

Stock code : 6282



2021 Annual Meeting of Shareholders

Meeting Handbook

Meeting date : June 23, 2021

Meeting place : No. 18, Sec. 2, Zhongyang S. Rd., Beitou Dist., Taipei City

Table of Contents

	Page No.
I. Meeting Procedure	1
II. Meeting Agenda.....	2
1. Report Items	3
2. Ratification Items	19
3. Discussion Items.....	33
4. Election Items.....	46
5. Discussion Items.....	48
6. Ad Hoc Motions	51
III. Appendices	
1. Rules of Procedure for Shareholders’ Meeting	52
2. Articles of Incorporation (Before Amendment)	56
3. Procedures for Acquisition or Disposal of Assets (Before Amendment)	65
4. Rules of Election of Directors (Before Amendment)	95
5. The Shareholding status of Directors	98

This English translation of “Meeting Handbook of 2021 Annual Meeting of Shareholders” for AcBel Polytech Inc. is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

AcBel Polytech Inc.
Procedure for 2021 Annual Meeting of
Shareholders

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Election Items
- VII. Discussion Items
- VIII. Ad Hoc Motions
- IX. Adjournment

AcBel Polytech Inc.

Agenda of 2021 Annual Meeting of Shareholders

Time : June 23, 2021 (Wednesday), 9:00 A.M.

Place : No. 18, Sec. 2, Zhongyang S. Rd., Beitou Dist., Taipei City

I. Call the Meeting to Order

II. Chairman Remarks

III. Report Items

- (1) Business report of Fiscal Year 2020.
- (2) 2020 Audit Report of the audit committee.
- (3) Facts about distribution of the remuneration to employees and remuneration to directors in Fiscal Year 2020.
- (4) Facts about distribution of cash dividends with earnings in Fiscal Year 2020.

IV. Ratification Items

- (1) 2020 business report and financial statements are proposed for ratification.
- (2) 2020 earnings distribution are proposed for ratification.

V. Discussion Items

- (1) It is proposed that the “Articles of Incorporation” should be amended. Please resolve decision as appropriate.
- (2) It is proposed that the “Procedures for Acquisition or Disposal of Assets” should be amended. Please resolve decision as appropriate.
- (3) It is proposed that the “Rules of Election of Directors” should be amended. Please resolve decision as appropriate.
- (4) The issuance of new restricted employee shares is proposed for discussion and resolution.

VI. Election Items

- (1) The election of the directors of the twentieth term is proposed for your election.

VII. Discussion Items

- (5) To approve the release of non-competition restrictions for Directors.

VIII. Ad Hoc Motions

IX. Adjournment

Report Items

Report Item

I. 2020 Business Report is submitted for review.

Explanation :

2020 Business Report is attached (refer to pages 4~6) .

2020 Business Report

Influenced by COVID-19 in 2020, China, known as a global manufacturing power, was first in lockdown, and then other countries were also affected, resulting into a slowdown in global economic development. The IMF released at the beginning of this year that the global economic growth shrank 3.5 percent last year. Although there is still no significant downward trend of the epidemic, with the development and popularization of vaccines, it should be effectively controlled and relieved. It is predicted that global economic activity will return to the pre-epidemic level this year. In the face of the impact of the epidemic, AcBel Polytech Inc. picked up the pace of development. Although it was greatly affected at the beginning of 2020, thanks to communication with external stakeholders and rapid internal adjustment, the Company gradually regained its footing in the second half of the year and achieved growth in revenue and profit for the whole year. We hereby report to our shareholders the annual operating results for 2020 and the operating prospect for 2021.

2020 Operating Results

The revenue for the whole year reached NT\$20.983 billion, 1.94 percent up from the previous year. Net profit after tax was also boosted by sale of land to NT\$1.313 billion. Earnings per share after tax was NT\$2.54.

AcBel Electronic (Wuhan) was closed down by COVID-19 at the beginning of the year. In the first wave of the epidemic, it quickly developed countermeasures, including personnel protection, personnel management, supply chain investigation, customer communication, to strengthen its own conditions. The epidemic has changed some patterns of industry and the transfer of the end market, such as home office, teleconferences and other opportunities, which also drive the shipments of laptops, servers, and memory. In 2020, AcBel obtained the bidding project of a total of 316,000 meters. So far, it has shipped nearly 400,000 meters. It will continue to develop technologies and capabilities in the field of smart grid in line with policies. In terms of green energy layout, the Company also achieved great results, with the cumulative amount of solar power generation field reaching 137MWp of which 36MWp has been completed. In terms of electric vehicle related products, the Company has co-developed motor

drivers with leading large manufacturers, and also cooperated with well-known electric vehicle manufacturers to cut into the power management system of power switching plant, thus becoming a comprehensive integrated power service platform.

AcBel has also been recognized for its efforts in corporate governance and corporate social responsibility. We have won the Taiwan Corporate Sustainability Report Awards - Platinum Award for Electronic Information Manufacturing, Excellent Enterprise - Innovation and Growth Award, Excellent Enterprise - Climate Change Award in the "2020 TCSA Taiwan Corporate Sustainability Award", and become the first to pass the TCFD Maturity Model Verification [Excellent - Highest Level] in the global electronics industry, demonstrating our commitment to giving back to the community and implementing corporate social responsibility.

Business Environment and Development Strategies

AcBel upholds the commitment of "We Power the World with Sustainable/Renewable Energy and High Efficiency Power Supply", will take its own research and development efficiency as the core in the future, join the concept of providing positive energy of the earth, and strive to create the maximum value for customers, employees and shareholders. In combination of strong R&D momentum, we step into the application of the areas of clean energy, solar power plant, medical equipment and electric vehicle related power products, with a view to become the innovative leading company of smart green energy in the power industry.

2021 Operating Prospect

It is expected that the performance of consumer power supply will continue to grow, the market for terminal applications such as smart home, e-sports, IoT, and monitoring systems will expand increasingly, the industrial power supply will grow rapidly due to 5G application cloud data center, artificial intelligence, big data application and popularization of electric vehicles, which will greatly drive the market size and customer order demand.- In the fuel cell power supply sector, as the global market share of key international customers increases, AcBel plans to expand its production capacity in Taiwan to drive its performance

of the hardware power supply products to increase year by year. At present, in addition to power supply products, we are also engaged in power supply system integration and assembly business, so as to improve the overall shipment margin and revenue scale.

The construction of our new plant in Tamsui commenced in early January 2020, which is expected to be completed by the end of 2021 and to be officially put into operation in the first quarter of 2022. By then, the Company will fully introduce the intelligent production line, which is expected to contribute a capacity of 2.5 billion to increase revenue and profit. The old site will be demolished and rebuilt after the new plant comes online, which is expected to be put into mass production in the next 2~3 years.

Going forward, we will focus on the technological deepening of 5G communication, vehicle power supply, aerospace power supply, high-end consumer and medical power supply with forward-looking application technologies, demonstrating our strong ambition and constant self-requirements and challenges in forward-looking technology development.

AcBel Polytech Inc.

Chairman: Hsu Sheng-Hsiung

President: Hsu Chieh-Li

Chief Accountant: Yeh Jin-Mao

Report Item

II. 2020 Audit report of the audit committee is submitted for review.

Explanation :

1. 2020 financial statements of the Company have been audited by CPA and the independent auditor's report has been issued thereon. Such financial statements, business report and earnings distribution proposal have also been reviewed by the audit committee, and the review report thereon is presented.
2. Audit report of the independent auditor (refer to pages 8~15) and the audit report of the audit committee are attached (refer to pages 16) .

Independent Auditors' Report

To the Board of Directors of Acbel Polytech Inc.:

Opinion

We have audited the financial statements of Acbel Polytech Inc. (“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Operating Revenue- Revenue Recognition of Vender Management Inventory (VMI)

Please refer to note (4)(o) revenue for operating revenue recognition (including VMI). Information regarding sales revenue and revenue from contracts with customers is shown in note (6)(s) of the financial statements, respectively.

