, 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 assesses 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 collectibility 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, 2019 and 2018.

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.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:


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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.


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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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-Chung


Weng, Shih-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 5, 2020

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 accountants 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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,249,502	8	\$ 679,098	5
1110	Financial assets at fair value through profit or loss - current	6(2)	63,303	1	90,944	1
1140	Current contract assets	6(17) and 7	3,202,655	20	3,297,707	22
1150	Notes receivable, net	6(3)	87,379	1	18,359	-
1170	Accounts receivable, net	6(3)	2,716,489	17	2,896,102	20
1180	Accounts receivable - related parties, net	6(3) and 7	137,620	1	114,677	1
1200	Other receivables	7	47,963	-	35,464	-
130X	Inventories, net	6(4)	2,697,586	17	3,183,449	21
1410	Prepayments		183,925	1	313,722	2
1470	Other current assets	8	110,885	1	50,087	-
11XX	Total current assets		<u>10,497,307</u>	<u>67</u>	<u>10,679,609</u>	<u>72</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	527,163	3	415,468	3
1550	Investments accounted for using equity method	6(5)	2,016,204	13	1,915,488	13
1600	Property, plant and equipment, net	6(6) and 7	1,672,574	11	1,719,499	11
1755	Right-of-use assets	6(7)	858,772	5	-	-
1780	Intangible assets	7	11,377	-	14,032	-
1840	Deferred tax assets	6(21)	152,169	1	149,061	1
1900	Other non-current assets	6(2) and 8	36,128	-	17,018	-
15XX	Total non-current assets		<u>5,274,387</u>	<u>33</u>	<u>4,230,566</u>	<u>28</u>
1XXX	Total Assets		<u>\$ 15,771,694</u>	<u>100</u>	<u>\$ 14,910,175</u>	<u>100</u>

(Continued)

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 2,320,000	15	\$ 1,612,000	11
2130	Current contract liabilities	6(17) and 7	2,465,351	16	2,768,245	19
2150	Notes payable		951,202	6	1,037,799	7
2160	Notes payable to related parties	7	3,272	-	6,360	-
2170	Accounts payable		2,363,414	15	2,799,224	19
2180	Accounts payable - related parties	7	13,222	-	15,393	-
2200	Other payables	6(9)	334,909	2	443,542	3
2230	Current tax liabilities		81,427	1	120,550	1
2280	Current lease liabilities		72,117	-	-	-
2310	Advance receipts		39,092	-	20,906	-
2320	Long-term liabilities, current portion	6(10)	-	-	11,766	-
2399	Other current liabilities		95,829	1	44,794	-
21XX	Total current liabilities		<u>8,739,835</u>	<u>56</u>	<u>8,880,579</u>	<u>60</u>
Non-current liabilities						
2540	Long-term borrowings	6(11)	200,000	1	200,000	1
2570	Deferred tax liabilities	6(21)	19,383	-	835	-
2580	Non-current lease liabilities		790,178	5	-	-
2640	Net defined benefit liability - non-current	6(12)	170,165	1	161,957	1
2670	Other non-current liabilities	6(5)	52,120	-	70	-
25XX	Total non-current liabilities		<u>1,231,846</u>	<u>7</u>	<u>362,862</u>	<u>2</u>
2XXX	Total Liabilities		<u>9,971,681</u>	<u>63</u>	<u>9,243,441</u>	<u>62</u>
Equity						
Share capital						
3110	Ordinary shares	6(14)	1,868,400	12	1,855,913	12
Capital surplus						
3200	Capital surplus	6(13)(15)	982,882	6	970,381	6
Retained earnings						
3310	Legal reserve	6(16)	771,326	5	692,068	5
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings		2,255,413	14	2,197,064	15
Other equity interest						
3400	Other equity interest		(170,247)	(1)	(140,931)	(1)
3XXX	Total Equity		<u>5,800,013</u>	<u>37</u>	<u>5,666,734</u>	<u>38</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total Liabilities and Equity		<u>\$ 15,771,694</u>	<u>100</u>	<u>\$ 14,910,175</u>	<u>100</u>

