

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

2021 Annual Shareholders’ Meeting Minutes
(Translation)

Date and Time: 09:00 a.m. on 25th August 2021 (Wednesday)

Location : Primasia Conference & Business Center (Address: 15F., No.99, Fuxing N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.))

Quorum : 37,709,954 shares (ordinary shares of NT\$10) were represented by the shareholders and proxies present, which amounted to 82.4% of the Company’s 45,759,703 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 : Ms. Elisa Wu, Manager, 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. 2020 Business Report, please refer to Attachment I.**
- 2. 2020 Audit Committee’s Review Report, please refer to Attachment II.**
- 3. 2020 employees’ profit-sharing bonus and directors’ compensation, please refer to meeting agenda page 3.**

III. Proposed Resolutions

- 1.To accept 2020 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 2020 Business Report, independent auditors’ audit report, and the above-mentioned Financial Statements please refer to Attachment I and Attachment III.

Resolution:

Voting results were as follows : a total of 37,653,204 shares with voting rights were present when votes were cast; the number of voting rights for approval is 34,937,987, the number of voting rights for disapproval is 1,796, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,713,421, and 92.78% 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 2020 Profits.**(Proposed by the Board)****Description :**

- (1) The Board has adopted a Proposal for Distribution of 2020 Profits in accordance with the Company Act and Articles of Incorporation.
- (2) 2020 net profit after tax is NT\$ 31,527,725. After setting aside the special reserve NT\$ 29,003,893, adding beginning retained earnings of NT\$ 340,298,336, and then reducing retained earning adjustment NT\$ 5,862,448, the unappropriated retained earnings are NT\$ 336,959,720 and the proposed cash dividend to shareholders is NT\$ 16,847,986 (NT\$ 0.3681839 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 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 IV.

Resolution :

Voting results were as follows : a total of 37,653,204 shares with voting rights were present when votes were cast; the number of voting rights for approval is 34,935,987, the number of voting rights for disapproval is 3,796, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,713,421, and 92.78% 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) Reflect changes to the company's registered office address,
- (2) Comparison Table for Memorandum and Articles of Association Before and After Revision please refer to Attachment V.

Resolution :

Voting results were as follows : a total of 37,653,204 shares with voting rights were present when votes were cast; the number of voting rights for approval is 34,937,987, the number of

voting rights for disapproval is 1,796, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,713,421, and 92.78% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

2. 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 VI.

Resolution :

Voting results were as follows : a total of 37,653,204 shares with voting rights were present when votes were cast; the number of voting rights for approval is 34,935,987, the number of voting rights for disapproval is 3,796, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,713,421, and 92.78% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

3. 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 VII.

Resolution :

Voting results were as follows : a total of 37,653,204 shares with voting rights were present when votes were cast; the number of voting rights for approval is 34,935,987, the number of voting rights for disapproval is 3,796, the number of voting rights for invalidation is 0, the number of voting rights for abstention or no votes is 2,713,421, and 92.78% of the total voting rights voted for approval when votes were cast.

This proposal was approved and adopted as is.

V. Election Matters

1. Proposal for the Company’s re-election of Directors 4 seats and Independent Directors 3 seats

(Proposed by the Board)

Description :

- (1) The term of the current (fifth) directors of the company will expire on June 27, 2022. Based on the consideration of medium and long-term business strategy, it is planned to fully re-elect the sixth directors (including independent directors) in advance at the 2021 annual general meeting
- (2) The Company has formed a Remuneration Committee and an Audit Committee in accordance with the Securities and Exchange Act and the relevant provisions of the

Company Act, so this year's Annual General Meeting will be elected 7 seats directors (including 3 independent directors) in accordance with the Memorandum and Articles of Association, for the term from 28th June 2021 to 27th June 2024, term of 3 years, and the Audit Committee consist of all independent directors.