Description of key audit matter:

The Company has established vendor managed inventories in overseas warehouses which do not belong to the Company. The revenue recognition, according to the partial sales contract of the Company, should be based on the circumstance of VMI client delivery. Both parties reconcile periodically to ensure the consistency in the amount and timing of sales recognition. Therefore, revenue recognition, VMI is one of the key judgmental areas for our audit.

Audit Procedure:

Our principal audit procedures included: understanding and testing the related controls surrounding the aforementioned sales and collection cycle, reconciling the account records between Acbel Polytech Inc. and VMI client delivery, selectively conducting external confirmations on VMI and assessing the operating revenue recognition (including VMI) of the Company to determine whether related accounting policies are applied appropriately.

2. Inventory valuation

Please refer to note (4) (g) Inventories and note (5) of the financial statements for inventories and accounting estimate of inventory valuation, respectively. Information regarding the inventory and related expenses are shown in note (6) (g) of the financial statements.

Description of key audit matter:

Due to the impact of product life cycle and industrial competition in electronics industry, the price variability for the inventory of the Company is expected. Therefore, the test of inventory valuation is one of the significant evaluations in audit procedures.

Audit procedure:

Our principal audit procedure included: understanding and testing related controls of production cycle and assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policies of the Company and accounting policies are applied. In addition, in order to verify the rationality of assessment on allowance to reduce the price of inventory to the market price, we inspected the inventory aging statement, analyzed the change in aging inventory, as well as verified the aging inventory statement and the calculation of lower of cost or net realizable value.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are I-Wen Wang and Hsing Fu Yen.

KPMG

Taipei, Taiwan (Republic of China)

March 10, 2021

Independent Auditors' Report

To the Board of Directors of Acbel Polytech Inc.:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretation developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, 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 Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in 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 judgment, 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, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Operating Revenue- Revenue Recognition of Vender Management Inventory (VMI)

Please refer to note (4)(p) revenue for operating revenue recognition (including VMI). Information regarding sales revenue and revenue from contracts with customers is shown in note (6)(t) of the consolidated financial statements, respectively.

Description of key audit matter:

The Group has established vendor managed inventories in overseas warehouses which do not belong to the Group. The revenue recognition, according to the partial sales contract of the Group, should be based on the circumstance of VMI client delivery. Both parties reconcile periodically to ensure the consistency in the amount and timing of sales recognition. Therefore, revenue recognition, VMI is one of the key judgmental areas for our audit.

Audit Procedure:

Our principal audit procedures included: understanding and testing the related controls surrounding the aforementioned sales and collection cycle, reconciling the account records between Acbel Polytech Inc. and VMI client delivery, selectively conducting external confirmations on VMI, as well as assessing the operating revenue recognition (including VMI) of the Group to determine whether related accounting policies are applied appropriately.

2. Inventory valuation

Please refer to note (4)(h) Inventories and note (5) of the consolidated financial statements for inventories and accounting estimate of inventory valuation, respectively. Information regarding the inventory and related expenses are shown in note (6)(g) of the consolidated financial statements.

Description of key audit matter:

Due to the impact of product life cycle and industrial competition in electronics industry, the price variability for the inventory of the Group is expected. Therefore, the test of inventory valuation is one of the significant evaluation in audit procedures.

Audit procedure:

Our principal audit procedure included: understanding and testing related controls of production cycle and assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policies of the Group and accounting policies are applied. In addition, in order to verify the rationality of assessment on allowance to reduce the price of inventory to the market price, we inspected the inventory aging statement, analyzed the change in aging inventory, as well as verified the aging inventory statement and the calculation of lower of cost or net realizable value.

Other Matter

Acbel Polytech Inc. has prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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, the 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 the management either intends to liquidate the Group or to cease its 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 auditing standards generally accepted 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment 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 based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause 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 and 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.

The engagement partners on the reviews resulting in this independent auditors' review report are I-Wen Wang and Hsing Fu Yen.

KPMG

Taipei, Taiwan (Republic of China)

March 10, 2021

Audit Report of the Audit Committee

2020 financial statements of the Company prepared by the board of directors have been audited by CPAs I-Wen Wang and Hsing-Fu Yen of KPMG, and the audit report thereon has been issued. Such financial statements together with the business report and the earnings distribution proposal have been audited by this audit committee and we consider no inconsistency exists. Therefore, a report is submitted for review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2021 Annual meeting of shareholders of the Company

AcBel Polytech Inc.

Convener of the audit committee

Hsieh Chi-Chia

May 7, 2021

Report Item

III. Facts about distribution of the remuneration to employees and remuneration to directors in Fiscal Year 2020 are reported for review.

Explanation :

Pursuant to the Company's Articles of Incorporation and as adopted by the resolution at the board meeting held on March 10, 2021, NT\$60,928,889 shall be appropriated as remuneration to employees; and NT\$15,820,421 shall be appropriated as remuneration to directors, to be distributed in cash in all cases.

Report Item

IV. Facts about distribution of cash dividends with earnings in Fiscal Year 2020 are reported for review.

Explanations :

1. According to the requirements stated in AcBel's Articles of Incorporation, the Board with at least two thirds of Directors present and more than half of the attending Directors consenting may to decide on the distribution of dividends and bonuses, in part or in all, with cash, and report to the shareholder meetings accordingly.
2. AcBel intends to distribute NT\$ 619,945,554 in cash dividend per share with the earnings in 2020. As of April 27, 2021, the total number of issued shares entitled to dividends is 516,621,295 shares. The cash dividend received by each shareholder shall be rounded down to the unit of NT\$1.2. The fractional amounts shall be aggregated and recognized by AcBel as other incomes.
3. The chairman shall be authorized to handle if the total number of outstanding shares is subsequently changed due to buybacks, share cancelation or other factors and a corresponding change in the pro rata dividend distributions to shareholders is required.

Ratification Items

Ratification Item

Proposal 1

Proposed by the Board

Subject : 2020 business report and financial statements are proposed for ratification.

Explanations :

1. 2020 financial statements of the Company have been audited by CPAs I-Wen Wang and Hsing-Fu Yen of KPMG, and the audit report of independent auditors was issued thereon. Such financial statements together with the business report were submitted to the audit committee who have completed the audit thereof and issued the audit report thereon.
2. The business report (refer to pages 4~6) and the financial statements (refer to pages 20~31) are attached and proposed for ratification.

Resolution :

ACBEL POLYTECH INC.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents	\$ 543,762	2.4	58,664	0.3
1110	Current financial assets at fair value through profit or loss	1,580,437	7.0	541,186	2.8
1136	Current financial assets at amortized cost	-	-	3,000	-
1139	Financial assets for hedging, current	8,057	-	18,461	0.1
1150	Notes receivable, net	301	-	74	-
1170	Accounts receivable, net	3,029,431	13.4	3,077,816	15.9
1180	Accounts receivable due from related parties, net	274,703	1.2	145,090	0.8
1200	Other receivables (including related parties)	55,411	0.3	60,547	0.3
1310	Inventories, net	2,279,164	10.1	3,508,024	18.2
1410	Prepayments and other current assets	<u>423,858</u>	<u>1.9</u>	<u>114,499</u>	<u>0.6</u>
		<u>8,195,124</u>	<u>36.3</u>	<u>7,527,361</u>	<u>39.0</u>
Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income	548,955	2.4	550,128	2.9
1550	Investments accounted for using equity method	10,345,407	45.8	9,176,644	47.6
1600	Property, plant and equipment	2,380,038	10.6	1,586,167	8.2
1755	Right-of-use assets	685,160	3.0	24,211	0.1
1840	Deferred tax assets	228,413	1.0	199,906	1.0
1900	Other non-current assets	<u>194,931</u>	<u>0.9</u>	<u>222,645</u>	<u>1.2</u>
		<u>14,382,904</u>	<u>63.7</u>	<u>11,759,701</u>	<u>61.0</u>
Total assets		<u>\$ 22,578,028</u>	<u>100.0</u>	<u>19,287,062</u>	<u>100.0</u>

