

Patec Precision Industry Co., Ltd.
(Incorporated in the Cayman Islands with limited liability)
(the “Company”)

2020 Annual Shareholders’ Meeting Minutes
(Translation)

Date and Time: 09:00 a.m. on 22nd June 2020 (Monday)

Location: : Primasia Conference & Business Center (Address: 2F., No.99, Fuxing N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.))

Quorum : 35,108,737 shares (ordinary shares of NT\$10) were represented by the shareholders and proxies present, which amounted to 79.44% of the Company’s 44,190,766 issued and outstanding shares (ordinary shares of NT\$10).

Chairman : Yen Chun Te, Independent Director

Recorder : Sean Hsu

Board Members Present : Yen Chun Te, Independent Director

Attendance : Mr. Chin-Chang Chen, CPA, PricewaterhouseCoopers

Commencement : The aggregate shareholding of the shareholders and proxies present constituted a quorum. The chairman called the meeting to order.

I. Chairman’s speech : (omitted)

II. Matters to Report

- 1. 2019 Business Report, please refer to Attachment I.**
- 2. 2019 Audit Committee’s Review Report, please refer to Attachment II.**
- 3. 2019 employees’ profit-sharing bonus and directors’ compensation, please refer to meeting agenda page 3.**
- 4. To report amendment to the “Management of Board Meetings Operations”, please refer to Attachment III.**
- 5. To report amendment to the “Ethical Corporate Management Best Practice Principles”, please refer to Attachment IV.**

III. Proposed Resolutions

1.To accept 2019 Business Report and Consolidated Financial Statements.

(Proposed by the Board)

Description :

- (1) PATEC's Financial Statements were audited by independent auditors, Mr. Chin-Chang Chen and Mr. Yi-Fan Lin of PricewaterhouseCoopers. Also, Business Report and Financial Statements have been approved by the Board and examined by the Audit Committee.
- (2) The 2019 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements please refer to Attachment I and Attachment V.

Resolution:

Voting results were as follows : a total of 35,108,737 shares with voting rights were present when votes were cast; the number of voting rights for approval is 32,401,534, the number of voting rights for disapproval is 8,535, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,698,668, and 92.28% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

2.Adoption of the Proposal for Distribution of 2019 Profits.

(Proposed by the Board)

Description :

- (1) The Board has adopted a Proposal for Distribution of 2019 Profits in accordance with the Company Act and Articles of Incorporation.
- (2) 2019 net profit after tax is NT\$ 38,797,030. After setting aside the special reserve NT\$ 52,359,953, adding beginning retained earnings of NT\$ 373,037,520, and then reducing retained earning adjustment NT\$ 797,285, the unappropriated retained earnings are NT\$ 358,677,312 and the proposed dividend to shareholders is NT\$ 18,378,976. The stock dividend is NT\$ 15,689,370 (NT\$ 0.35 per share) and cash dividend is NT\$ 2,689,606 (NT\$ 0.06 per share).
- (3) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues.
- (4) In the event that, before the distribution record date, the proposed profit distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a buyback of shares or issuance of new shares for transferring treasury shares to employees or for equity conversion in connection with domestic or overseas convertible corporate bonds or other convertible securities or employee stock options, it is proposed that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
- (5) Profit Distribution Table please refer to Attachment VI.

Resolution :

Voting results were as follows : a total of 35,108,737 shares with voting rights were present when votes were cast; the number of voting rights for approval is 32,401,534, the number of voting rights for disapproval is 8,535, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,698,668, and 92.28% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

IV. Discussion Matters

1. Amendment to the Memorandum and Articles of Association. Please proceed to discuss. (Proposed by the Board)

Description :

- (1) According to the Checklist for the protection of shareholders ' rights and interests of the foreign issuer for TWSE, Company Act and Securities and Exchange Act.
- (2) Comparison Table for Memorandum and Articles of Association Before and After Revision please refer to Attachment VII.

Resolution :

Voting results were as follows : a total of 35,108,737 shares with voting rights were present when votes were cast; the number of voting rights for approval is 32,402,626, the number of voting rights for disapproval is 7,443, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,698,668, and 92.29% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

2. Proposal for a new share issue through capitalization of earnings. Please proceed to discuss.

(Proposed by the Board)

Description :

- (1) For the further development of company business, the management plans to withdraw NT\$ 15,689,370 from distributable earnings to issue dividends stocks of NT\$15,689,370 (1,568,937 shares), for every 1,000 shares, 35 shares will be distributed.
- (2) The shareholder rights and obligations of the new shares are the same as those of existing shares.
- (3) After the approval of the Annual Meeting of Shareholders and the competent authority, the new shares will be distributed on a record date determined by the Board.
- (4) In the event that, before the distribution record date, the proposed profit distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a buyback of shares or issuance of new shares for transferring treasury shares to employees or for equity conversion in connection with domestic or overseas convertible corporate bonds or other convertible securities or employee stock options, it is proposed that the Board of Directors be authorized to adjust the stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

Resolution :

Voting results were as follows : a total of 35,108,737 shares with voting rights were present when votes were cast; the number of voting rights for approval is 32,402,626, the number of voting rights for disapproval is 7,443, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,698,668, and 92.29% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

3. Amendment to the “Rules of Procedure for Shareholders Meetings”. Please proceed to discuss.

(Proposed by the Board)

Description :

In order to conform to the needs of commercial practice and amendments to related commercial laws, the company hereby proposes to amend the “Rules of Procedure for Shareholders Meetings”, the Comparison Table for the “Rules of Procedure for Shareholders Meetings” Before and After Revision please refer to Attachment VIII.

Resolution :

Voting results were as follows : a total of 35,108,737 shares with voting rights were present when votes were cast; the number of voting rights for approval is 32,402,626, the number of voting rights for disapproval is 7,443, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,698,668, and 92.29% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

4. Amendment to the “Endorsements Management”. Please proceed to discuss.

(Proposed by the Board)

Description :

In order to conform to the needs of commercial practice and amendments to related commercial laws, the company hereby proposes to amend the “Endorsements Management”, the Comparison Table for the “Endorsements Management” Before and After Revision please refer to Attachment IX.