- (3) In accordance with Article 192-1 of the Company Act, the Company adopted the candidate's nomination system for electing the 6th term of directors (including independent directors). The 7 candidates were reviewed and approved by the third Board of Directors in 2021. The relevant information is described as follows:

| Title | Name | Educational Background/Experience | Incumbent | Number of Share Held |
|-------------|-----------------|---|--|----------------------|
| Director | Wee Liang Kiang | PhD in Industrial and Business Management, West Coast University Production Engineer of Fujitec Sales Manager of Maxton Intl Pte. Ltd. Sales Manager of Komatsu | General Manager of Patec Precision Industry Co., Ltd Director of Patec Pte Ltd Director of Press Automation Technology Pte Ltd Director of Wuxi JingXin Precision Machining Co., Ltd Director of Wuxi Patec Precision Machining Co., Ltd Director of Patec Precision Kft President Commissioner of PT. Patec Presisi Engineering President Commissioner of PT. PDF Presisi Engineering President Commissioner of PT. API Precision | 223,385 |
| Director | Wee Hong Jie | Bachelor's degree in Mechanical Engineering and Business Management, Royal Melbourne Institute of Technology Sales Manager of Patec Precision Kft Special Assistant to GM of Patec Precision Industry Co., Ltd. | Chairman of Patec Precision Industry Co., Ltd. Director of Wuxi JingXin Precision Machining Co., Ltd Director of Patec Precision Kft President Director of PT. Patec Presisi Engineering President Director of PT. PDF Presisi Engineering President Director of PT. API Precision | 9,101,591 |
| Director | Jack Liu | Business Administration, China University of Science and Technology Sales Executive of Family Computer Chairman of Chentone Ltd Sales Manager of Euro Ltd | Litigious and non-litigious agent within the R.O.C. of Patec Precision Industry Co., Ltd. Sales Vice General Manager of Patec Pte. Ltd. | - |
| Director | Sean Hsu | Bachelor's degree in Accounting, Soochow University Asistant audit manager of PwC Taiwan Asistant manager of Chailease Finance Co., Ltd. | CFO of Patec Precision Industry Co., Ltd. Commissioner of PT. Patec Presisi Engineering | 504,882 |
| Independent | Yen Chun Te | Bachelor's degree in | CFO. Of Winking Entertainment | - |

| | | | | |
|----------------------|----------------|--|--|---|
| Director | (Note) | Accounting, Tunghai University CFO. of Softstar Entertainment Inc. | Group Independent Director of Patec Precision Industry Co., Ltd Independent Director of Otsuka Information Technology Crop. | |
| Independent Director | Chin Chih Yung | Master degree of Accounting, Case Western Reserve University Bachelor's degree in Department International Trade, Tamkang University Qualified CPA in R.O.C. Senior Manager of Pan Asia International & Co., CPAs | Director and CPA of Leading Change International CPA Firm Independent Director of Space Shuttle Hi-Tech co., Ltd Member of the Audit Committee of Space Shuttle Hi-Tech co., Ltd Independent Director of Lumosa Therapeutics Co., Ltd. Member of Professional Education Committee of National Federation of CPA Associations of the R.O.C.(NFCPAA) | - |
| Independent Director | Kate Chen | To pursue the degree of Ph.D. in National Chengchi University Master degree of Law in criminal law, National Taiwan University Bachelor of Law, National Taiwan University Former judge of Taiwan High Court Former director and judge of Civil Court Room 1 (and non-litigious center), Taiwan Taoyuan District Court Former judge, Taiwan Taoyuan District Court Former judge of Civil Court Executive Tribunal, Taiwan Taoyuan District Court The Lecturer of Soochow University Taipei, Taiwan (Civil Procedure Act) | CEO of JAYLAW ATTORNEYS-AT-LAW | - |

Note : Because of its rich experience and ability to provide important advice to the company, the company still needs to rely on its expertise to enable it to exercise its expertise in addition to the duties of independent directors, and to supervise the board of directors and provide professional advice.