ACBEL POLYTECH INC.
Balance Sheets
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current liabilities:					
2100	Short-term borrowings	\$ 4,674,992	20.7	2,203,530	11.4
2120	Current financial liabilities at fair value through profit or loss	1,866	-	-	-
2126	Financial liabilities for hedging, current	5,847	-	13,509	0.1
2170	Accounts payable	2,843,137	12.6	3,690,839	19.1
2180	Accounts payable to related parties	1,132,307	5.0	1,725,286	8.9
2200	Accrued expenses and other payables (including related parties)	947,431	4.2	925,933	4.8
2280	Current lease liabilities	87,789	0.4	9,706	0.1
2300	Other current liabilities	797,973	3.5	613,500	3.2
2322	Current portion long-term borrowings	13,000	0.1	-	-
		<u>10,504,342</u>	<u>46.5</u>	<u>9,182,303</u>	<u>47.6</u>
Non-current liabilities:					
2540	Long-term borrowings	473,380	2.1	13,330	0.1
2570	Deferred tax liabilities	840,301	3.7	641,036	3.3
2580	Non-current lease liabilities	608,146	2.7	14,544	0.1
2640	Provisions for employee benefits, non-current	188,919	0.9	178,916	0.9
2670	Other non-current liabilities	9,357	-	9,357	-
		<u>2,120,103</u>	<u>9.4</u>	<u>857,183</u>	<u>4.4</u>
	Total liabilities	<u>12,624,445</u>	<u>55.9</u>	<u>10,039,486</u>	<u>52.0</u>
Equity :					
3100	Ordinary shares	<u>5,166,213</u>	<u>22.9</u>	<u>5,166,213</u>	<u>26.8</u>
3200	Capital surplus	<u>306,920</u>	<u>1.4</u>	<u>306,920</u>	<u>1.6</u>
Retained earnings:					
3310	Legal reserve	1,162,528	5.1	1,014,071	5.3
3320	Special reserve	46,199	0.2	117,306	0.6
3350	Unappropriated retained earnings	3,317,317	14.7	2,689,265	13.9
		<u>4,526,044</u>	<u>20.0</u>	<u>3,820,642</u>	<u>19.8</u>
3400	Other components of equity	<u>(45,594)</u>	<u>(0.2)</u>	<u>(46,199)</u>	<u>(0.2)</u>
	Total equity	<u>9,953,583</u>	<u>44.1</u>	<u>9,247,576</u>	<u>48.0</u>
	Total liabilities and equity	<u>\$ 22,578,028</u>	<u>100.0</u>	<u>19,287,062</u>	<u>100.0</u>

ACBEL POLYTECH INC.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue	\$ 16,361,956	100.0	16,459,024	100.0
5000 Operating costs	14,137,022	86.4	14,425,730	87.7
5900 Gross profit	<u>2,224,934</u>	13.6	<u>2,033,294</u>	12.3
6000 Operating expenses:				
6100 Selling expenses	470,277	2.9	476,798	2.9
6200 Administrative expenses	702,110	4.3	564,078	3.4
6300 Research and development expenses	<u>1,271,200</u>	7.7	<u>1,053,251</u>	6.4
	<u>2,443,587</u>	14.9	<u>2,094,127</u>	12.7
6900 Net operating loss	<u>(218,653)</u>	(1.3)	<u>(60,833)</u>	(0.4)
7000 Non-operating income and expenses:				
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method	1,245,884	7.6	1,721,495	10.5
7100 Interest income	1,121	-	3,173	-
7190 Other income and losses	320,827	2.0	(51,601)	(0.3)
7230 Foreign exchange gains (loss), net	204,107	1.2	152,643	0.9
7510 Interest expense	<u>(47,993)</u>	(0.3)	<u>(55,539)</u>	(0.3)
	<u>1,723,946</u>	10.5	<u>1,770,171</u>	10.8
7900 Profit before tax	1,505,293	9.2	1,709,338	10.4
7950 Income tax expenses	<u>192,200</u>	1.2	<u>224,765</u>	1.4
8200 Profit	<u>1,313,093</u>	8.0	<u>1,484,573</u>	9.0
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	(44,242)	(0.3)	(37,389)	(0.2)
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,173)	-	71,623	0.4
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income	32,635	0.2	(4,205)	-
8349 Less: income tax related to components of other comprehensive income	<u>32,525</u>	0.2	<u>(7,478)</u>	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(45,305)</u>	(0.3)	<u>37,507</u>	0.2
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	45	0.1	(98,075)	(0.6)
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income	11,445	0.1	(135)	-
8399 Less: income tax related to components of other comprehensive income	<u>4,987</u>	-	<u>(9,418)</u>	(0.1)
Components of other comprehensive income that will be reclassified to profit or loss	<u>6,503</u>	0.2	<u>(88,792)</u>	(0.5)
8300 Other comprehensive income (loss)	<u>(38,802)</u>	(0.1)	<u>(51,285)</u>	(0.3)
8500 Comprehensive income	<u>\$ 1,274,291</u>	<u>7.9</u>	<u>1,433,288</u>	<u>8.7</u>
Earnings per share :				
9750 Basic net income per share	<u>\$ 2.54</u>		<u>2.87</u>	
9850 Diluted net income per share	<u>\$ 2.53</u>		<u>2.86</u>	

ACBEL POLYTECH INC.
Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other components of equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2019	\$ 5,166,213	306,920	913,529	95,767	1,872,401	(117,305)	93,384	(23,921)	8,330,909
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	100,542	-	(100,542)	-	-	-	-
Special reserve appropriated	-	-	-	21,539	(21,539)	-	-	-	-
Cash dividends	-	-	-	-	(516,621)	-	-	-	(516,621)
	-	-	100,542	21,539	(638,702)	-	-	-	(516,621)
Profit for the year ended December 31, 2019	-	-	-	-	1,484,573	-	-	-	1,484,573
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(29,007)	(88,792)	66,514	(22,278)	(51,285)
Comprehensive income for the year ended December 31, 2019	-	-	-	-	1,455,566	(88,792)	66,514	(22,278)	1,433,288
Balance at December 31, 2019	5,166,213	306,920	1,014,071	117,306	2,689,265	(206,097)	159,898	(46,199)	9,247,576
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	148,457	-	(148,457)	-	-	-	-
Special reserve appropriated	-	-	-	(71,107)	71,107	-	-	-	-
Cash dividends	-	-	-	-	(568,284)	-	-	-	(568,284)
	-	-	148,457	(71,107)	(645,634)	-	-	-	(568,284)
Profit for the year ended December 31, 2020	-	-	-	-	1,313,093	-	-	-	1,313,093
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(39,407)	6,503	(5,898)	605	(38,802)
Comprehensive income for the year ended December 31, 2020	-	-	-	-	1,273,686	6,503	(5,898)	605	1,274,291
Balance at December 31, 2020	\$ 5,166,213	306,920	1,162,528	46,199	3,317,317	(199,594)	154,000	(45,594)	9,953,583