Resolution :

Voting results were as follows : a total of 35,108,737 shares with voting rights were present when votes were cast; the number of voting rights for approval is 32,402,626, the number of voting rights for disapproval is 7,443, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,698,668, and 92.29% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

V. Questions and Motions: None

VI. Adjourned: 9:35 AM, June 22, 2020

Attachment I

2019 Business report

Dear Shareholders:

First of all, I would like to thank all shareholders for setting aside time from your busy schedules to participate in the 2020 Annual Shareholders' Meeting of the Company. Your encouragement and support towards our company is greatly appreciated. In 2019, global car sales reached 90.3 million cars, with a drop rate of 4.3%. It's the first time drop from achieving peak in 2018. The global automobile market contraction mainly comes from the China's automobile market, its consumption kinetic energy is sluggish, automobile supply chain stops production and layoffs, furthermore make structural adjustments to destock. In addition, India, which was the world's fourth largest automobile market, has also reduced lending due to economic slowdown and non-bank financial institutions. Impacted its annual car sales decreased by 13%, and become fifth market in the world. Most industry observations speculate that global car sales are likely to continue to decline in 2020, and the challenge to the company's operations will be greater.

The company's main markets are in China and Europe. China's automobile industry was friction from the Sino-US trade war and decline of China economic growth slows down. Reducing people's willingness to buy cars has weakened consumption momentum. It was a 8.2% decline with 22.7 million cars, with 28.5% global automobile market. While the European market is implementing new emission standards in 2020 instead stimulates consumers to buy cars. Otherwise the European market was affected by the weak global economy, the Sino-US trade war and the sluggish industry. The sales volume declined from January to August.

I. Business Performance in 2019

The company's operating conditions for the year 2019, benefited from the Volkswagen Group's various new car announcements and the increase in the penetration rate of the MQB (Modularer Querbaukasten) platform, the sales amount was NTD 1.53 billion. The press machines sales amount was NTD 166 million. However, in terms of motorcycle parts, the sales volume was NTD 80 million. In summary, the overall performance of the company was NTD 1.8billion, a drop of 18.08% from 2018.

Unit: NT\$ thousand; %

Item	Year		Percentage increase / decrease (%)		
	2018	2019			
Profit/loss analysis	Operating Revenue	2,191,727	1,795,565	(18.08)	
	Operating margin	608,758	437,621	(28.11)	
	Net profit after tax	164,086	52,296	(68.13)	
Profitability	Return on Total Assets (%)	7.83	2.74	(65.01)	
	Return on Equity (%)	12.57	3.90	(68.97)	
	As a percentage in paid-in capital (%)	Operating income	53.38	25.21	(52.77)
		Pre-tax net profit	54.41	24.96	(54.13)
	Net Margin (%)	7.49	2.91	(61.15)	
	Basic Earnings Per Share (NTD\$)	3.57	0.88	(75.35)	
Diluted Earnings Per Share (NTD\$)	3.31	0.88	(73.41)		

II. 2020 Business Plan

In the first quarter, due to the Covid-19 spread rapidly all over the world. It makes a major impact on the economies of various countries. In addition, the Sino-US trade offensive and defensive war has not subsided, adding to the uncertainty of the impact on the global economy. However, the industry predicts that the global automotive consumer market will continue to slow down. The company has begun to adjust the direction of industrial policies in consideration of the overall economic environment, develop more applications for stamping parts with exclusive stamping equipment, and actively improve the production process to optimize manufacturing advantages. Cost and complete with customer needs. In order to grasp the market application trends we can provide better quality and competitive products to create a win-win situation.

In addition, the company has entered the medical device market and has started cooperation with hospital distributors in Taiwan, South Korea and China.

Looking forward to the future, the company will continue to grow steadily under the existing foundation, and continue to deepen the cultivation of automobile parts, stamping production line equipment, medical instruments and medical sterilize containers.

Thank you very much again to all the support and encouragement from all shareholders. Looking forward to 2020, the management and all colleagues will continue to work hard to actively implement the above operational plan, and continue to invest resources in technology development improvements to increase our product diversity and create new business maps. This will increase the value of the company, and continue to create good compensation for shareholders.

We wish you all prosperity and every success in the future.

CHAIRMAN Goh Mui Teck
 William

CEO Wee Liang
 Kiang

CFO Sean Hsu

Attachment II

Patec Precision Industry Co., Ltd. 2019 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2019 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of PricewaterhouseCoopers was retained to audit PATEC's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by Audit Committee members of the Company. According to relevant requirements of the Securities and Exchange Act and Company Law, we hereby submit this report.

Patec Precision Industry Co., Ltd.

Chairman of the Audit Committee

Yen Chun-Te

27th March, 2020

Attachment III

PATEC PRECISION INDUSTRY CO., LTD.

**COMPARISON TABLE FOR MANAGEMENT OF BOARD MEETINGS OPERATIONS
BEFORE AND AFTER REVISION**

Before the Version	After the Version	Explanation
<p>Article 7 Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and</p>	<p>Article 7 Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.</p> <p>Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</p> <p>When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and</p>	<p>1. Word revision in accordance with Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p> <p>2. Add 2nd subparagraph according to the subparagraph 4 of Article 203 and subparagraph 3 of 203-1 of the Company Act.</p> <p>3. The current subparagraph is amended as the third subparagraph.</p>

<p>from among themselves.</p>	<p>from among themselves.</p>	
<p>Article 15 If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors' meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.</p>	<p>Article 15 If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors' meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.</p>	<p>1. Add 2nd subparagraph according to the subparagraph 3 of 206 of the Company Act.</p> <p>2. The current subparagraph is amended as the third subparagraph.</p>

Attachment IV

PATEC PRECISION INDUSTRY CO., LTD.