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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
4000	Operating Revenue	6(17) and 7	\$ 17,631,899	100	\$ 16,757,545	100
5000	Operating Costs	6(4)(20) and 7	(15,776,299)	(90)	(14,819,701)	(88)
5900	Gross Profit		<u>1,855,600</u>	<u>10</u>	<u>1,937,844</u>	<u>12</u>
	Operating Expenses	6(20) and 7				
6100	Sales and marketing expenses		(345,000)	(2)	(313,099)	(2)
6200	General and administrative expenses		(547,794)	(3)	(532,254)	(3)
6300	Research and development expenses		(183,891)	(1)	(238,017)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(26,657)	-	(106,279)	(1)
6000	Total operating expenses		(1,103,342)	(6)	(1,189,649)	(7)
6900	Operating Profit		<u>752,258</u>	<u>4</u>	<u>748,195</u>	<u>5</u>
	Non-operating Income and Expenses					
7010	Other income	6(18) and 7	114,033	1	103,161	-
7020	Other gains and losses	6(2)(19)	61,604	-	137,035	1
7050	Finance costs		(36,695)	-	(17,337)	-
7070	Share of (loss) gain of subsidiaries, associates and joint ventures accounted for using equity method		(12,983)	-	22,098	-
7000	Total non-operating income and expenses		<u>125,959</u>	<u>1</u>	<u>244,957</u>	<u>1</u>
7900	Profit before Income Tax		<u>878,217</u>	<u>5</u>	<u>993,152</u>	<u>6</u>
7950	Income tax expense	6(21)	(175,211)	(1)	(200,570)	(2)
8200	Net Income		<u>\$ 703,006</u>	<u>4</u>	<u>\$ 792,582</u>	<u>4</u>
	Other Comprehensive Income (Loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(12)	(\$ 10,782)	-	(\$ 10,438)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	<u>2,157</u>	-	<u>2,859</u>	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		(8,625)	-	(7,579)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations		(36,194)	-	(51,465)	-
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method		(451)	-	190	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(21)	<u>7,329</u>	-	<u>14,002</u>	-
8360	Other comprehensive loss that will be reclassified to profit or loss		(29,316)	-	(37,273)	-
8300	Other comprehensive loss, net of tax		(\$ 37,941)	-	(\$ 44,852)	-
8500	Total Comprehensive Income		<u>\$ 665,065</u>	<u>4</u>	<u>\$ 747,730</u>	<u>4</u>
9750	Basic earnings per share	6(22)	\$ 3.78		\$ 4.40	
9850	Diluted earnings per share	6(22)	\$ 3.74		\$ 4.21	

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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves			Retained Earnings			Other Equity Interest		Total equity
		Share capital - ordinary shares	Capital surplus - share premium	Capital surplus - others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealized gain or loss on available-for- sale financial assets	
Year ended December 31, 2018										
Balance at January 1, 2018		\$ 1,770,164	\$ 822,905	\$ 20,152	\$ 626,773	\$ 92,239	\$ 1,893,389	(\$ 103,658)	\$ 23,013	\$ 5,144,977
Effect of retrospective application and retrospective restatement		-	-	-	-	-	19,315	-	(23,013)	(3,698)
Balance at January 1 after adjustments		<u>1,770,164</u>	<u>822,905</u>	<u>20,152</u>	<u>626,773</u>	<u>92,239</u>	<u>1,912,704</u>	<u>(103,658)</u>	<u>-</u>	<u>5,141,279</u>
Profit for 2018		-	-	-	-	-	792,582	-	-	792,582
Other comprehensive loss for 2018		-	-	-	-	-	(7,579)	(37,273)	-	(44,852)
Total comprehensive income (loss)		-	-	-	-	-	785,003	(37,273)	-	747,730
Appropriations and distribution of earnings for 2017	6(16)									
Legal reserve		-	-	-	65,295	-	(65,295)	-	-	-
Cash dividends		-	-	-	-	-	(442,541)	-	-	(442,541)
Share-based payment	6(13)(14)(15)	10,520	13,391	(3,521)	-	-	-	-	-	20,390
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	6(15)	-	-	2,000	-	-	7,193	-	-	9,193
Conversion of convertible bonds	6(10)(14)(15)(24)	75,229	123,663	(8,209)	-	-	-	-	-	190,683
Balance at December 31, 2019		<u>\$ 1,855,913</u>	<u>\$ 959,959</u>	<u>\$ 10,422</u>	<u>\$ 692,068</u>	<u>\$ 92,239</u>	<u>\$ 2,197,064</u>	<u>(\$ 140,931)</u>	<u>\$ -</u>	<u>\$ 5,666,734</u>
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 2019		-	-	-	-	-	703,006	-	-	703,006
Other comprehensive loss for 2019		-	-	-	-	-	(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)	-	-	42	-	-	-	-	-	42
Conversion of convertible bonds	6(10)(14)(15)(24)	4,862	7,500	(503)	-	-	-	-	-	11,859
Balance at December 31, 2019		<u>\$ 1,868,400</u>	<u>\$ 976,688</u>	<u>\$ 6,194</u>	<u>\$ 771,326</u>	<u>\$ 92,239</u>	<u>\$ 2,255,413</u>	<u>(\$ 170,247)</u>	<u>\$ -</u>	<u>\$ 5,800,013</u>