ACBEL POLYTECH INC.
Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,505,293	1,709,338
Adjustments for:		
Depreciation expense	218,528	110,859
Amortization expense	36,666	37,926
Expected credit loss (gain)	(853)	(521)
Net gain on financial assets or liabilities at fair value through profit or loss	(4,689)	(2,299)
Interest expense	47,993	55,449
Interest income	(1,121)	(3,173)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(1,245,884)	(1,721,495)
Loss (gain) on disposal of property, plant and equipment	2,351	-
Casualty loss	-	195,835
Impairment loss	65,291	-
Others	37,368	1,108
	(844,350)	(1,326,311)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets for hedging	10,404	(12,992)
Decrease (increase) in notes receivable	(227)	550
Decrease (increase) in accounts receivable	49,238	405,450
Decrease (increase) in accounts receivable due from related parties	(129,613)	147,674
Decrease (increase) in other receivable	46	8,215
Decrease (increase) in inventories	1,228,860	(473,662)
Decrease (increase) in prepayment and other current assets	(309,359)	(77,662)
Increase (decrease) in financial liabilities at fair value through profit or loss, mandatorily measured at fair value	1,866	-
Increase (decrease) in financial liabilities for hedging	(7,662)	11,212
Increase (decrease) in contract liabilities	357	3,282
Increase (decrease) in accounts payable	(847,702)	182,746
Increase (decrease) in accounts payable to related parties	(592,979)	(522,405)
Increase (decrease) in accrued expense and other current liabilities	226,853	398,894
Increase (decrease) in provisions for employee benefits, non-current	(34,239)	(28,870)
Total changes in operating assets and liabilities	(404,157)	42,432
Total adjustments	(1,248,507)	(1,283,879)
Cash flows from (used in) operations	256,786	425,459
Interest received	593	3,440
Income taxes (paid) refund	(32,321)	40,452
Net cash flows from (used in) operating activities	225,058	469,351

	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(45,622)
Proceeds from disposal of financial assets at amortized cost	3,000	27,000
Acquisition of financial assets at fair value through profit or loss	(1,034,562)	(381,880)
Proceeds from repayments of financial assets at amortized cost	-	200,000
Acquisition of investments accounted for using equity method	(1,000)	(665,847)
Return of capital of the investments accounted for using equity method due to capital reduction	122,246	101,942
Acquisition of property, plant and equipment	(1,111,664)	(411,198)
Proceeds from disposal of property, plant and equipment	87,819	568
Decrease (increase) in refundable deposits	(88,355)	(8,222)
Acquisition of intangible assets	(19,386)	(106,707)
Others	33,498	(5,670)
Net cash flows from (used in) investing activities	<u>(2,008,404)</u>	<u>(1,295,636)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	2,471,462	1,036,360
Proceeds from long-term borrowings	473,050	13,330
Payment of lease liabilities	(60,967)	(1,872)
Cash dividends paid	(568,284)	(516,621)
Interest paid	(46,817)	(54,788)
Others	-	9,327
Net cash flows from (used in) financing activities	<u>2,268,444</u>	<u>485,736</u>
Net increase (decrease) in cash and cash equivalents	485,098	(340,549)
Cash and cash equivalents at beginning of period	<u>58,664</u>	<u>399,213</u>
Cash and cash equivalents at end of period	<u>\$ 543,762</u>	<u>58,664</u>

ACBEL POLYTECH INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents	\$ 4,482,650	16.6	1,790,802	8.0
1110	Current financial assets at fair value through profit or loss	3,429,722	12.7	3,767,832	16.8
1136	Current financial assets at amortized cost	1,300,084	4.8	1,326,018	5.9
1139	Financial assets for hedging, current	16,398	0.1	18,461	0.1
1150	Notes receivable, net	150,225	0.6	174,750	0.8
1170	Accounts receivable, net	4,173,848	15.5	3,988,368	17.8
1180	Accounts receivable due from related parties, net	1,298,191	4.8	851,029	3.8
1200	Other receivables	187,203	0.7	139,496	0.6
1300	Inventories, net	2,975,903	11.0	4,163,615	18.6
1410	Prepayments and other current assets	389,302	1.4	242,734	1.1
1460	Non-current assets classified as held for sale, net	-	-	295,458	1.3
		<u>18,403,526</u>	<u>68.2</u>	<u>16,758,563</u>	<u>74.8</u>
Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income	599,460	2.2	563,985	2.5
1550	Investments accounted for using equity method	31,221	0.1	41,412	0.2
1600	Property, plant and equipment	6,492,462	24.1	4,216,009	18.8
1755	Right-of-use assets	923,311	3.4	186,273	0.8
1840	Deferred tax assets	236,757	0.9	205,509	0.9
1900	Other non-current assets	289,161	1.1	426,424	2.0
		<u>8,572,372</u>	<u>31.8</u>	<u>5,639,612</u>	<u>25.2</u>
	Total assets	<u>\$ 26,975,898</u>	<u>100.0</u>	<u>22,398,175</u>	<u>100.0</u>

ACBEL POLYTECH INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current liabilities:					
2100	Short-term borrowings	\$ 5,463,240	20.3	2,336,453	10.4
2120	Current financial liabilities at fair value through profit or loss	1,866	-	-	-
2126	Financial liabilities for hedging, current	5,847	-	13,509	0.1
2170	Notes and accounts payable (including related parties)	4,585,398	17.0	4,946,989	22.1
2200	Accrued expenses and other payables	1,897,290	7.0	2,421,929	10.8
2280	Current lease liabilities	179,027	0.7	32,747	0.1
2300	Other current liabilities	895,437	3.3	941,313	4.2
2322	Current portion long-term borrowings	47,015	0.2	20,004	0.1
		<u>13,075,120</u>	<u>48.5</u>	<u>10,712,944</u>	<u>47.8</u>
Non-Current liabilities:					
2540	Long-term borrowings	1,191,068	4.4	354,583	1.6
2570	Deferred tax liabilities	1,079,440	3.9	1,136,679	5.1
2580	Non-current lease liabilities	775,895	2.9	70,591	0.3
2640	Provisions for employee benefits, non-current	188,919	0.7	178,916	0.8
2670	Other non-current liabilities	21,862	0.1	71,919	0.3
		<u>3,257,184</u>	<u>12.0</u>	<u>1,812,688</u>	<u>8.1</u>
	Total liabilities	<u>16,332,304</u>	<u>60.5</u>	<u>12,525,632</u>	<u>55.9</u>
Equity attributable to owners of parent:					
3110	Ordinary shares	<u>5,166,213</u>	<u>19.2</u>	<u>5,166,213</u>	<u>23.1</u>
3200	Capital surplus	<u>306,920</u>	<u>1.1</u>	<u>306,920</u>	<u>1.4</u>
Retained earnings:					
3310	Legal reserve	1,162,528	4.3	1,014,071	4.5
3320	Special reserve	46,199	0.2	117,306	0.5
3350	Unappropriated retained earnings	<u>3,317,317</u>	<u>12.3</u>	<u>2,689,265</u>	<u>12.0</u>
		<u>4,526,044</u>	<u>16.8</u>	<u>3,820,642</u>	<u>17.0</u>
3400	Other components of equity	<u>(45,594)</u>	<u>(0.2)</u>	<u>(46,199)</u>	<u>(0.2)</u>
		<u>9,953,583</u>	<u>36.9</u>	<u>9,247,576</u>	<u>41.3</u>
3610	Non-controlling interests	<u>690,011</u>	<u>2.6</u>	<u>624,967</u>	<u>2.8</u>
	Total equity	<u>10,643,594</u>	<u>39.5</u>	<u>9,872,543</u>	<u>44.1</u>
	Total liabilities and equity	<u>\$ 26,975,898</u>	<u>100.0</u>	<u>22,398,175</u>	<u>100.0</u>