COMPARISON TABLE FOR ETHICAL CORPORATE MANAGEMENT BEST PRACTICE PRINCIPLES BEFORE AND AFTER REVISION

Before the Version	After the Version	Explanation
<p>Article 6 The Companies shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Article 6 The Companies shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Amend this article in accordance with ISO 37001 Anti-bribery management systems.</p>
<p>Article 8 The Company shall analyze on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</p> <p>The Company establish the prevention programs, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> (1) Offering and acceptance of bribes. (2) Illegal political donations. (3) Improper charitable donations or sponsorship. (4) Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 	<p>Article 8 The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</p> <p>The Company shall refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> (1) Offering and acceptance of bribes. (2) Illegal political donations. (3) Improper charitable donations or sponsorship. (4) Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 	<ol style="list-style-type: none"> 1. Amend 1st subparagraph in accordance with ISO 37001 Anti-bribery management systems. 2. Word revision.
<p>Article 8</p>	<p>Article 8 The company shall request</p>	<ol style="list-style-type: none"> 1. Add 1st subparagraph

<p>The company and business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	<p>directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</p> <p>The company and business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p>The company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</p>	<p>according to ISO 37001 Anti-bribery management systems.</p> <p>2. The current subparagraph is amended as the second subparagraph.</p> <p>3. Add 3rd subparagraph according to ISO 37001 Anti-bribery management systems.</p>
<p>Article 15 The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company shall establish a dedicated unit and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall report to the board of directors on a regular basis.</p>	<p>Article 15 The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, Administration Department is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The department shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):</p>	<p>Amend 2nd subparagraph in accordance with ISO 37001 Anti-bribery management systems.</p>

	<p>(1) Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>(2) Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</p> <p>(3) Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>(4) Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>(5) Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>(6) Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and</p>	
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	<p>preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
<p>Article 18 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit office of the Company shall audit the compliance with the preceding system on a regular basis and make an audit report to the board of directors.</p>	<p>Article 18 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit office of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans? including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit office may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>1. Amend 2nd subparagraph in accordance with ISO 37001 Anti-bribery management systems.</p> <p>2. Add 3rd subparagraph in accordance with ISO 37001 Anti-bribery management systems.</p>

Attachment V

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Patec Precision Industry Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Patec Precision Industry Co., Ltd. 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

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, “Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and ROC GAAS for our audit of the consolidated financial statements as of and for the year ended December 31, 2018. 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 of the current period. 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.

The most significant key audit matters in our audit of the consolidated financial statements of the current period are as follows:

Recognition of overseas warehouse operating revenue

Description

Refer to Note 4(28) for accounting policy on revenue recognition.

The Group's Mainland China subsidiary, Wuxi Jingxin Precision Machining Co. Ltd. (referred herein as "Wuxi Jingxin"), stored inventories in warehouses which were under the custody of foreign third parties and checked and accepted by custodians in order to meet the requirements of overseas sales customers. The custodians regularly send inventory reports to Wuxi Jingxin to verify the quantities, and Wuxi Jingxin recognises operating revenue based on actual used inventories by customers which are shown in the inventory reports provided by custodians.

As a result of the multi-location of the Company's warehouses in Europe, which involved manual verification, we considered the recognition of overseas warehouse operating revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. We obtained an understanding and evaluated Wuxi Jingxin's procedures on overseas warehouse operating revenue, and selected samples to check the accuracy of operating revenue recognition.
2. We obtained the inventory reports as at balance sheet date, and checked whether the timing of revenue recognition was reasonable.
3. We performed confirmation procedures for significant warehouse locations.

Existence of press machine revenue

Description

Refer to Note 4(28) for accounting policy on revenue recognition.

The Group's Singapore subsidiary, PATEC PTE. LTD (referred herein as "PATEC"), is mainly engaged in the sale of press machines. Due to the nature of its business, the related transaction terms and revenue recognition are assessed based on individual contracts, and PATEC's current revenue from sales of press machines to its counterparties had increased/decreased compared to previous year. As a result, we considered the existence of press machine revenue of PATEC as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. We assessed the internal control surrounding the sales of press machines during the current year.
2. We checked the related industry information in relation to current counterparties.
3. We checked the contracts which were entered with customers, and verified the acceptance reports which had been approved by customers and the related collection and transaction records.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the 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.

Chen, Chin-Chang

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 27, 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.

PATEC PRECISION INDUSTRY CO., LTD. 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)	\$ 472,198	20	\$ 320,589	15
1136	Financial assets at amortised cost-current	6(1)(8)	218,665	9	51,994	3
1170	Accounts receivable, net	6(2)	520,221	23	738,775	34
1200	Other receivables		2,145	-	27,455	1
130X	Inventories	6(3)	436,619	19	542,055	25
1410	Prepayments		66,163	3	63,926	3
11XX	Total current assets		<u>1,716,011</u>	<u>74</u>	<u>1,744,794</u>	<u>81</u>
Non-current assets						
1600	Property, plant and equipment, net	6(4) and 8	249,421	11	311,078	15
1755	Right-of-use assets	6(5) and 8	305,338	13	-	-
1780	Intangible assets		4,961	-	5,033	-
1840	Deferred tax assets	6(20)	24,304	1	22,696	1
1990	Other non-current assets	8	17,251	1	70,781	3
15XX	Total non-current assets		<u>601,275</u>	<u>26</u>	<u>409,588</u>	<u>19</u>
1XXX	Total assets		<u>\$ 2,317,286</u>	<u>100</u>	<u>\$ 2,154,382</u>	<u>100</u>

(Continued)