Resolution :

The election list of seven directors (including three independent directors) is as follows:

| Title | Name | Number of Shares |
|-----------------------|-----------------|------------------|
| Directors | Wee Liang Kiang | 52,710,714 |
| Directors | Wee Hong Jie | 37,135,649 |
| Directors | Jack Liu | 25,427,955 |
| Directors | Sean Hsu | 25,168,061 |
| Independent Directors | Yen Chun Te | 34,884,333 |
| Independent Directors | Chin Chih Yung | 34,736,998 |
| Independent Directors | Kate Chen | 34,406,306 |

VI. Other Matters

1. Proposal : Discussion of release the prohibition on Directors from participation in competitive business.

(Proposed by the Board)

Description :

- (1) IT WAS NOTED THAT according to the Company Act article 209, a director who acts for himself or on behalf of another person that is within the scope of the company's business, shall secure approval for such at the meeting of shareholders. For the newly elected directors of the 6th board, it is proposed at this 2021 shareholders' meeting to request to remove the limitation on directors for non-compete reasons.
- (2) The new directors' education, experience, or part-time duties of other enterprises list are described as follows :

| Title | Name | The Duties of Other Companies |
|----------|-----------------|--|
| Director | Wee Liang Kiang | Director of Patec Pte. Ltd. Director of Press Automation Technology Pte Ltd Director of Wuxi JingXin Precision Maching Co., Ltd Director of Wuxi Patec Precision Machining Co., Ltd Director of Patec Precision Kft President Commissioner of PT. Patec Presisi Engineering President Commissioner of PT. PDF Presisi Engineering President Commissioner of PT. API Precision |
| Director | Wee Hong Jie | Director of Wuxi JingXin Precision Machining Co., Ltd Director of Patec Precision Kft President Director of PT. Patec Presisi Engineering President Director of PT. PDF Presisi Engineering President Director of PT. API Precision |
| Director | Sean Hsu | Commissioner of PT. Patec Presisi Engineering |

Resolution :

Voting results were as follows : a total of 37,653,204 shares with voting rights were present when votes were cast; the number of voting rights for approval is 34,937,383, the number of voting rights for disapproval is 1,827, the number of voting rights for invalidation is 0, the

number of voting rights for abstention or no votes is 2,713,994, and 92.78% of the total voting rights voted for approval when votes were cast.
This proposal was approved and adopted as is.

VII. Questions and Motions: None

VIII. Adjourned: 9:40 AM, August 25th, 2021

Attachment I

2020 business report

Dear Shareholders:

Thank you for the encouragement and the support to the Company in the past year. Thank you for your time to participate in the Company's 2021 general shareholders meeting during your busy schedule. Here, we would like to present the operating result in 2020; and a summary of the business plan for 2021.

2020 operating results

Global light vehicle sales volume was 77.66 million in 2020, which decreased 14% from 2019. Since global car sales volume peaked at 95.6 million in 2018, it has shown negative growth for two consecutive years. In addition to the continued shrinking in the global car market in 2020, the global COVID-19 pandemic also restricted people's lives. It reduced the car utilization rate, which has severely impacted the entire car market and has become a huge challenge to company operations.

The Company's main markets are in China and Europe. After going through the trough in the first quarter in 2020, COVID-19 slowed down in the second quarter. Since the Chinese government's policy of promoting car consumption, the annual decline of the sales volume in the car market improved, with a cumulative sales volume of 25.272 million cars in 2020, declined 1.9%. For the major European countries that produce cars, they faced the difficulties of declining in global car demand and the trend of converting to electric cars. Covid-19 caused shutdowns of factories and the production, rise of product inventories, closure of car sales centers, and sluggish sales of new models, which have led to a serious decline in the number of new car registrations in European countries. The cumulative sales volume was 11.96 million in 2020, declined 24.32%.

The Company's operating conditions in 2020, in terms of the components for cars and motorcycles, affected by the COVID-19 pandemic, the sales amount were 1.079 billion dollars and 42 million dollars, respectively; while in terms of machinery equipment, the sales amount was affected by the reduction in customer's demand of production. The sales amount was 36 million dollars. In summary, the Company's overall performance was 1.182 billion dollars, a decrease of 34.19% from 2019. After considering the entire economic environment, the Company continued to optimize the costs and implemented the cost-saving policy and declined orders with low-profit margins, so there was still profit throughout the year.