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, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 878,217	\$ 993,152
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(19)	(97,017)	(93,134)
Impairment on expected credit loss	12(2)	26,657	106,279
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method		12,983	(22,098)
Depreciation	6(6)(7)(20)	207,265	91,359
Amortisation	6(20)	14,105	16,301
Gain on disposal of property, plant and equipment	6(6)	(4,862)	(2,808)
Compensation cost of share-based payments	6(13)(15)(20)	1,009	2,580
Interest income	6(18) and 7	(4,994)	(4,116)
Interest expense		36,695	17,337
Dividend income	6(18)	(13,856)	(14,485)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		95,052	(898,996)
Notes receivable, net		(69,020)	55,092
Accounts receivable, net		107,070	(400,327)
Accounts receivable - related parties, net		22,943	(103,580)
Other receivables		(16,083)	49,795
Inventories, net		485,863	(887,650)
Prepayments		129,992	162,248
Other current assets		25,259	(25,436)
Changes in operating liabilities			
Current contract liabilities		(302,894)	562,851
Notes payable		(86,597)	132,596
Notes payable – related parties		(3,088)	3,213
Accounts payable		(453,834)	216,245
Accounts payable – related parties		(2,171)	(4,551)
Other payables		(91,236)	35,298
Advance receipts		18,186	187,159
Other current liabilities		51,036	33,154
Other non-current liabilities		(2,574)	(2,495)
Cash inflow generated from operations		964,106	204,983
Interest received		4,994	4,116
Dividends received		13,856	14,485
Interest paid		(35,976)	(14,727)
Income tax paid		(185,824)	(183,193)
Net cash flows from operating activities		<u>761,156</u>	<u>25,664</u>

(Continued)

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 84,945)	(\$ 81,498)
Proceeds from disposal of financial assets at fair value through profit or loss		100,661	56,872
Proceeds from capital reduction of financial assets at fair value through profit or loss		2,047	3,428
Increase in other financial assets – current		(45,000)	-
Acquisition of investments accounted for using equity method – subsidiaries		(100,509)	(244,635)
Acquisition of investments accounted for using equity method – non-subsidiaries		(1,500)	(11,695)
Acquisition of property, plant and equipment	6(6)	(112,592)	(364,324)
Proceeds from disposal of property, plant and equipment	6(6)	37,211	9,633
Acquisition of right-of-use assets		(7,740)	-
Acquisition of intangible assets		(11,449)	(15,063)
(Increase) decrease in refundable deposits		(64,968)	12,555
Dividends received		3,756	-
Net cash flows used in investing activities		<u>(285,028)</u>	<u>(634,727)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(8)(25)	708,000	962,000
Proceeds from exercise of employee stock options	6(13)	12,078	17,810
Repayments of lease principal	6(7)(25)	(69,028)	-
Cash dividends paid	6(16)	(556,774)	(442,541)
Net cash flows from financing activities		<u>94,276</u>	<u>537,269</u>
Net increase (decrease) in cash and cash equivalents		570,404	(71,794)
Cash and cash equivalents at beginning of year	6(1)	<u>679,098</u>	<u>750,892</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,249,502</u>	<u>\$ 679,098</u>

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

【Annex 3: 2019 Audit Committee Audit Report】

Marketch International Corp.

Audit Committee Audit Report

To: The 2020 Annual General Shareholders' Meeting of Marketch International Corp.