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

PATEC PRECISION INDUSTRY CO., LTD. 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(6)	\$ 405,857	18	\$ 211,996	10
2130	Contract liabilities-current	6(15)	8,688	-	59,188	3
2170	Accounts payable		167,432	7	231,259	11
2200	Other payables	6(8)	78,415	4	74,601	3
2230	Current income tax liabilities		5,938	-	1,064	-
2280	Lease liabilities-current		23,754	1	-	-
2320	Long-term liabilities, current portion	6(7)	-	-	168,106	8
2355	Current lease obligations payable	6(9)	-	-	2,835	-
2399	Other current liabilities		31,599	1	32,706	1
21XX	Total current liabilities		<u>721,683</u>	<u>31</u>	<u>781,755</u>	<u>36</u>
Non-current liabilities						
2570	Deferred tax liabilities	6(20)	24,612	1	11,216	1
2580	Lease liabilities-non-current		229,436	10	-	-
2610	Long-term notes and accounts payable	6(9)	-	-	5,418	-
2670	Other non-current liabilities	6(10)	12,748	1	5,740	-
25XX	Total non-current liabilities		<u>266,796</u>	<u>12</u>	<u>22,374</u>	<u>1</u>
2XXX	Total liabilities		<u>988,479</u>	<u>43</u>	<u>804,129</u>	<u>37</u>
Equity						
Equity attributable to owners of the parent						
Share capital						
3110	Ordinary share	6(12)	448,268	19	410,964	19
Capital surplus						
3200	Capital surplus	6(7)(13)	372,244	16	372,244	18
Retained earnings						
3320	Special reserve	6(14)	81,706	4	59,408	3
3350	Unappropriated retained earnings		411,037	18	436,784	20
Other equity interest						
3400	Other equity interest		(134,066)	(6)	(81,706)	(4)
3500	Treasury stocks	6(12)	(36,097)	(2)	(36,097)	(2)
31XX	Total equity attributable to owners of the parent		<u>1,143,092</u>	<u>49</u>	<u>1,161,597</u>	<u>54</u>
36XX	Non-controlling interest		<u>185,715</u>	<u>8</u>	<u>188,656</u>	<u>9</u>
3XXX	Total equity		<u>1,328,807</u>	<u>57</u>	<u>1,350,253</u>	<u>63</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 2,317,286</u>	<u>100</u>	<u>\$ 2,154,382</u>	<u>100</u>

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

PATEC PRECISION INDUSTRY CO., LTD. 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)

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(15)	\$ 1,795,565	100	\$ 2,191,727	100
5000	Operating costs	6(3)(19)	(1,357,944)	(76)	(1,582,969)	(72)
5900	Gross profit		<u>437,621</u>	<u>24</u>	<u>608,758</u>	<u>28</u>
	Operating expenses	6(19)(22)				
6100	Selling expenses		(74,501)	(4)	(88,479)	(4)
6200	Administrative expenses		(195,155)	(11)	(221,090)	(10)
6300	Research and development expenses		(52,964)	(3)	(79,453)	(4)
6450	Impairment loss determined in accordance with IFRS 9		(1,981)	-	(352)	-
6000	Total operating expenses		<u>(324,601)</u>	<u>(18)</u>	<u>(389,374)</u>	<u>(18)</u>
6900	Operating profit		<u>113,020</u>	<u>6</u>	<u>219,384</u>	<u>10</u>
	Non-operating income and expenses					
7010	Other income	6(16)	18,718	1	11,816	1
7020	Other gains and losses	6(17)	(7,261)	-	5,046	-
7050	Finance costs	6(18)	(12,605)	(1)	(12,661)	(1)
7000	Total non-operating income and expenses		<u>(1,148)</u>	<u>-</u>	<u>4,201</u>	<u>-</u>
7900	Profit before income tax		<u>111,872</u>	<u>6</u>	<u>223,585</u>	<u>10</u>
7950	Income tax expense	6(20)	(59,576)	(3)	(59,499)	(3)
8200	Profit for the year		<u>\$ 52,296</u>	<u>3</u>	<u>\$ 164,086</u>	<u>7</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Loss on remeasurements of defined benefit plans		(\$ 1,519)	-	(\$ 1,053)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	380	-	263	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(56,265)	(3)	(24,522)	(1)
8300	Other comprehensive loss for the year		<u>(\$ 57,404)</u>	<u>(3)</u>	<u>(\$ 25,312)</u>	<u>(1)</u>
8500	Total comprehensive (loss) income		<u>(\$ 5,108)</u>	<u>-</u>	<u>\$ 138,774</u>	<u>6</u>
	Profit attributable to:					
8610	Owners of parent		<u>\$ 38,797</u>	<u>2</u>	<u>\$ 144,341</u>	<u>6</u>
8620	Non-controlling interest		<u>\$ 13,499</u>	<u>1</u>	<u>\$ 19,745</u>	<u>1</u>
	Comprehensive (loss) income attributable to:					
8710	Owners of parent		<u>(\$ 14,360)</u>	<u>(1)</u>	<u>\$ 121,490</u>	<u>5</u>
8720	Non-controlling interest		<u>\$ 9,252</u>	<u>1</u>	<u>\$ 17,284</u>	<u>1</u>
	Earnings per share (in dollars)	6(21)				
9750	Basic earnings per share		<u>\$ 0.88</u>		<u>\$ 3.27</u>	
9850	Diluted earnings per share		<u>\$ 0.88</u>		<u>\$ 3.03</u>	