Unit: NT\$'000; %

| Analysis | | Year | | Increase (Decrease) % | |
|---------------|----------------------------------|----------------------|-----------|--------------------------|----------|
| | | 2019 | 2020 | | |
| P&L | Sales | 1,795,565 | 1,181,611 | (34.19%) | |
| | Gross Profit | 437,621 | 293,338 | (32.97%) | |
| | Income after tax | 52,296 | 27,288 | (47.82%) | |
| Profitability | Return on assets (%) | | 2.74 | 1.47 | (46.35%) |
| | Return on equity (%) | | 3.90 | 2.08 | (46.67%) |
| | Ratio of register capital (%) | Operating profit | 25.21 | 11.91 | (52.76%) |
| | | Income before tax | 24.96 | 11.61 | (53.49%) |
| | Net profit rate (%) | | 2.91 | 2.31 | (20.62%) |

| | | | | |
|--|----------------------|------|------|---------|
| | Basic EPS (dollar) | 0.85 | 0.69 | (18.82) |
| | Diluted EPS (dollar) | 0.85 | 0.69 | (18.82) |

2021 business plan

Although COVID-19 has a huge impact on the global economy, and the industry predicted that the demand in the global car consumption market would slow down, the company still planned to develop more applications of stamping workpieces with exclusive stamping equipment in 2021. It optimized the cost by improving the production process and production automation. We also negotiated the prices with customers to maintain the profits that we should have and actively developed new markets. Also, in response to changes in the industrial environment, the company has adjusted its direction and industry policies since 2019. The Company stepped into the medical devices and multi-party automation tool markets and cooperated with local equipment distributors. We hope to open customer markets in a short time and develop a solid basis with the advantages of sales channels.

Thanks again to all shareholders for the support and encouragement. Honesty and integrity, quality first, and sustainable management are the Company's tenet. Looking forward to 2021, the COVID-19 vaccine has gradually become available in the market, and the global economy is expected to recover gradually. The management teams and all colleagues will Continue to work hard, actively implement the above-mentioned operation plan, and continue to invest resources in technological development and improvement, increase products diversity in order to create new business territory and increase the Company's value, and continue to create good profits 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. 2020 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 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

30th March, 2021

Attachment III

INDEPENDENT AUDITORS' REPORT 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, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit of the consolidated financial statements as at and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China; and 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 for our audit of the consolidated financial statements as at and for the year ended December 31, 2019. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Recognition of overseas warehouse operating revenue

Description

Refer to Notes 4(3) and 6(13) for accounting policy on revenue recognition and details of operating revenue.

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 the balance sheet date, and checked whether the timing of revenue recognition was reasonable.
3. We performed confirmation procedures for significant warehouse locations.

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.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chen, Ching Chang

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 30, 2021

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

| | Assets | Notes | December 31, 2020 | | December 31, 2019 | |
|---------------------------|---|------------|---------------------|------------|---------------------|------------|
| | | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 740,600 | 33 | \$ 472,198 | 20 |
| 1136 | Financial assets at amortised cost-current | 6(1)(8) | 146,012 | 6 | 218,665 | 9 |
| 1170 | Accounts receivable, net | 6(2) | 414,609 | 18 | 520,221 | 23 |
| 1200 | Other receivables | | 13,070 | 1 | 2,145 | - |
| 130X | Inventories | 6(3) | 332,254 | 15 | 436,619 | 19 |
| 1410 | Prepayments | | 47,398 | 2 | 66,163 | 3 |
| 11XX | Total current assets | | <u>1,693,943</u> | <u>75</u> | <u>1,716,011</u> | <u>74</u> |
| Non-current assets | | | | | | |
| 1600 | Property, plant and equipment, net | 6(4) and 8 | 266,663 | 12 | 249,421 | 11 |
| 1755 | Right-of-use assets | 6(5) and 8 | 260,831 | 11 | 305,338 | 13 |
| 1780 | Intangible assets | | 4,701 | - | 4,961 | - |
| 1840 | Deferred tax assets | 6(17) | 23,689 | 1 | 24,304 | 1 |
| 1990 | Other non-current assets | | 14,035 | 1 | 17,251 | 1 |
| 15XX | Total non-current assets | | <u>569,919</u> | <u>25</u> | <u>601,275</u> | <u>26</u> |
| 1XXX | Total assets | | <u>\$ 2,263,862</u> | <u>100</u> | <u>\$ 2,317,286</u> | <u>100</u> |