ACBEL POLYTECH INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue	\$ 20,983,757	100.0	20,583,559	100.0
5000 Operating costs	17,452,034	83.2	17,617,915	85.6
5900 Gross profit	3,531,723	16.8	2,965,644	14.4
6000 Operating expenses:				
6100 Selling expenses	668,377	3.2	757,756	3.7
6200 Administrative expenses	968,513	4.6	821,138	4.0
6300 Research and development expenses	1,503,623	7.1	1,299,538	6.3
	<u>3,140,513</u>	<u>14.9</u>	<u>2,878,432</u>	<u>14.0</u>
6900 Net operating income	391,210	1.9	87,212	0.4
7000 Non-operating income and expenses:				
7100 Interest income	61,371	0.3	72,721	0.4
7190 Other income and losses	1,966,268	9.4	2,703,428	13.1
7230 Foreign exchange gains (loss), net	(129,142)	(0.6)	39,792	0.2
7235 Gains on financial assets (liabilities) at fair value through profit or loss	119,247	0.5	99,376	0.5
7510 Interest expense	(68,500)	(0.3)	(64,223)	(0.3)
7770 Share of loss of associates and joint ventures accounted for using equity method	(14,807)	(0.1)	(18,316)	(0.1)
	<u>1,934,437</u>	<u>9.2</u>	<u>2,832,778</u>	<u>13.8</u>
7900 Profit before tax	2,325,647	11.1	2,919,990	14.2
7950 Income tax expenses	927,747	4.4	1,276,950	6.2
8200 Profit	1,397,900	6.7	1,643,040	8.0
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	(48,255)	(0.2)	(36,485)	(0.2)
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	35,475	0.2	66,514	0.3
8349 Less: income tax related to components of other comprehensive income	32,525	0.2	(7,478)	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(45,305)</u>	<u>(0.2)</u>	<u>37,507</u>	<u>0.1</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	14,419	-	(110,969)	(0.4)
8370 Shares of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	4,616	-	(135)	-
8399 Less: income tax related to components of other comprehensive income	4,987	-	(9,418)	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>14,048</u>	<u>-</u>	<u>(101,686)</u>	<u>(0.4)</u>
8300 Other comprehensive income (loss)	(31,257)	(0.2)	(64,179)	(0.3)
8500 Comprehensive income	<u>\$ 1,366,643</u>	<u>6.5</u>	<u>1,578,861</u>	<u>7.7</u>
Profit attributable to:				
8610 Owners of parent	\$ 1,313,093	6.3	1,484,573	7.2
8620 Non-controlling interests	84,807	0.4	158,467	0.8
	<u>\$ 1,397,900</u>	<u>6.7</u>	<u>1,643,040</u>	<u>8.0</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 1,274,291	6.1	1,433,288	7.0
8720 Non-controlling interests	92,352	0.4	145,573	0.7
	<u>\$ 1,366,643</u>	<u>6.5</u>	<u>1,578,861</u>	<u>7.7</u>
Earnings per share:				
9750 Basic net income per share	\$	2.54	\$	2.87
9850 Diluted net income per share	\$	2.53	\$	2.86

ACBEL POLYTECH INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Retained earnings					Other components of equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2019	\$ 5,166,213	306,920	913,529	95,767	1,872,401	(117,305)	93,384	(23,921)	8,330,909	329,006	8,659,915
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	100,542	-	(100,542)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	21,539	(21,539)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(516,621)	-	-	-	(516,621)	-	(516,621)
	-	-	100,542	21,539	(638,702)	-	-	-	(516,621)	-	(516,621)
Profit for the year ended December 31, 2019	-	-	-	-	1,484,573	-	-	-	1,484,573	158,467	1,643,040
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(29,007)	(88,792)	66,514	(22,278)	(51,285)	(12,894)	(64,179)
Comprehensive income for the year ended December 31, 2019	-	-	-	-	1,455,566	(88,792)	66,514	(22,278)	1,433,288	145,573	1,578,861
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	150,388	150,388
Balance at December 31, 2019	5,166,213	306,920	1,014,071	117,306	2,689,265	(206,097)	159,898	(46,199)	9,247,576	624,967	9,872,543
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	148,457	-	(148,457)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	(71,107)	71,107	-	-	-	-	-	-
Cash dividends	-	-	-	-	(568,284)	-	-	-	(568,284)	-	(568,284)
	-	-	148,457	(71,107)	(645,634)	-	-	-	(568,284)	-	(568,284)
Profit for the year ended December 31, 2020	-	-	-	-	1,313,093	-	-	-	1,313,093	84,807	1,397,900
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(39,407)	6,503	(5,898)	605	(38,802)	7,545	(31,257)
Comprehensive income for the year ended December 31, 2020	-	-	-	-	1,273,686	6,503	(5,898)	605	1,274,291	92,352	1,366,643
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(27,308)	(27,308)
Balance at December 31, 2020	\$ 5,166,213	306,920	1,162,528	46,199	3,317,317	(199,594)	154,000	(45,594)	9,953,583	690,011	10,643,594

ACBEL POLYTECH INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,325,647	2,919,990
Adjustments for:		
Depreciation expense	576,830	459,931
Amortization expense	39,138	40,924
Expected credit loss (gain)	(9,120)	37,874
Net gain on financial assets or liabilities at fair value through profit or loss	(143,244)	(84,138)
Interest expense	68,500	64,223
Interest income	(61,371)	(72,721)
Share of loss (profit) of associates and joint ventures accounted for using equity method	14,807	18,316
Loss (gain) on disposal of property, plant and equipment	(1,511,219)	(2,340,925)
Loss (gain) on disposal of non-current assets classified as held for sale	-	(439,801)
Casualty loss	-	195,835
Impairment loss	65,291	-
Others	49,616	(4,157)
	(910,772)	(2,124,639)
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss, mandatorily measured at fair value	-	(12,025)
Decrease (increase) in financial assets for hedging	2,063	(12,992)
Decrease (increase) in notes receivable	24,525	(7,973)
Decrease (increase) in accounts receivable	(184,954)	470,918
Decrease (increase) in accounts receivable due from related parties	(447,162)	(38,403)
Decrease (increase) in other receivables	(48,443)	(54,784)
Decrease (increase) in inventories	1,187,712	(199,481)
Decrease (increase) in prepayment and other current assets	(141,454)	(8,172)
Decrease (increase) in other operating assets	1,466	(208)
Increase (decrease) in financial liabilities at fair value through profit or loss	1,866	(27,498)
Increase (decrease) in financial liabilities for hedging	(7,662)	11,212
Increase (decrease) in contract liabilities	357	3,282
Increase (decrease) in accounts payable (including related parties)	(361,591)	(308,970)
Increase (decrease) in accrued expense and other current liabilities	328,937	415,826
Increase (decrease) in provisions for employee benefits, non-current	(34,239)	(27,966)
Total changes in operating assets and liabilities	321,421	202,766
Total adjustments	(589,351)	(1,921,873)
Cash flows from (used in) operations	1,736,296	998,117
Interest received	70,670	70,521
Income taxes paid	(607,633)	(111,442)
Net cash flows from (used in) operating activities	1,199,333	957,196

	<u>2020</u>	<u>2019</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(45,621)
Acquisition of financial assets at fair value through profit or loss	518,668	(944,075)
Disposal (acquisition) of financial assets at amortized cost	25,934	(271,673)
Proceeds from repayments of financial assets at amortized cost	-	200,000
Proceeds from disposal of non-current assets classified as held for sale	-	521,346
Acquisition of property, plant and equipment	(2,943,912)	(1,524,298)
Proceeds from disposal of land leasehold right, property, plant and equipment	1,771,664	1,413,499
Advanced received from disposal of asset	-	287,990
Decrease (increase) in refundable deposits	15,597	(61,752)
Acquisition of intangible assets	(19,564)	(110,842)
Decrease (increase) in other non-current assets	26,048	-
Income taxes paid	(1,083,512)	(357,527)
Others	-	(7,940)
Net cash flows from (used in) investing activities	<u>(1,689,077)</u>	<u>(900,893)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,126,787	1,043,500
Proceeds from long-term borrowings	913,041	332,957
Repayments of long-term debt	(49,545)	-
Payment of lease liabilities	(129,834)	(29,586)
Cash dividends paid	(568,284)	(516,621)
Interest paid	(67,454)	(90,562)
Change in non-controlling interests	(27,308)	150,388
Others	(594)	9,706
Net cash flows from (used in) financing activities	<u>3,196,809</u>	<u>899,782</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(15,217)</u>	<u>(73,979)</u>
Net increase in cash and cash equivalents	2,691,848	882,106
Cash and cash equivalents at beginning of period	<u>1,790,802</u>	<u>908,696</u>
Cash and cash equivalents at end of period	<u>\$ 4,482,650</u>	<u>1,790,802</u>

Ratification Item

Proposal 2

Proposed by the Board

Subject : 2020 earnings distribution are proposed for ratification.