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
Notes	Capital Reserves					Retained Earnings			Exchange difference on translation of financial statements		Non-controlling interest	
	Ordinary share	Additional paid-in capital	Changes in ownership interests in subsidiaries	Employee stock warrants	Stock warrants	Special reserve	Unappropriated retained earnings	Treasury shares				
2018												
Balance at January 1, 2018	\$ 383,072	\$ 372,255	\$ -	\$ 8,697	\$ 11,683	\$ -	\$ 409,884	(\$ 59,408)	(\$ 36,097)	\$ 1,090,086	\$ 170,664	\$ 1,260,750
Profit for the year	-	-	-	-	-	-	144,341	-	-	144,341	19,745	164,086
Other comprehensive loss for the year	-	-	-	-	-	-	(553)	(22,298)	-	(22,851)	(2,461)	(25,312)
Total comprehensive income (loss)	-	-	-	-	-	-	143,788	(22,298)	-	121,490	17,284	138,774
Appropriations of 2017 earnings:	6(14)											
Special reserve	-	-	-	-	-	59,408	(59,408)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(28,672)	-	-	(28,672)	-	(28,672)
Stock dividends	28,672	-	-	-	-	-	(28,672)	-	-	-	-	-
Share-based payments	6(11)	4,220	13,352	(8,697)	-	-	-	-	-	8,875	-	8,875
Purchase of treasury shares	6(12)	-	-	-	-	-	-	-	(26,908)	(26,908)	-	(26,908)
Retirement of treasury shares	6(12)	(5,000)	(21,908)	-	-	-	-	-	26,908	-	-	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	780	780
Changes in ownership interests in subsidiaries	-	-	208	-	-	-	(136)	-	-	72	(72)	-
Redemption of convertible bonds	-	-	-	-	(3,346)	-	-	-	-	(3,346)	-	(3,346)
Balance at December 31, 2018	\$ 410,964	\$ 363,699	\$ 208	\$ -	\$ 8,337	\$ 59,408	\$ 436,784	(\$ 81,706)	(\$ 36,097)	\$ 1,161,597	\$ 188,656	\$ 1,350,253
2019												
Balance at January 1, 2019	\$ 410,964	\$ 363,699	\$ 208	\$ -	\$ 8,337	\$ 59,408	\$ 436,784	(\$ 81,706)	(\$ 36,097)	\$ 1,161,597	\$ 188,656	\$ 1,350,253
Profit for the year	-	-	-	-	-	-	38,797	-	-	38,797	13,499	52,296
Other comprehensive loss for the year	-	-	-	-	-	-	(797)	(52,360)	-	(53,157)	(4,247)	(57,404)
Total comprehensive income (loss)	-	-	-	-	-	-	38,000	(52,360)	-	(14,360)	9,252	(5,108)
Appropriations of 2018 earnings:	6(14)											
Special reserve	-	-	-	-	-	22,298	(22,298)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(4,145)	-	-	(4,145)	-	(4,145)
Stock dividends	37,304	-	-	-	-	-	(37,304)	-	-	-	-	-
Changes in non-controlling interest-cash dividends	-	-	-	-	-	-	-	-	-	-	(12,193)	(12,193)
Balance at December 31, 2019	\$ 448,268	\$ 363,699	\$ 208	\$ -	\$ 8,337	\$ 81,706	\$ 411,037	(\$ 134,066)	(\$ 36,097)	\$ 1,143,092	\$ 185,715	\$ 1,328,807

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

PATEC PRECISION INDUSTRY CO., LTD. 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		\$ 111,872	\$ 223,585
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss / Provision for bad debts	12(2)	1,981	352
Gain on bond redemption	6(17)	-	(1,817)
Gain on disposal of property, plant and equipment	6(17)	(592)	(1,226)
Interest income	6(16)	(10,050)	(7,572)
Depreciation	6(4)	57,432	59,945
Depreciation of right-of-use assets	6(5)	30,515	-
Interest expense	6(18)	12,605	12,661
Net gain on financial assets or liabilities at fair value through profit or loss	6(17)	-	(964)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		216,490	(75,755)
Other receivables		25,310	(12,700)
Inventories		105,436	(60,146)
Prepayments		(2,237)	(16,841)
Changes in operating liabilities			
Contract liabilities		(50,500)	54,697
Accounts payable		(63,827)	(43,034)
Other payables		3,790	(27,716)
Other current liabilities		(1,107)	(846)
Other non-current liabilities		5,489	805
Cash inflow generated from operations		442,607	103,428
Interest received		10,050	7,572
Interest paid		(8,811)	(6,445)
Income tax paid		(42,534)	(70,700)
Net cash flows from operating activities		<u>401,312</u>	<u>33,855</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost-current		(166,671)	134,570
Acquisition of property, plant and equipment		(27,558)	(40,920)
Proceeds from disposal of property, plant and equipment		5,710	2,131
Acquisition of ownership interests in subsidiaries		-	(86,505)
Decrease (increase) in other non-current assets		3,908	(5,159)
Net cash flows (used in) from investing activities		<u>(184,611)</u>	<u>4,117</u>

(Continued)

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
 (Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(24)	\$ 418,384	\$ 31,685
Decrease in short-term borrowings	6(24)	(219,738)	-
Repayment of long-term borrowings	6(24)	-	(56,939)
Redemption of convertible bonds	6(24)	-	(69,000)
Repayment of convertible bonds	6(24)	(171,900)	-
Payment of lease liability	6(24)	(48,982)	-
Payment of lease payable	6(24)	-	(4,764)
Cash dividends paid	6(14)	(4,121)	(28,672)
Exercise of employee share options		-	8,875
Payments to acquire treasury shares	6(12)	-	(26,908)
Cash dividends paid to non-controlling interest		(12,193)	-
Changes in non-controlling interests		-	780
Net cash flows used in financing activities		(38,550)	(144,943)
Effect of exchange rate changes on cash and cash equivalents		(26,542)	(22,150)
Net increase (decrease) in cash and cash equivalents		151,609	(129,121)
Cash and cash equivalents at beginning of year	6(1)	320,589	449,710
Cash and cash equivalents at end of year	6(1)	\$ 472,198	\$ 320,589

Attachment VI

Patec Precision Industry Co., Ltd

2019 Earnings Distribution Table

Unit: NT\$

Items	Amount
Unappropriated Retained Earnings of Previous Years	\$373,037,520
Plus : 2019 Net Income	38,797,030
Less : 2019 Adjustments of Retained Earnings (Note1)	(797,285)
Less : Special Reserve (Note2)	(52,359,953)
Retained Earnings Available for Distribution for the current year	\$358,677,312
Distribution Item:	
Cash Dividends (NT\$ 0.06 per common share)	(2,689,606)
Stock Dividends (NT\$ 0.35 per common share)	(15,689,370)
The Ending Balance of Accumulated Retained Earnings	\$340,298,336
<p>Note :</p> <ol style="list-style-type: none"> 1. Adjustments due to adoption : <ul style="list-style-type: none"> (1) Actuarial loss on defined benefit plan NT\$ 797,285 2. Distribute a special reserve amount the same as the negative balance recognized within other equity interest for the current year : <ul style="list-style-type: none"> (1)2019 adjustment NT\$52,359,953 3. Proposed allotment of directors and employees in accordance with the company's memorandum and articles of association : <ul style="list-style-type: none"> Directors' bonus is NT\$ 700,000 Employees' bonus is NT\$ 250,000 	

Chairman : Goh Mui Teck
William

GM : Wee Liang Kiang

CFO : Hsu Shu Hsiang

Attachment VII

PATEC PRECISION INDUSTRY CO., LTD.