(Continued)

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | Notes | December 31, 2020 | | December 31, 2019 | | |
|---|--|-------------------|---------------------|-------------------|---------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | |
| 2100 | Short-term borrowings | 6(6) | \$ 336,069 | 15 | \$ 405,857 | 18 |
| 2130 | Contract liabilities-current | 6(13) | 3,725 | - | 8,688 | - |
| 2170 | Accounts payable | | 154,426 | 7 | 167,432 | 7 |
| 2200 | Other payables | 6(7) | 51,775 | 2 | 78,415 | 4 |
| 2230 | Current income tax liabilities | | 7,231 | - | 5,938 | - |
| 2280 | Lease liabilities-current | | 22,973 | 1 | 23,754 | 1 |
| 2320 | Long-term liabilities, current portion | 6(8) | 6,846 | - | - | - |
| 2399 | Other current liabilities | | 8,193 | 1 | 31,599 | 1 |
| 21XX | Total current liabilities | | <u>591,238</u> | <u>26</u> | <u>721,683</u> | <u>31</u> |
| Non-current liabilities | | | | | | |
| 2540 | Long-term borrowings | 6(8) | 112,175 | 5 | - | - |
| 2570 | Deferred tax liabilities | 6(17) | 22,138 | 1 | 24,612 | 1 |
| 2580 | Lease liabilities-non-current | | 187,471 | 8 | 229,436 | 10 |
| 2670 | Other non-current liabilities | 6(9) | 52,077 | 3 | 12,748 | 1 |
| 25XX | Total non-current liabilities | | <u>373,861</u> | <u>17</u> | <u>266,796</u> | <u>12</u> |
| 2XXX | Total liabilities | | <u>965,099</u> | <u>43</u> | <u>988,479</u> | <u>43</u> |
| Equity | | | | | | |
| Equity attributable to owners of the parent | | | | | | |
| Share capital | | | | | | |
| 3110 | Ordinary share | 6(10) | 457,597 | 20 | 448,268 | 19 |
| Capital surplus | | | | | | |
| 3200 | Capital surplus | 6(11) | 342,507 | 15 | 372,244 | 16 |
| Retained earnings | | | | | | |
| 3320 | Special reserve | 6(12) | 134,066 | 6 | 81,706 | 4 |
| 3350 | Unappropriated retained earnings | | 365,964 | 16 | 411,037 | 18 |
| Other equity interest | | | | | | |
| 3400 | Other equity interest | 6(10) | (163,070) | (7) | (134,066) | (6) |
| 3500 | Treasury stocks | | - | - | (36,097) | (2) |
| 31XX | Total equity attributable to owners of the parent | | <u>1,137,064</u> | <u>50</u> | <u>1,143,092</u> | <u>49</u> |
| 36XX | Non-controlling interest | | <u>161,699</u> | <u>7</u> | <u>185,715</u> | <u>8</u> |
| 3XXX | Total equity | | <u>1,298,763</u> | <u>57</u> | <u>1,328,807</u> | <u>57</u> |
| 3X2X | Total liabilities and equity | | <u>\$ 2,263,862</u> | <u>100</u> | <u>\$ 2,317,286</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
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