We, as the Audit Committee of MIC Group, have audited the 2019 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 Pricewaterhouse Coopers (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

March 5, 2020

【Annex 4 : Investments in Mainland China in 2019】

Marketch International Corp. Information on investments in Mainland China For the year ended December 31, 2019

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.	\$ 764,490 (Note 4)	\$ 614,590	\$ -	\$ -	\$ 614,590	(\$ 719)	100%	(\$ 138)	\$ 34,146	\$ -
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	247,065 (Note 4)	14,990	-	-	14,990	39,698	100%	39,698	376,331	-
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	8,994 (Note 4)	8,994	-	-	8,994	(568)	100%	(568)	(1,525)	-

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 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	\$ 528,218 (Note 4)	\$ 255,430	\$ -	\$ -	\$ 255,430	\$ 110,192	100%	\$ 110,192	\$ 508,256	\$ -
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 (exclude auction), export, import and related services of electronic products, machinery equipment, chemical products (exclude dangerous articles), communication equipment, metal products, plastic products	17,988 (Note 4)	18,078	-	-	18,078	(2,646)	87%	(2,302)	(14,388)	-
SKMIC (WUXI) CORP.	Design, installation and repairment of semi-conductor and transistor facilities, electronic components facilities and pollution prevention equipment, as well as wholesale, commission agent and export/import business of products listed above, industrial cleaning, repairment and maintenance.	9,144 (Note 4)	1,469	-	-	1,469	(122)	49%	(61)	-	-
ChenGao M&E Engineering (Shanghai) Co., Ltd.	Design of microelectronic products and display devices, consulting service for related technology and management	5,996 (Note 4)	5,996	-	-	5,996	588	100%	590	-	-

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						
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 micromodule 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	\$ 69,194 (Note 4)	\$ 27,678	\$ -	\$ -	\$ 27,678	(\$ 100)	100%	(\$ 100)	\$ 5,096	\$ -
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.	209,860 (Note 4)	80,946	35,976	-	116,922	(14,495)	60%	(8,697)	50,909	-
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	44,970 (Note 4)	44,970	-	-	44,970	828	100.0%	828	18,633	-

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						
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	\$ 28,688 (Note 4)	\$ 9,016	\$ -	\$ -	\$ 9,016	(\$ 86)	31.43%	(\$ 27)	(\$ 4,466)	\$ -
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 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	35,976 (Note 4)	-	14,990	-	14,990	(5,007)	27.78%	(1,391)	8,522	-

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, 2019.

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, 2019' 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, 2019

Unit: NT\$ thousands

Accumulated amount of remittance from Taiwan to Mainland China until December 31, 2019 (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
\$ 1,144,930	\$ 1,958,202	\$ 3,502,781

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, 2019 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, 2019, and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$180 thousand.

Note 4 : SKMIC(WUXI) Corp. has completed the liquidation process in June 2019.

Note 5 : Shanghai Shenggao Electromechanical Engineering Design Co., Ltd. Has completed the liquidation process in October 2019.

【Annex 5: Status of implementing the Provision of Endorsements and Guarantees to Others in 2019】

Marketech International Corp. and Subsidiaries Provision of Endorsements and Guarantees to Others For the year ended December 31, 2019