COMPARISON TABLE FOR MEMORANDUM AND ARTICLES OF ASSOCIATION
BEFORE AND AFTER REVISION

Article Number	Current Provisions	Proposed Amendment	Explanations
ARTICLES OF ASSOCIATION	EIGHTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION	EIGHTH <u>NINTH</u> AMENDED AND RESTATED ARTICLES OF ASSOCIATION	Amend the name of the article. Article amended to revise the number of amendments times.
Article 7-1.		(1) <u>When the Company issuing new Shares, where subscriber delays payment for Shares, the Company shall fix a period of not less than one month and call upon each subscriber to pay up, declaring that in case of default of payment within the stipulated period their right shall be forfeited.</u> (2) <u>After the Company has made the aforesaid call under the preceding paragraph, the subscribers who fail to pay accordingly shall forfeit their rights and the Shares</u>	Add this Article. In response to the amendment to the 2 nd page of the check form for the registration of shares in the foreign country of the Taiwan Securities Exchange, please refer to the subparagraph 3 of Article 266 of the

		<p><u>subscribed to by them shall be otherwise sold. Under the aforesaid circumstances, compensation for loss or damage, if any, may still be claimed against such defaulting subscribers.</u></p>	<p>Company Act and Article 142 of the same law.</p>
<p>Article 10.</p>	<p>The preceding Article shall not apply whenever the new Shares are issued for the following purpose:</p> <p>(a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company;</p> <p>(b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;</p> <p>(c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;</p>	<p>The preceding Article shall not apply whenever the new Shares are issued for the following purpose:</p> <p>(a) in connection with a Merger or a Consolidation of the Company or a Spin-off of the Company's business, or pursuant to any reorganisation of the Company;</p> <p>(b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the Employees;</p> <p>(c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to</p>	<p>Amend this Article.</p> <p>In response to the amendment to the 7th page of the check form for the registration of shares in the foreign country of the Taiwan Securities Exchange, please refer to the subparagraph 1 of Article 8 of the Business Mergers and Acquisitions Act.</p>

	<p>(d) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares;</p> <p>(e) in connection with any share swap arrangement entered into by the Company, or</p> <p>(f) in connection with any Private Placement conducted pursuant to Article 13; or</p> <p>(g) in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.</p>	<p>acquire Shares;</p> <p>(d) in connection with meeting the Company's obligation under share subscription warrant or Preferred Shares vested with rights to acquire Shares;</p> <p>(e) in connection with any share swap arrangement entered into by the Company; or</p> <p>(f)(e) in connection with any Private Placement conducted pursuant to Article 13; <u>or</u></p> <p>(g)(f) in connection with any other event otherwise prohibited, limited, restricted or exempted to so apply pursuant to the Law and/or the Applicable Listing Rules.</p>	
Article 10-1.		(1) The pre-emptive right of the Employees under Article 8 and the pre-emptive right of Members under Article 9 shall not apply in the event that new Shares are issued:	Add this Article. In response to the amendment to the 7 th page of the check form for the

		<p>(a) in connection with the Merger, or for the Merger between the Subordinate Company and other companies;</p> <p>(b) in connection with the Shares issued for being acquired;</p> <p>(c) in connection with acquisition of issued Shares, business, or assets of another company;</p> <p>(d) in connection with share swap; or</p> <p>(e) in connection with the Spin-off of the Company.</p> <p>(2) Any new Shares issued under this Article may be paid up in cash or assets required in the business of the Company.</p>	<p>registration of shares in the foreign country of the Taiwan Securities Exchange, please refer to the subparagraph 2 of Article 8 of the Business Mergers and Acquisitions Act.</p>
Article 45.	<p>Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p>(a) enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;</p>	<p><u>(1)</u> Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution:</p> <p>(a) enter into, amend, or terminate any contract for lease, management or regular joint operation of its whole business;</p>	<p>Amend this Article.</p> <p>In response to the amendment to the 20th page of the check form for the registration of shares in the foreign country of the</p>