| Items | Notes | Year ended December 31 | | | | |
|-------|--|------------------------|--------------|--------|--------------|-------|
| | | 2020 | | 2019 | | |
| | | AMOUNT | % | AMOUNT | % | |
| 4000 | Operating revenue | 6(15) | \$ 1,181,611 | 100 | \$ 1,795,565 | 100 |
| 5000 | Operating costs | 6(3)(19) | (888,273) | (75) | (1,357,944) | (76) |
| 5900 | Gross profit | | 293,338 | 25 | 437,621 | 24 |
| | Operating expenses | 6(19) | | | | |
| 6100 | Selling expenses | | (45,474) | (4) | (74,501) | (4) |
| 6200 | Administrative expenses | | (157,838) | (14) | (195,155) | (11) |
| 6300 | Research and development expenses | | (35,333) | (3) | (52,964) | (3) |
| 6450 | Impairment loss determined in accordance with IFRS 9 | | (212) | - | (1,981) | - |
| 6000 | Total operating expenses | | (238,857) | (21) | (324,601) | (18) |
| 6900 | Operating profit | | 54,481 | 4 | 113,020 | 6 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | | 15,208 | 1 | 10,050 | 1 |
| 7010 | Other income | 6(16) | 10,881 | 1 | 8,668 | - |
| 7020 | Other gains and losses | 6(17) | (18,711) | (1) | (7,261) | - |
| 7050 | Finance costs | 6(18) | (8,748) | (1) | (12,605) | (1) |
| 7000 | Total non-operating income and expenses | | (1,370) | - | (1,148) | - |
| 7900 | Profit before income tax | | 53,111 | 4 | 111,872 | 6 |
| 7950 | Income tax expense | 6(20) | (25,823) | (2) | (59,576) | (3) |
| 8200 | Profit for the year | | \$ 27,288 | 2 | \$ 52,296 | 3 |
| | 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 | | (\$ 9,730) | (1) | (\$ 1,519) | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(20) | 1,356 | - | 380 | - |
| | Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | | (38,559) | (3) | (56,265) | (3) |
| 8300 | Other comprehensive loss for the year | | (\$ 46,933) | (4) | (\$ 57,404) | (3) |
| 8500 | Total comprehensive loss | | (\$ 19,645) | (2) | (\$ 5,108) | - |
| | Profit (loss) attributable to: | | | | | |
| 8610 | Owners of parent | | \$ 31,528 | 2 | \$ 38,797 | 2 |
| 8620 | Non-controlling interest | | (\$ 4,240) | - | (\$ 13,499) | 1 |
| | Comprehensive (loss) income attributable to: | | | | | |
| 8710 | Owners of parent | | (\$ 3,338) | (1) | (\$ 14,360) | (1) |
| 8720 | Non-controlling interest | | (\$ 16,307) | (1) | (\$ 9,252) | 1 |
| | Earnings per share (in dollars) | | | | | |
| 9750 | Basic earnings per share | | \$ 0.69 | | \$ 0.85 | |
| 9850 | Diluted earnings per share | | \$ 0.69 | | \$ 0.85 | |

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
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

| Notes | Equity attributable to owners of the parent | | | | | | | | | | | Non-controlling interest | Total |
|--|---|----------------------------|--|----------------|-------------------------|-------------------|----------------------------------|--------------|--|-----------------|------------|--------------------------|-------|
| | Capital Reserves | | | | | Retained Earnings | | | Exchange difference on translation of financial statements | Treasury shares | Total | | |
| | Ordinary share | Additional paid-in capital | Changes in ownership interests in subsidiaries | Stock warrants | Capital surplus, others | Special reserve | Unappropriated retained earnings | | | | | | |
| | | | | | | | | | | | | | |
| 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(12) | | | | | | | | | | | | |
| 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) | |
| Redemption of convertible bonds | - | - | - | (8,337) | 8,337 | - | - | - | - | - | - | - | |
| 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 | |
| 2020 | | | | | | | | | | | | | |
| Balance at January 1, 2020 | \$ 448,268 | \$ 363,699 | \$ 208 | \$ - | \$ 8,337 | \$ 81,706 | \$ 411,037 | (\$ 134,066) | (\$ 36,097) | \$ 1,143,092 | \$ 185,715 | \$ 1,328,807 | |
| Profit for the year | - | - | - | - | - | - | 31,528 | - | - | 31,528 | (4,240) | 27,288 | |
| Other comprehensive loss for the year | - | - | - | - | - | - | (5,862) | (29,004) | - | (34,866) | (12,067) | (46,933) | |
| Total comprehensive income (loss) | - | - | - | - | - | - | 25,666 | (29,004) | - | (3,338) | (16,307) | (19,645) | |
| Appropriations of 2019 earnings: | 6(14) | | | | | | | | | | | | |
| Special reserve | - | - | - | - | - | 52,360 | (52,360) | - | - | - | - | - | |
| Cash dividends | - | - | - | - | - | - | (2,690) | - | - | (2,690) | - | (2,690) | |
| Stock dividends | 15,689 | - | - | - | - | - | (15,689) | - | - | - | - | - | |
| Changes in non-controlling interest-cash dividends | - | - | - | - | - | - | - | - | - | - | (7,709) | (7,709) | |
| Treasury stock retired | (6,360) | (29,737) | - | - | - | - | - | - | 36,097 | - | - | - | |
| Balance at December 31, 2020 | \$ 457,597 | \$ 333,962 | \$ 208 | \$ - | \$ 8,337 | \$ 134,066 | \$ 365,964 | (\$ 163,070) | \$ - | \$ 1,137,064 | \$ 161,699 | \$ 1,298,763 | |