Explanations :

1. For 2020 earnings distribution, the Board has prepared 2020 earnings distribution proposal in accordance with the Company Act and Articles of Incorporation of the Company.
2. The 2020 earnings distribution proposal of the Company is attached below. Please recognize.

AcBel Polytech Inc. Earnings Distribution Proposal For The Year 2020 (expressed in New Taiwan Dollars)

Items	Total
Unappropriated retained earnings of previous years	2,043,631,067
Add : Net income of 2020	1,313,092,670
Less : Remeasurement of defined benefit obligation	(39,406,629)
Less : 10% Legal reserve	(127,368,604)
Add : Reversal of special reserve(Note2)	604,353
Retained earnings available for distribution	3,190,552,857
Distributable item:	
Less : Cash dividend to shareholders (\$1.2 per share)	(619,945,554)
Unappropriated retained earnings	2,570,607,303

Note1 : Allocation of 2020 undistributed profit shall be given priority for the above profit distribution.

Note2 : The distributable earnings are reduced first by appropriation into legal reserve and then into special reserve. Therefore, there is no need to repeat the appropriation from legal reserve for the reversal of special reserve according to the interpretation issued by the Ministry of Economic Affairs in Official Letter, MOEA with File Number Jing-Shang-Zi 10902005780 on March 3, 2020.

Resolution :

Discussion Items

Discussion Items

Proposal 1

Proposed by the Board

Subject : It is proposed that the “Articles of Incorporation” should be amended. Please resolve decision as appropriate.

Explanation :

1. It is proposed to amend “Articles of Incorporation” as required for operation.
2. The comparison table of amended articles of “Articles of Incorporation” (refer to pages 34~35) is attached hereto. Please resolve decision as appropriate.

Resolution :

AcBel Polytech Inc.

Comparison Table of Amended Articles of “Articles of Incorporation”

Amended article	Original article	Explanation
<p>Article 5-2 The share warrant of employees, new share purchase right of employees, and the new shares with limited right of employees issued by law and the shares purchased by the Company may be issued or transferred to such targets including the employees of <u>the Company’s subordinate companies who meet certain requirements.</u></p>	<p>Article 5-2 The share warrant of employees, new share purchase right of employees, and the new shares with limited right of employees issued by law and the shares purchased by the Company may be issued or transferred to such targets including the employees of <u>companies where the Company has reinvested over 50% of its shares.</u></p>	<p>Amended in response to operation requirement.</p>
<p>Article 26 Where the Company makes profit in a fiscal year, the sum 2% minimum shall be appropriated for remuneration to employees and 2% maximum shall be appropriated as remuneration to directors. Where the Company has accumulated losses, nevertheless, the amount to make up losses shall be first withheld.</p> <p>The term “profit made by the Company in a year” as set forth herein denotes the profit before tax before deduction of remuneration to employees and remuneration to directors.</p> <p>The remuneration to employees may be distributed in stocks or in</p>	<p>Article 26 Where the Company makes profit in a fiscal year, the sum 2% minimum shall be appropriated for remuneration to employees and 2% maximum shall be appropriated as remuneration to directors. Where the Company has accumulated losses, nevertheless, the amount to make up losses shall be first withheld.</p> <p>The term “profit made by the Company in a year” as set forth herein denotes the profit before tax before deduction of remuneration to employees and remuneration to directors.</p> <p>The remuneration to employees may be distributed in stocks or in</p>	<p>Amended in response to operation requirement.</p>

Amended article	Original article	Explanation
cash and may be distributed to such targets including the employees of <u>the Company's subordinate companies who meet certain requirements.</u>	cash and may be distributed to such targets including the employees of <u>companies where the Company has invested outwardly and holds over 50% of its shares.</u>	
Article 31 These Articles were duly formulated on June 23, 1981; The 1 st ~ the 43 nd amendments (Omitted) <u>The 44rd amendment was made on June 23, 2021</u>	Article 31 These Articles were duly formulated on June 23, 1981; The 1 st ~ the 43 nd amendments (Omitted)	Addition of amendment dates.

Discussion Items

Proposal 2

Proposed by the Board

Subject : It is proposed that the “Procedures for Acquisition or Disposal of Assets” should be amended. Please resolve decision as appropriate.

Explanation :

- 1.It is proposed to amend “Procedures for Acquisition or Disposal of Assets” as required for operation.
- 2.The comparison table of amended articles of “Procedures for Acquisition or Disposal of Assets” (refer to pages 37~39) is attached hereto. Please resolve decision as appropriate.

Resolution :

AcBel Polytech Inc.
Comparison Table of Amended Articles of “Procedures for Acquisition or Disposal of Assets”

Amended article	Original article	Explanation
<p>Article 9 Appraisal and operating procedures for acquisition or disposal of securities</p> <p>I. ~ II. (Omitted)</p> <p>III. Limit an level of authority The acquisition or disposal of securities, where the individual amount is below NT\$50 million (inclusive), shall be approved by the general manager, where the individual amount is more than NT\$ 50 million but not more than NT\$100 million (inclusive), shall be approved by the chairman, where the individual amount is more than NT\$100 million, shall be reported to the board of directors for approval; provided, however, the investment in specific securities <u>which is expected to be held for less than one year</u> approved by the board shall be handled under the authorization of the board.</p> <p>IV. (Omitted)</p>	<p>Article 9 Appraisal and operating procedures for acquisition or disposal of securities</p> <p>I. ~ II. (Omitted)</p> <p>III. Limit an level of authority The acquisition or disposal of securities, where the individual amount is below NT\$30 million (inclusive), shall be approved by the general manager, where the individual amount is more than NT\$ 30 million but not more than NT\$100 million (inclusive), shall be approved by the chairman, where the individual amount is more than NT\$100 million, shall be reported to the board of directors for approval; provided, however, the investment in specific securities approved by the board shall be handled under the authorization of the board.</p> <p>IV. (Omitted)</p>	<p>As required by operations</p>
<p>Article 13 Appraisal and operating procedures for acquisition or disposal of derivatives</p> <p>I. Trading principle and guideline III. Limit and level of authority (I) ~(II) (Omitted) (III) Division of Responsibilities 1~3(Omitted) 4. Approval authority for derivatives: A. Scope of</p>	<p>Article 13 Appraisal and operating procedures for acquisition or disposal of derivatives</p> <p>I. Trading principle and guideline III. Limit and level of authority (I) ~(II) (Omitted) (III) Division of Responsibilities 1~3(Omitted) 4. Approval authority for derivatives: A. Scope of</p>	<p>As required by operations</p>