	<p>(b) transfer the whole or any material part of its business or assets;</p> <p>(c) acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;</p> <p>(d) distribute dividends, bonus or other distributions in whole or in part by way of issuance of new Shares;</p> <p>(e) effect any Spin-off of the Company;</p> <p>(f) authorise a plan of Merger or Consolidation involving the Company;</p> <p>(g) resolve that the Company be wound up voluntarily;</p> <p>(h) carry out a Private Placement;</p> <p>(i) grant a waiver to a Director's non-competition obligation, or approve a Director to engage in activities in competition with the Company;</p>	<p>(b) transfer the whole or any material part of its business or assets;</p> <p>(c) acquire the whole business or assets of a Person, which has a material effect on the operation of the Company;</p> <p>(d) distribute dividends, bonus or other distributions in whole or in part by way of issuance of new Shares;</p> <p>(e) effect any Spin-off of the Company;</p> <p>(f) authorise a plan of Merger or Consolidation involving the Company;</p> <p>(g) resolve that the Company be wound up voluntarily;</p> <p>(h) carry out a Private Placement;</p> <p>(i) grant a waiver to a Director's non-competition obligation, or approve a</p>	<p>Taiwan Securities Exchange, please refer to the Article 29 of the Business Mergers and Acquisitions Act.</p>
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	<p>(j) change its name;</p> <p>(k) change the currency denomination of its share capital;</p> <p>(l) increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;</p> <p>(m) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;</p> <p>(n) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;</p> <p>(o) cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;</p>	<p>Director to engage in activities in competition with the Company;</p> <p>(j) change its name;</p> <p>(k) change the currency denomination of its share capital;</p> <p>(l) increase the share capital by such sum, to be divided into new Shares of such Classes of such par value, as the resolution shall prescribe;</p> <p>(m) consolidate and divide all or any of its share capital into Shares of a larger par value than its existing Shares;</p> <p>(n) subdivide its existing Shares, or any of them, into Shares of a smaller par value than is fixed by the Memorandum;</p> <p>(o) cancel any Shares that, at the date of the resolution, have not been taken or agreed to be taken by any Person and diminish the</p>	
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	<p>(p) subject to these Articles (including without limitation Articles 16 and 17), alter or amend the Memorandum or these Articles, in whole or in part;</p> <p>(q) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules; and</p> <p>(r) appoint an inspector to examine the affairs of the Company under the Law; and</p> <p>(s) issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 12.</p>	<p>amount of its share capital by the amount of the Shares so cancelled;</p> <p>(p) subject to these Articles (including without limitation Articles 16 and 17), alter or amend the Memorandum or these Articles, in whole or in part;</p> <p>(q) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules; and</p> <p>(r) appoint an inspector to examine the affairs of the Company under the Law; and</p> <p>(s) issue new Shares to Employees of the Company and/or its Subordinate Companies subject to any restrictions and conditions in accordance with Article 12; <u>and</u></p> <p>(t) <u>authorise a plan of share</u></p>	
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		<p><u>swap involving the Company.</u></p> <p><u>(2) In case the Company has issued Preferred Shares, any modification or alteration in these Articles prejudicial to the privileges of the holders of Preferred Shares shall also be adopted by a meeting of the holders of Preferred Shares.</u></p>	
Article 47.	<p>(1) Subject to the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 45 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Paragraph (b) of Article 45</p>	<p>(1) Subject to the Law, in the event any of the resolutions with respect to the matter(s) as set out in Paragraphs (a), (b) or (c) of Article 45 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in Paragraph (b) of</p>	<p>Amend this Article.</p> <p>In response to the amendment to the 19th page of the check form for the registration of shares in the foreign country of the Taiwan Securities Exchange, please refer to the Article 12 of the Business Mergers and Acquisitions Act.</p>

	<p>and at the same meeting the resolution for the winding up of the Company is also adopted.</p> <p>(2) In the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price in accordance with the Law.</p> <p>(3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the Taiwan Taipei District Court of the R.O.C. if and to the extent permitted under the Law, for</p>	<p>Article 45 and at the same meeting the resolution for the winding up of the Company is also adopted.</p> <p>(2) In the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation <u>or acquisition share swap</u>, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price in accordance with the Law.</p> <p>(3) <u>Without prejudice to the Law, if the Member filing a request under the preceding paragraph (1) and (2) of this Article, the Member shall make such request in writing within twenty (20) days since the resolution of the general meeting was made, specify the price for buying back. If the Company and the Shareholder reach an agreement about the price of purchasing back his/her/its</u></p>	
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	<p>a ruling on the appraisal price.</p>	<p><u>Shares, the Company shall pay for the Shares within ninety (90) days since the resolution of the general meeting was made. In case no agreement is reached, the Company shall pay the fair price it has recognized to the Member who asks for a higher price within ninety (90) days since the resolution of the general meeting was made. If the Company did not pay, the Company shall be deemed to be agreeable to the price requested by the Member.</u></p> <p>(3)(4) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to <u>Paragraphs (2)</u> of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the Taiwan Taipei District Court of the R.O.C. if and to the extent permitted under the Law, for a ruling</p>	
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		on the appraisal price.	
Article 81-3.		<p><u>Before the Board meeting is held to resolve matters of the Merger and acquisition, the Audit Committee shall review the fairness and reasonableness of the plan and transaction of the Merger or acquisition and then report the review results to the Board of Directors and the general meeting. When the Audit Committee reviews the fairness and reasonableness of the plan and transaction of the Merger and acquisition, the Audit Committee shall seek opinions from an independent expert on the reasonableness of the share swap ratio or distribution of cash or other assets. The review results of the Audit Committees and opinions of independent experts shall be delivered to the Shareholders together with the notice of a general meeting for the Merger or acquisition. If the Company has made a public announcement publishing the same content as in the aforementioned documents, which shall be delivered to the Shareholders, on the website designated by</u></p>	<p>Add this Article. In response to the amendment to the 30th page of the check form for the registration of shares in the foreign country of the Taiwan Securities Exchange, please refer to the Article 6, Article 7, subparagraph 3 of Article 22, subparagraph 7 of Article 31, and subparagraph 2 of Article 38 of the Business Mergers and Acquisitions Act.</p>

		<p><u>the R.O.C. competent authorities and the aforementioned documents are prepared at the venue of the general meeting, those documents shall be deemed as having been sent to the Shareholders.</u></p>	
Article 90.	<p>A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. Where the spouse, a blood relative within the second degree of kinship of a Director, or any holding/subordinate company of a Director is interested in the matters under discussion in the abovementioned meeting of the Board, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf</p>	<p>A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. <u>If the Company participates in the Merger and acquisition, a Director who has a personal interest in the transaction of Merger and acquisition shall disclose to the Board of Directors and general meeting the material contents regarding such personal interest and the reason of approval or dissent to the resolution of Merger or acquisition.</u> Where the spouse, a blood relative within the second degree of kinship of a Director, or any holding/subordinate company of a Director is interested in</p>	<p>Amend this Article. In response to the amendment to the 24th page of the check form for the registration of shares in the foreign country of the Taiwan Securities Exchange, please refer to the subparagraph 3 of Article 5 of the Business Mergers and Acquisitions Act.</p>

	<p>or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.</p>	<p>the matters under discussion in the abovementioned meeting of the Board, such Director shall be deemed to bear a personal interest in the matter. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.</p>	
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Attachment VIII

PATEC PRECISION INDUSTRY CO., LTD.