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|---|-------|------------------------|--------------------|
| | | 2020 | 2019 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 53,111 | \$ 111,872 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Expected credit loss / Provision for bad debts | 12(2) | 212 | 1,981 |
| Loss (gain) on disposal of property, plant and equipment | 6(14) | 294 | (592) |
| Interest income | | (15,208) | (10,050) |
| Depreciation | 6(4) | 50,654 | 57,432 |
| Gain on disposal of subsidiaries | 6(14) | (467) | - |
| Depreciation on right-of-use assets | 6(5) | 27,612 | 30,515 |
| Interest expense | 6(15) | 8,748 | 12,605 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Accounts receivable | | 93,039 | 216,490 |
| Other receivables | | (11,550) | 25,310 |
| Inventories | | 24,700 | 105,436 |
| Prepayments | | 18,765 | (2,237) |
| Changes in operating liabilities | | | |
| Contract liabilities | | (4,963) | (50,500) |
| Accounts payable | | (13,006) | (63,827) |
| Other payables | | (25,037) | 3,790 |
| Other current liabilities | | (23,406) | (1,107) |
| Other non-current liabilities | | 39,329 | 5,489 |
| Cash inflow generated from operations | | 222,827 | 442,607 |
| Interest received | | 15,208 | 10,050 |
| Interest paid | | (8,748) | (8,811) |
| Income tax paid | | (24,294) | (42,534) |
| Net cash flows from operating activities | | <u>204,993</u> | <u>401,312</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Decrease (increase) in financial assets at amortised cost-current | | 72,653 | (166,671) |
| Acquisition of property, plant and equipment | | (7,907) | (27,558) |
| Proceeds from disposal of property, plant and equipment | | 3,223 | 5,710 |
| Decrease in other non-current assets | | 3,216 | 3,908 |
| Proceeds from disposal of subsidiaries | | <u>12,948</u> | <u>-</u> |
| Net cash flows from (used in) investing activities | | <u>84,133</u> | <u>(184,611)</u> |

(Continued)

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|--|-------|------------------------|-------------|
| | | 2020 | 2019 |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Increase in short-term borrowings | 6(20) | \$ 685,464 | \$ 418,384 |
| Decrease in short-term borrowings | 6(20) | (759,287) | (219,738) |
| Repayment of convertible bonds | | - | (171,900) |
| Payment of lease liability | 6(20) | (28,958) | (48,982) |
| Proceeds from long-term borrowings | | 118,933 | - |
| Cash dividends paid | | (1,597) | (4,121) |
| Cash dividends paid to non-controlling interest | | - | (12,193) |
| Payments for acquisition of equity of non-controlling interest | | (17,201) | - |
| Net cash flows used in financing activities | | (2,646) | (38,550) |
| Effect of exchange rate changes on cash and cash equivalents | | (18,078) | (26,542) |
| Net increase in cash and cash equivalents | | 268,402 | 151,609 |
| Cash and cash equivalents at beginning of year | 6(1) | 472,198 | 320,589 |
| Cash and cash equivalents at end of year | 6(1) | \$ 740,600 | \$ 472,198 |