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							
Marketech International Corp.	Marketech Integrated Pte Ltd.	Note 1(2)	100%	2,900,006	36,484	17,084	5,661	5,800,013	Signed a contract for joint guarantee.
Marketech International Corp.	eZoom Information, Inc.	Note 1(2)	100%	2,900,006	120,000	60,000	18,450	5,800,013	Provide promissory notes as bank loan guarantee.
Marketech International Corp.	Marketech International Sdn. Bhd.	Note 1(2)	100%	2,900,006	245,720	239,840	-	5,800,013	Provide Standby Letter of Credit as bank loan guarantee.
Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	Note 1(2)	100%	2,900,006	312,840	191,872	185,876	5,800,013	Provide promissory notes as bank loan guarantee.
Marketech International Corp.	MIC-Tech (Shanghai) Corp.	Note 1(2)	100%	2,900,006	1,096,052	815,306	7,647	5,800,013	Provide promissory notes as bank loan guarantee.
Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Note 1(2)	100%	2,900,006	1,571,232	1,536,251	1,075,132	5,800,013	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee
Marketech International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Note 1(2)	87%	2,900,006	507,461	359,319	188,099	5,800,013	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee
Marketech International Corp.	Special Triumph Sdn., Bhd	Note 1(5)	0%	2,900,006	12,741	-	-	5,800,013	Provide banker's letter of guarantee for joint guarantee
Marketech International Corp.	Marketech International Corporation USA	Note 1(2)	100%	2,900,006	125,560	119,920	-	5,800,013	Provide promissory notes as bank loan guarantee.
Marketech International Corp.	Te Chang Construction Co., LTD.,	Note 1(5)	0%	2,900,006	174,000	174,000	86,997	5,800,013	Provide banker's letter of guarantee for joint guarantee
Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd	Note 1(4)	0%	33,380	7,933	-	-	33,380	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Note 1(5)	0%	1,524,768	71,915	-	-	2,541,280	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp. Ltd.	Note 1(4)	0%	1,524,768	110,420	103,272	103,272	2,541,280	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	Marketech International Corp.	Note 1(3)	0%	1,524,768	524,704	507,112	507,112	2,541,280	Signed a contract for joint guarantee.
MIC-Tech (Shanghai) Corp.	MIC-Tech Electronics Engineering Corp.	Note 1(4)	0%	1,128,993	634,511	593,435	593,435	1,881,655	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 - Marketch 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 Marketch Co., Ltd.. Limit on endorsement/guarantee to a single party is three times of the net assets of Marketch 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 Marketch 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.

However, the endorsements and guarantees of Marketch Co., Ltd. to the Company which it holds 100% of voting shares are not subjected.

(2-1-3) Total endorsements and guarantees of Marketch Co., Ltd. and its subsidiaries are limited to 10 times of the net assets of Marketch Co., Ltd..

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

(2-2-1) For the companies having business relationship with Marketch 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 Marketch Co., Ltd..

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.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period. (2019)

Note 5: The amount agreed by the Board of Directors until December 31, 2019.

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

【Annex 6: 2019 Report of the 3rd Offering of Domestic Unsecured Convertible Bonds.】

Marketch International Corp. Report on the Company's Implementation of the 3rd Offering of Domestic Unsecured Convertible Bonds

1. Issuance of Corporate Bonds

Type of Corporate Bond	The 3 rd Offering of Domestic Unsecured Convertible Bonds.
Date of Resolution by the Board of Directors	June 8, 2016
Approval Reference Number from the Competent Authority	Letter of Jin-Guan-Zheng-Fa-Zhi No. 1050028409 issued on August 1, 2016.
Date of Issue	August 22, 2016
Par Value	NT\$100,000 per corporate bond
Issue Price	Fully distributed pursuant to the par value
Total Amount	NT\$0.5 billion
Interest Rate	Annual Interest Rate of 0%
Term	Three Years Maturity Date: August 22, 2019
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.
Unpaid Amount	NT\$0.5 billion

2. Implementation Status

The Company's 3rd offering of domestic unsecured convertible bonds was completed on August 22, 2016 and implemented in the third quarter of 2016 according to the schedule.

Unit: NT\$ thousands; %

Project	Implementation Situation	Implementation Status		Reasons for advanced or delayed progress, and improvement plan.
		Amount of Expenditure	Implementation Progress	
Repayment of Bank Loans	Scheduled	500,000	100%	The implementation is completed according to the schedule.
	Actual	500,000	100%	

3. Conversion Status

The Company's 3rd offering of domestic unsecured convertible bonds was from August 22, 2016 to August 22, 2019. The convertible bonds' denomination NT \$ 500,000,000 has been converted into 18,533,194 ordinary shares and have been fully converted before maturity.