**COMPARISON TABLE FOR RULES OF PROCEDURE FOR SHAREHOLDERS
MEETINGS BEFORE AND AFTER REVISION**

Before the Version	After the Version	Explanation
<p>Article 3 (Convening shareholders' meetings and shareholders' meeting notices)</p> <p>Paragraphs 1, 2 and 3 are omitted.</p> <p>Election/dismissal of directors, changes in the article of association, dissolution/merging/splitting of the company, or items pertaining to Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed as reasons to convene the meeting, with their essential contents specified, and shall not be raised as extempore motions.</p>	<p>Article 3 (Convening shareholders' meetings and shareholders' meeting notices)</p> <p>Paragraphs 1, 2 and 3 are omitted.</p> <p>Election/dismissal of directors, changes in the Memorandum and Articles of Association, capital reduction, application of halting public offering, permission for the directors to compete with the company, capitalization of retained earnings, capitalization of capital reserves, dissolution/merging/splitting of the company, or all items pertaining to Article 185, Paragraph 1 of the Company Act, shall be listed as reasons to convene the meeting, with their essential contents specified, and shall not be raised as extempore motions. The main contents of these proposals may be uploaded to the website of competent authorities of securities or a website designated by the company, with its URL specified on the meeting notice.</p> <p>When the reason for convening a shareholders' meeting has been specified as the re-election of all directors and the date of appointment of the new Board of Directors is also specified,</p>	<p>1. The text is amended pursuant to Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.</p> <p>2. Amended pursuant to Articles 172 and 172-1 of the Company Act.</p> <p>3. Paragraph 5 is added following the content of Ministry of Economic Affairs Official Letter No. 10702417500 issued on August 6, 2018.</p>

<p>Shareholders holding 1% or more of the total number of outstanding shares of the Company may submit a written proposal to the Company for discussion at an annual general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When any of the circumstances provided in Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before an annual shareholders' meeting is held, the company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for</p>	<p>shareholders attending the meeting shall not alter the appointment date of newly elected members of the Board by proposing extempore motions or by any other means after the election process taking place at the said shareholders' meeting is completed.</p> <p>Shareholders holding 1% or more of the total number of outstanding shares of the Company may submit a proposal to the Company for discussion at an annual general meeting, and the proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, if the proposal from the shareholders is one to urge the company to promote public interest or fulfill its corporate social responsibilities, the Board of Directors may still include the said proposal. When any of the circumstances provided in Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before an annual shareholders' meeting is held, the company shall publicly announce that it will receive shareholder proposals, the methods of accepting proposals, such as in writing or via electronic means, and the location and time</p>	
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<p>acceptance of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal. The Company shall, prior to the delivery of the shareholders' meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	<p>period for their submission; the period for acceptance of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal. The company shall, prior to the delivery of the shareholders' meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	
<p>Article 10 (Discussion of proposals)</p> <p>If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the</p>	<p>Article 10 (Discussion of proposals)</p> <p>If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The relevant proposals (including motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The</p>	<p>In line with the rule that all listed companies on TWSE and TPEx must fully adopt electronic voting since 2018, and to implement the spirit of case-by-case</p>

<p>shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chairperson shall give the opportunity to fully explain and discuss the proposals, as well as the amendments or motions proposed by the shareholders. When the chairperson is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a</p>	<p>meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chairperson shall give the opportunity to fully explain and discuss the proposals, as well as the amendments or motions proposed by the shareholders. When the chairperson is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a</p>	<p>voting, the provisions have thus been amended.</p>
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<p>vote, the chairperson may announce the discussion closed and bring the proposal to vote.</p>	<p>vote, the chairperson may announce the discussion closed and bring the proposal to vote. The chairperson shall also allocate sufficient time for voting.</p>	
<p>Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. The production and distribution of the meeting minutes may be effected by electronic means. The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the entire duration of the existence of the company.</p>	<p>Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. The production and distribution of the meeting minutes may be effected by electronic means. The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including voting rights calculated). When there are elections of directors and supervisors, the voting rights won by all candidates must be disclosed. The meeting minutes shall be retained for the duration of the</p>	<p>Amended thanks to the suggestions from Asian Corporate Governance Association (ACGA) in order to implement the case-by-case voting spirit.</p>

	existence of the company.	
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Attachment IX

PATEC PRECISION INDUSTRY CO., LTD.

COMPARISON TABLE FOR THE ENDORSEMENTS MANAGEMENT BEFORE AND AFTER REVISION

Before the Version	After the Version	Explanation
<p>Article 4</p> <p>1.The total amount of company's external endorsement and guarantee shall not exceed 40% of the Company's current net worth, of which the endorsement and guarantee amount of a single enterprise shall not exceed 20% of the Company's current net worth.</p> <p>2.The endorsement and guarantee guarantors due to business relationship shall not exceed last year total transactions with the Company's (purchases or sales between the parties, the higher amount).</p> <p>3.The Company has directly and indirectly voting power and held more than 90% of the Company shares, the endorsement and guarantee of whom shall not exceed 10% of the Company's net worth.</p> <p>4.Net worth should be based on the most recent audited or reviewed financial statements.</p>	<p>Article 4</p> <p>1.The total amount of company's external endorsement and guarantee shall not exceed 40% of the Company's current net worth, of which the endorsement and guarantee amount of a single enterprise shall not exceed 20% of the Company's current net worth.</p> <p>2.The endorsement and guarantee guarantors due to business relationship shall not exceed last year total transactions with the Company's (purchases or sales between the parties, the higher amount).</p> <p>3.The Company has directly and indirectly voting power and held more than 90% of the Company shares, the endorsement and guarantee of whom shall not exceed 10% of the Company's net worth.</p> <p>4.The total amount of the endorsement and guarantee of the Company and its subsidiaries shall not exceed 40% of the Company's current net worth, of which the endorsement and guarantee amount of a single enterprise shall not exceed 20% of the Company's current net worth.</p> <p>5.Net worth should be based on the most recent audited or reviewed financial statements.</p>	<p>1.Add this subparagraph in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.</p> <p>2. The current subparagraph is amended as the fifth subparagraph.</p>