Amended article			Original article			Explanation
authorization: (Omitted) B. Transaction limit authorized:			authorization: (Omitted) B. Transaction limit authorized:			
Approval personnel	Limit of single transaction	Daily aggregate amount	Approval personnel	Limit of single transaction	Daily aggregate amount	
General manager	US\$ <u>20</u> million	US\$ <u>50</u> million	General manager	US\$ <u>10</u> million	US\$ <u>25</u> million	
Chief finance officer	US\$ <u>10</u> million	US\$ <u>25</u> million	Chief finance officer	US\$ <u>8</u> million	US\$ <u>20</u> million	
Head of financial department	US\$ 2 million	US\$ 5 million	Head of financial department	US\$ 2 million	US\$ 5 million	
<p>If any single transaction amount or daily aggregate amount exceeds the authorized transaction limit, the transaction may be conducted only with approval of the chairman.</p> <p>(IV)~ (V) (Omitted) II ~ IV. (Omitted) V. Supervisory management principles of board of directors for engaging in derivatives trading (I) The board of directors shall duly conduct the supervisory management in accordance with the following principles: 1. The senior executive designated by the board shall take care of the <u>measurement, supervision and control of risk of derivatives trading</u> from time to time. 2. Regularly evaluate whether the derivatives trading performance matches</p>			<p>If any single transaction amount or daily aggregate amount exceeds the authorized transaction limit, the transaction may be conducted only with approval of the chairman.</p> <p>(IV)~ (V) (Omitted) II ~ IV. (Omitted) V. Supervisory management principles of board of directors for engaging in derivatives trading (I) The board of directors shall duly conduct the supervisory management in accordance with the following principles: 1. The senior executive designated by the board shall take care of the supervision and control of risk of derivatives trading from time to time. 2. Regularly evaluate whether the derivatives trading performance matches the</p>			

Amended article	Original article	Explanation
<p>the established operation strategies and whether the amount of risks undertaken is within the acceptable range of the Company. (II)~ (IV) (Omitted)</p>	<p>established operation strategies and whether the amount of risks undertaken is within the acceptable range of the Company. (II)~ (IV) (Omitted)</p>	
<p>Article 20 Supplementary provision These Procedures were approved by the shareholders' meeting on June 18, 2003. The first to the twelfth amendment (Omitted) <u>The thirteenth amendment became enforceable after being adopted by resolution of the Board meeting on May 7, 2021 and further adopted by resolution of the shareholders' meeting on June 23, 2021.</u></p>	<p>Article 20 Supplementary provision These Procedures were approved by the shareholders' meeting on June 18, 2003. The first to the twelfth amendment (Omitted)</p>	<p>No. of amendments to date and the amendment dates required</p>

Discussion Items

Proposal 3

Proposed by the Board

Subject : It is proposed that the “Rules of Election of Directors” should be amended. Please resolve decision as appropriate.

Explanation :

1. It is proposed to amend “Rules of Election of Directors” in line with the letter No. 10900094681 from the Taiwan Stock Exchange Corporation on June 3, 2020 to amend the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors”
2. The comparison table of amended articles of “Rules of Election of Directors” (refer to pages 41 ~ 42) is attached hereto. Please resolve decision as appropriate.

Resolution :

AcBel Polytech Inc.
Comparison Table of Amended Articles of “Rules of Election of Directors”

Amended article	Original article	Explanation
<p>Aritcle 9 (Repealed)</p>	<p>Aritcle 9 <u>If the candidate is a shareholder, the voter must fill in the account name and account number of the candidate in the column of “candidate”;</u> <u>if the candidate is not a shareholder, the voter shall fill in name and identification card number of the candidate, and then cast the ballot to the ballot box.</u> <u>However, when the candidate is a governmental organization or juristic person shareholder, name of the governmental organization or juristic person shareholder shall be filled in, or both the name of the governmental organization or juristic person shareholder and its representative shall be filled in. When there are multiple representatives, the name of each respective representative shall be filled in.</u></p>	<p>1. Amendment on June 3, 2020 with a reference to the amended sample for Rules of Election of Directors of - Co., Ltd..</p>
<p>Article 9 A ballot is invalid under any of the following circumstances: 1. The ballot <u>was</u> not prepared by a person with the right to <u>convene</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot <u>does not conform to the director candidate list</u>. <u>5. Other words or marks are entered in addition to the</u></p>	<p>Article 10 A ballot is invalid under any of the following circumstances: 1. The ballot <u>is not prepared in accordance with these Rules</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or is not altered by law. 4. The candidate whose name is entered in the ballot <u>is a shareholder, but the candidate's account name and shareholder account number do not conform</u></p>	<p>1. Adjusted the Article number in line with the repeal of Article 9. 2. Amendment on June 3, 2020 with a reference to the amended sample for Rules of Election of Directors of - Co., Ltd..</p>

Amended article	Original article	Explanation
<u>number of voting rights allotted.</u>	<u>with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u> <u>5. Two or more candidates are filled in same ballot.</u> <u>6. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</u> <u>7. Any of candidate's account name and shareholder account number (or identity card number) is omitted.</u>	
Article <u>10</u> (Omitted)	Article <u>11</u> (Omitted)	Adjusted the Article number in line with the repeal of Article 9.
Article <u>11</u> (Omitted)	Article <u>12</u> (Omitted)	Adjusted the Article number in line with the repeal of Article 9.
Article <u>12</u> (Omitted)	Article <u>13</u> (Omitted)	Adjusted the Article number in line with the repeal of Article 9.
Article <u>13</u> These Rules were formulated on June 24, 1996; The 1st ~ the 5th amendments (Omitted) <u>6th amendment was made on June 23, 2021.</u>	Article <u>14</u> These Rules were formulated on June 24, 1996; The 1st ~ the 5th amendments (Omitted)	No. of amendments to date and the amendment dates required

Discussion Items

Proposal 4

Proposed by the Board

Subject : The issuance of new restricted employee shares is proposed for discussion and resolution.

Explanations :

1. To attract and retain professional talents required by the Company, incentivize employees and enhance employment engagement in order to create greater interest for the Company and shareholders, the Company requests the shareholders' meeting to resolve and approve the issuance of new restricted employee shares. Depending on actual requirements, the issuance may be in one or multiple tranches within one year after the date of arrival and effectiveness of the reporting to competent authorities for approval. The actual issuance dates shall be determined by Chairman under authorization from the Board of Directors.

2. Matters in relation to issuance:

(1) Total amount of issuance:

The issuance of ordinary shares to employees is for a total of NT\$100,000,000, with 10,000,000 shares at a face value of NT\$10 per share.

(2) Issuing conditions:

A. Issued price:

NT\$0 per share as bonus shares

B. Vesting conditions:

Eligible employees who meet the corporate overall performance metrics and personal performance metrics specified in the Regulations Governing Issuance of New Restricted Employees Shares may be vested with the following percentage of shares for each year:

One year: 30%; two years 30%; three years 40%

C. Treatment of failure to meet vesting conditions or there is inheritance:

The Company shall redeem for free and cancel the issued shares if employees do not meet the vesting conditions. In case of inheritance for the employee issued with new restricted

employees shares but vesting conditions not yet met, the Company's Regulations Governing Issuance of New Restricted Employees Shares shall apply.

(3) Eligibility of employees and number of shares to be issued or subscribed:

A. Only the full-time employees already on the jobs on the date of issuance are eligible to be issued with new restricted employees shares. This may include the employees of subordinated companies.

B. The decision on the employees granted the new restricted shares and the number of such shares shall depend on tenures, position levels, work performances, overall contributions and other factors as well as the company's operational requirements and business development strategy needs, and shall be signed off by Chairman and approved by the Board of Directors. However, the granting of new restricted shares to managers and directors who are employees requires prior consent from Remuneration Committee.

C. The number of new restricted employees shares granted to the single employee shall adhere with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

(4) Necessity of this issuance of new restricted employees shares:

To attract and retain professional talents required by the Company, incentivize employees and enhance employment engagement in order to create interest for the Company and shareholders and align the interest of the Company's management and employees with the interest of shareholders.