【 Annex 7: Ratification of 2019 Earnings Distribution 】

Marketech International Corp. Ratification of 2019 Earnings Distribution

Unit: NT\$

Items	Amount
Unappropriated earnings at period start	\$ 1,561,032,300
Increase(Deduction): Adjusted un-appropriated earnings in 2019 (Note 1)	(8,625,416)
Unappropriated earnings after the adjustment	1,552,406,884
Increment: Net income in 2019	703,006,135
Deduction: Legal reserve	(70,300,614)
Deduction: Appropriated retained earnings(Note 2)	(78,008,004)
To-be- appropriated earnings in total	2,107,104,401
Appropriation item(s): (Note 3)	
Shareholders' dividend – Cash 2.60 / per share	(485,783,870)
Unappropriated earnings at period end	\$ 1,621,320,531

Note: 1. Refers to re-measurements of defined benefit plans, which was recognized as other comprehensive loss due to actuarial assumption variables of defined benefit / pension plan of 2019 and then transferred into retained earnings, NT\$ 8,625,416.

2. The amount of other net deductions from shareholders equity already exceeds the insufficient amount of special reserve that shall be further allocated thereto in 2019.

3. The distributed profit was generated mainly in 2019 as the priority.

4. Regarding the dividend distribution rate set in profit distribution proposal, if employees' execution of employee stock option affects 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 profit shall be counted only until digit in ones. Digits below shall all be rounded off (shall be rounded down to an integer). 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 “Articles of Corporation”】

Comparison Table of Amendments to the “Articles of Corporation”

Article before the amendment	Article after the amendment	Explanations
<p>Article 1</p> <p>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.”</p>	<p>Article 1</p> <p>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.” (MIC).</p>	Raise the total of capital amount.
<p>Article 5</p> <p>The total capital stock of the Company is in the amount of <u>NT\$2,500,000,000, divided into 250,000,000 shares</u>, at ten New Taiwan Dollars each, and may be paid-up in installments.</p> <p>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.</p>	<p>Article 5</p> <p>The total capital stock of the Company is in the amount of <u>NT\$3,000,000,000, divided into 300,000,000 shares</u>, at ten New Taiwan Dollars each, and may be paid-up in installments.</p> <p>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.</p>	Raise the total of capital amount.
<p>Article 7</p> <p>The Company’s share certificates shall be in registered form, shall be affixed with the signatures / personal seals <u>of three or more directors of the Company</u>, and shall be duly certified / authenticated according to law before issuance.</p> <p>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.</p>	<p>Article 7</p> <p>The Company’s share certificates shall be in registered form, be affixed with the signatures / personal seals <u>of board directors who represent the Company</u>, and shall be duly certified / authenticated according to law before issuance.</p> <p>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.</p>	In accordance with amendments to Company Act.
<p>Article 18</p> <p>The Board of Directors shall prepare and submit below statements and books at the end of each fiscal year:</p> <ol style="list-style-type: none"> 1. Business report 2. Financial statements 3. <u>Earnings distribution or offsetting of deficit relevant books and statements, which shall be submitted to regular shareholders’ meeting and request for ratification</u> 	<p>Article 18</p> <p>The board of directors shall prepare and submit below statements and books at the end of each fiscal year:</p> <ol style="list-style-type: none"> 1. Business report 2. Financial statements 3. <u>Earnings distribution or deficit offsetting proposals. The abovementioned books and statements shall be submitted to regular shareholders’ meeting for ratification.</u> 	In accordance with amendments to Company Act.
<p>Article 20</p> <p>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.</p> <p><u>Upon closing of accounts, if there is surplus profit, the Company shall firstly pay the business income tax, make up the losses for preceding years and then set aside a legal reserve and special capital reserve of 10% of the net profit. 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.</u></p> <p>However, if cumulative legal reserve already reached the total amount of the Company’s <u>capital</u>, shall not be limited by the regulation</p>	<p>Article 20</p> <p>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.</p> <p><u>Where the there is any surplus upon closing final annual accounts, the Company shall firstly reserve estimated tax payment amount; make up deficits by law; set aside 10% thereof as special reserve; and appropriate or reverse special reserve according to laws or regulations of the competent authority. Concerning the remaining amount plus the undistributed surplus of the previous year, the board of directors shall propose surplus distribution and have the proposal approved by shareholders’ meeting, or keep the surplus.</u></p> <p>However, if cumulative legal reserve already reached the total amount of the Company’s <u>paid-in capital</u>, shall not be limited by the regulation.</p>	In accordance with amendments to Company Act.