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

Attachment IV

Patec Precision Industry Co., Ltd

2020 Earnings Distribution Table

Unit: NT\$

| Items | Amount |
|--|---------------|
| Unappropriated Retained Earnings of Previous Years | \$340,298,336 |
| Plus : 2020 Net Income | 31,527,725 |
| Less : 2020 Adjustments of Retained Earnings (Note1) | (5,862,448) |
| Less : Special Reserve (Note2) | (29,003,893) |
| Retained Earnings Available for Distribution for the current year | \$336,959,720 |
| Distribution Item: | |
| Cash Dividends (NT\$ 0.06 per common share) | (16,847,986) |
| The Ending Balance of Accumulated Retained Earnings | \$320,111,734 |
| Note : | |
| 1. Adjustments due to adoption : | |
| (1) Actuarial loss on defined benefit plan NT\$ 5,862,448 | |
| 2. Distribute a special reserve amount the same as the negative balance recognized within other equity interest for the current year : | |
| (1)2020 adjustment NT\$ 29,003,893 | |
| 3. Proposed allotment of directors and employees in accordance with the company's memorandum and articles of association : | |
| Directors' bonus is NT\$ 700,000 | |
| Employees' bonus is NT\$ 250,000 | |

Chairman : Goh Mui Teck
William

GM : Wee Liang Kiang

CFO : Sean Hsu

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

Attachment V

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 | NINTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION | NINTH -TENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION | Amend the name of the article. Article amended to revise the number of amendments times. |
| Article 2 | The Registered Office of the Company shall be situated at the offices of Intertrust Corporate Services (Cayman) Limited, <u>190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands</u> or such other place within the Cayman Islands as the Board may from time to time decide, being the registered office of the Company. | The Registered Office of the Company shall be situated at the offices of Intertrust Corporate Services (Cayman) Limited, <u>One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands</u> or such other place within the Cayman Islands as the Board may from time to time decide, being the registered office of the Company. | Amend this Article. To reflect a change in the address of the company's registration office. |

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

Attachment VI

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 Paragraphs 1, 2 and 3 are omitted. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.</u></p> <p>The following is omitted.</p> | <p>Article 3 Paragraphs 1, 2 and 3 are omitted. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>The following is omitted.</p> | <p>Adjust the way of making the announcement in response to regulations.</p> |
| <p>Article 9 Paragraphs 1 is omitted. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement,</p> | <p>Article 9 Paragraphs 1 is omitted. The chair shall call the meeting to order at the appointed meeting time <u>and announce the relevant information such as the number of non-voting rights and the number of shares in attendance.</u> However, when the attending shareholders do</p> | <p>In order to improve corporate governance and protect the rights and interests of shareholders, the second item is amended.</p> |

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

| | | |
|---|---|--|
| <p>provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>The following is omitted.</p> | <p>not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>The following is omitted.</p> | |
| <p>Article 14 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p> <p>The following is omitted.</p> | <p>Article 14 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Company. The voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, <u>as well as the names of those who were not elected as directors and supervisors and the numbers of votes they got.</u></p> <p>The following is omitted.</p> | <p>In order to improve corporate governance and protect the rights and interests of shareholders, the first item is amended.</p> |

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

Attachment VII

**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 the Company's endorsements/guarantees shall not exceed 40% of the Company's net worth of the current period, and the amount of the endorsements/guarantees provided by the Company for any single entity shall not exceed 20% of the Company's net worth of the current period.</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>Article 4</p> <p>1. The total amount of the Company's endorsements/guarantees shall not exceed 40% of the Company's net worth of the current period, and the amount of the endorsements/guarantees provided by the Company for any single entity shall not exceed 20% of the Company's net worth of the current period. <u>However, if the single entity is a company in which the Company directly or indirectly holds 100% of the voting shares, the amount of endorsement shall not exceed 30% of the company's net worth in the latest financial statement.</u></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>Adjust the limit of endorsement/guarantee in response to the Company's business needs.</p> |

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

| | | |
|---|---|--|
| <p>4. The total amount of the endorsement and guarantee of the Company and its subsidiaries shall not exceed <u>40%</u> of the Company's current net worth, of which the endorsement and guarantee amount of a single enterprise shall not exceed <u>20%</u> 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>4. The total amount of the endorsement and guarantee of the Company and its subsidiaries shall not exceed <u>50%</u> of the Company's current net worth, of which the endorsement and guarantee amount of a single enterprise shall not exceed <u>30%</u> 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> | |
|---|---|--|

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