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

【Annex 9: Comparison Table of Amendments to the “Procedures for Acquisition or Disposal of Assets”】

Comparison Table of Amendments to the “Procedures for Acquisition or Disposal of Assets”

Articles before the Amendments	Articles after the Amendments	Descriptions
<p>5.2 Procedures for finalizing transaction terms and degree of authority delegated.</p> <p>5.2.1 The acquisition of real property and equipment shall refer to the publicly announced current value, appraisal value and the actual transaction value of neighboring real property; and shall have the price quoted, compared and negotiated or have the open bidding procedures taken place. The said criteria will be the basis of transaction terms, transaction price and analytical report to be submitted accordingly. <u>The final decision and approval thereof will be conducted according to the following methods based on the transaction price.</u></p> <p style="padding-left: 20px;">(1) <u>Must be approved by the general manager if the total is below NT\$20,000,000 (including NT\$20,000,000).</u></p> <p style="padding-left: 20px;">(2) <u>Must be approved by the Company’s top executive supervisor if the total is more than NT\$20,000,000 (excluding NT\$20,000,000) and less than NT\$40,000,000.</u></p> <p style="padding-left: 20px;">(3) <u>Must be approved by the audit committee and board of directors if the total is more than NT\$40,000,000 (excluding NT\$40,000,000).</u></p> <p>5.2.2 <u>The disposal of real property and equipment shall refer to the publicly announced current value, appraisal value and the actual transaction value of neighboring real property; and shall have the price quoted, compared and negotiated or have the open bidding procedures taken place. The said criteria will be the basis of transaction terms, transaction price and analytical report to be submitted accordingly. The final decision and approval thereof will be conducted according to the following methods based on the transaction price.</u></p> <p style="padding-left: 20px;">(1) <u>Must be approved by the general manager if the total is below NT\$20,000,000 (including NT\$20,000,000).</u></p> <p style="padding-left: 20px;">(2) <u>Must be approved by the Company’s top executive supervisor if the total is more than NT\$20,000,000 (excluding NT\$20,000,000) and less than NT\$40,000,000.</u></p> <p style="padding-left: 20px;">(3) <u>Must be approved by the audit committee and board of directors if the total is more than NT\$40,000,000 (excluding NT\$40,000,000).</u></p>	<p>5.2 Procedures for The Determination of the Trading Terms and Authorized Limit</p> <p>5.2.1 When acquiring or disposing real estate and equipment, the Company shall take a reference of assessed present value; assessed value; actual transaction price of surrounding real assets; price inquiry, price comparison, price negotiation or bidding procedures to make trade term, transaction price and analysis reports. <u>Assets that comply with “standards for items to be or shall be announced or reported” in the Procedures shall be submitted to the audit committee for an approval and then to the Board of Directors for a resolution before the acquisition or disposal. With respect to assets that do not comply with the aforesaid standards, the competent authority shall make ruling within its scope of authorization.</u></p> <p>5.2.2 <u>Deletion</u></p>	<p>In accordance with actual operational needs</p>
<p>6.2 Procedures for The Determination of the Trade Terms and Authorized Limit</p> <p>6.2.3 The purchase and sell of securities shall be submitted to and approved by:</p> <p style="padding-left: 20px;">(1) <u>General manager, if the amount is below (including) NT\$15 million;</u></p> <p style="padding-left: 20px;">(2) <u>The Company’s chief supervisor, if the amount is above (excluding) NT\$15 million and below NT\$30 million;</u></p> <p style="padding-left: 20px;">(3) <u>Audit Committee and board of directors, if the amount is above (excluding) NT\$30 million.</u></p> <p>6.2.4 The purchase and sell of securities that are bonds, certificates of deposit or bond funds shall be submitted to and approved by:</p> <p style="padding-left: 20px;">(1) <u>General manager, if the amount is below (including) NT\$100 million;</u></p>	<p>6.2 Procedures for The Determination of the Trade Terms and Authorized Limit</p> <p>6.2.3 The purchase and sell of securities depend on the approval amount thereof. <u>Assets that comply with “standards for items to be or shall be announced or reported” in the Procedures shall be submitted to the audit committee for an approval and then to the Board of Directors for a resolution before the acquisition or disposal. With respect to assets that do not comply with the aforesaid standards, the competent authority shall make ruling within its scope of authorization.</u></p> <p>6.2.4 <u>Deletion</u></p>	<p>In accordance with actual operational needs</p>

Articles before the Amendments	Articles after the Amendments	Descriptions
<p><u>(2)The Company's chief supervisor, if the amount is above (excluding) NT\$100 million and below NT\$300 million;</u> <u>(3)Audit Committee and board of directors, if the amount is above (excluding) NT\$300 million.</u></p>		
<p>7.2.9 The acquisition or disposal of <u>equipment</u> held for business use from a related party shall comply with Paragraph 5.2. Where the transaction amount is within NT\$50,000,000, the board of directors may authorize the Company's top executive supervisor to implement the said acquisition or disposal in advance, and then report it to the most recent audit committee and board of directors meetings for recognition.</p>	<p><u>Deleted</u></p>	<p>In accordance with actual operational needs</p>

【 Appendix 1: Article of Incorporation 】

Marketch International Corp. Articles of Incorporation(Before the Amendment)

Passed by the Shareholders' Meeting on May 30, 2018

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."

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\$2,500,000,000, divided into 250,000,000 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 / personal seals of three or more directors of the Company, and shall be duly certified / 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 books at the end of each fiscal year:
1. Business report
2. Financial statements
3. Earnings distribution or offsetting of deficit relevant books and statements, which 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 pay the business income tax, make up the losses for preceding years and then set aside a legal reserve and special capital reserve of 10% of the net profit. 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 cumulative legal reserve already reached the total amount of the Company's capital, shall not be limited by the regulation

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

Marketch International Corp.

Chairman: Margaret Kao

【Appendix 2: Rules of Shareholders' Meeting】

Marketch International Corp. Rules of Shareholders' Meeting

Passed 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】

Marketech International Corp. Shareholdings of Directors

1. The Company's actual paid-in capital is NT\$1,870,757,000 with 187,075,700 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 11,224,542 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 2020 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			Until March 29, 202 (Note)	
				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	5.88%
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	44.62%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Lou, Chao-Tsung	May 30, 2019	3 years	83,468,613	44.95%	83,468,613	44.62%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Li, Yu-Lung	May 30, 2019	3 years	83,468,613	44.95%	83,468,613	44.62%
78894	Director	Ennoconn International Investment Co., Ltd. representative: Wu, You-Mei	May 30, 2019 (Note 2)	3 years	83,468,613	44.95%	83,468,613	44.62%
—	Independent Director	Wu Chung-Pao	May 30, 2019	3 years	—	—	—	—
—	Independent Director	Lin Hsiao-Ming	May 30, 2019	3 years	—	—	—	—
—	Independent Director	Wang, Yi-Chun	May 30, 2019	3 years	—	—	—	—
Total number of shares held by all directors					101,121,520	54.46%	101,121,520	54.05%

Note 1: Refers to the number of shares stated in shareholder register until the book closure date for the 2020 shareholders' meeting (March 29, 2020).

Note 2: Ennoconn International Investment Co., Ltd. was elected as the director of the company on May 30, 2019, and appointed Mr. Shih Chun-hao as the representative of the corporate director; Mr. Shih Chun-Hao was released on June 3, 2019, and appointed Mr. Deng, Chin-Tai as the representative of the corporate director; later on Nov 12, 2019, Mr. Deng, Chin-Tai was released corporate director and Ms. Wu, You-Mei was reassigned as the representative of the corporate director.

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 2020 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 2019 is passed by the 8th Board of Directors at the 7th meeting on March 5, 2020.

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\$98,676,035 and directors' remuneration amounted NT\$9,867,603

Unit: NT\$

Items / Amount	Proposed Distribution Amount
Employees' Compensation– in Cash	98,676,035
Employees' Compensation– in Stocks	0
Remuneration of Directors	9,867,603

- (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 amount of employees' compensation and directors' remuneration is consistent with the figure estimated in 2019 Financial Statement (NT\$98,676,035 for employees' compensation and NT\$9,867,603 for directors' remuneration).

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 2019 passed 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	JI-XUAN Investment Corp. representative: Kao Hsin-Ming	Smart Health Corp. Chairman
		Vertex Corporation Director
Director	Ennoconn International Investment Co., Ltd. representative: Wu, You-Mei	Ennoconn International Investment Co., Ltd. Supervisor

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 2020 regular shareholders' meeting to the Company from March 20, 2020 to March 30, 2020. 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!***