(5) Potential expensed amount, dilution of earnings per share and other effects on shareholders' equity:

A. Potential expensed amount:

As of the most recent book closure date, the Company's total number of shares outstanding was 516,621,295 shares. The expected number of issued new restricted employees shares is equivalent to 1.94% of the total number of issued shares. Based on the closing price at NT\$29.9 on April 28, 2021, the potential expenses should be NT\$299 million. This is allocated into NT\$72 million for 2021, NT\$138 million for 2022, NT\$66 million for 2023 and NT\$23 million for 2024.

B. Dilution of earnings per share and other effects on shareholders' equity:

The dilution of earnings per share is by NT\$0.14 for 2021, NT\$0.27 for 2022, NT\$0.13 for 2023 and NT\$0.04 for 2024. The dilution of the Company's earnings per share is limited, and the influence on shareholders' equity is unlikely to be material.

3. The shareholders' meeting is requested to authorize the Board of Directors to handle any necessary amendment for instructions from competent authorities, legal requirements, financial market status and environmental issues not covered.

Resolution :

Election Items

Election Items 1

Proposed by the Board

Subject: The election of the directors of the twentieth term is proposed for your election.

Explanations:

1. The three-year tenure of the Company's 19th board's directors started on June 26, 2018 and ends on June 25, 2021. The board's directors shall be re-elected this year according to the Company Act. As the annual shareholders' meeting is scheduled for June 23, 2021, the tenure of the 19th board's directors shall end on June 23, 2021 and the newly elected directors shall take office immediately upon the election result.
2. The Company's Articles of Incorporation specifies that there should be nine to thirteen directors, including at least two independent directors and no less than one fifth of the director seats should be independent directors. After the consideration for the Company's operational scale and board functioning requirements, this re-election intends to elect a total of eleven directors (including three independent directors) at a tenure of three years, from June 23, 2021 to June 22, 2024.
3. According to the Company's Articles of Incorporation, the election of directors is based on the directors candidates nomination system. Please kindly refer to the list of candidates for directors (including independent directors) on page 47 and vote accordingly.

Voting results:

List of candidate of directors (including independent directors) of the twentieth term

Title of Candidate	Name of candidate	Education	Major career	Number of shares held (Unit: share)
Director	Hsu Chieh-Li	Master of International business administration, Waseda University Japan	General Manager, AcBel Polytech Inc. Director, Kinpo Electronics, Inc. Director, Compal Electronics, Inc.	1,300,000
Director	Kinpo Electronics, Inc.	N/A	Director, AcBel Polytech Inc.	117,162,063
	Representative: Chen, Wei-Chang	Department of Electronics Engineering, Ocean College	General, Kinpo Electronics, Inc.	0
Director	Wea Chi-Lin	Doctor of Economics, University of Paris	Chairman, Waterland Financial Holdings	0
Director	Kao Ching-Shang	Hydraulic Engineering, National Cheng Kung University	Director, AcBel Polytech Inc. General Manager, AcBel Polytech Inc.	3,802,222 (Note2)
Director	Chiu Ping-Ho	Master of International Business Institute, National Taiwan University	Director, AcBel Polytech Inc. General, Kinpo Electronics, Inc.	480,247
Director	Hu Shin-Fang	Master of Business Administration, National Chengchi University	Chairman, Foster Consultants Enterprise Corp. Director, AcBel Polytech Inc.	15,000
Director	Wang Ho-Fei	Department of Mechanical Engineering, Far East University	Senior Vice President, AcBel Polytech Inc. President, Shanghai Sino Hardware Electronics (Wujiang) Co., Ltd.	260,495
Director	Liu Chun-Chih	Department of Electronics, Ocean University	Vice President, AcBel Polytech Inc. Vice President, Vice President of R&D, Compal Electronics, Inc. Vice President of R&D, Lc Future Center Ltd.	0
Independent Director	Lin Neng-Pai	Ph.D. of College of Commerce of Ohio State University, USA	Director, Kinpo Electronics, Inc.	0
Independent Director	Tsai Lien-Sheng	Master of Graduate Institute of China Studies of Tamkang University	Secretary General, Chinese National Federation Of Industries Director General, Intellectual Property Office, Ministry of Economic Affairs	0
Independent Director	Huang Chung-Chiu	Ph.D. of Department of Computer Science, National Chiao Tung University	President, Taiwan Electric Power Association Minister, Ministry of Economic Affairs Chairman, Taiwan Power Company	0

Note 1: Shares held in this table as of April 25, 2021

Note2 : Shares held include shares under trust with discretion reserved.

Discussion Items

Discussion Items

Proposal 5

Proposed by the Board

Subject : To approve the release of non-competition restrictions for Directors.

Explanations :

1. As certain Directors of the Company may invest in or operate a business which is identical or similar to the business scope of the Company, without prejudice to any interest of the Company, it is proposed to approve the release of non-competition restrictions for these Directors in accordance with Article 209 of the Company Act.
2. Information of the Director candidates who concurrently serve in a position of other companies is attached hereto as attachment (see pages 49~50). To approve the release of non-competitions restrictions for Directors.

Resolution:

**Jobs at other companies taken concurrently by candidates of directors
(including independent directors) of the twentieth term**

Name	Name and position held concurrently at other company
Hsu Chieh-Li	<p>Vice Chairman : Cal-Comp Electronics(Thailand) Public Company Limited</p> <p>Director : CK Holdings Inc. 、 CSA Holdings Inc. 、 EPI Technology Venture Pte. Ltd. 、 Evercomm Singapore Pte. Ltd. 、 Power Station Holdings Ltd 、 Compal Electronics, Inc. 、 Kinpo Electronics, Inc. 、 AcBel Telecom Inc. 、 AcTek Energy Co., Ltd. 、 CastleNet Technology Inc. 、 Ray-Kwong Medical Management Consulting Co., Ltd. 、 Raypal Biomedical Co., Ltd. 、 The Eslite Spectrum Corporation 、 LIZ Electronics (Nantong) Co., Ltd. 、 Cal-Comp Big Data, Inc. 、 ARCE Therapeutics, Inc.</p> <p>Independent Director : Winbond Electronics Corp. 、 Nuvoton Technology Corporation</p> <p>Supervisor : Teleport Access Services, Inc. 、 Kinpo Group Management Consultant Company 、 Full Power Investment Co.,Ltd</p>
Kinpo Electronics, Inc.	<p>Director : XYZprinting (suzhou) Co., Ltd. 、 Compal Electronics, Inc. 、 Teleport Access Services, Inc. 、 Jipo Investment Inc. 、 PK Venture Capital Corp. 、 Kinpo Group Management Consultant Company 、 Crownpo Technology Inc. 、 CastleNet Technology Inc. 、 Norm Pacific Automation Corp. 、 Cal-Comp Asset Management, Inc. 、 Prudence Venture Investment Corp. 、 NTNU Innovation Investment Holding Company 、 iHELPER Inc. 、 Cal-Comp Big Data, Inc.</p> <p>Supervisor : Jipo Investment Inc.</p>
Chen Wei-Chang	<p>Chairman : Cal Comp (Malaysia) SDN. BHD. 、 Cal-Comp Precision (Philippines), Inc. 、 Cal-Comp Technology (Philippines), Inc. 、 Kinpo Electronics (Philippines), Inc. 、 ICKP(Beijing) Technology Development Co., Ltd. 、 Dongguan Kaipo Electronics Co., Ltd. 、 Cal-Comp Optical Electronics (Suzhou) Co., Ltd. 、 Cal-Comp Optical Electronics (Suzhou) Co., Ltd. 、 Cal-Comp Electronics and Communications (Suzhou) Co., Ltd. 、 Cal-Comp Asset Management, Inc.</p> <p>Vice Chairman : PChome (Thailand) Co.,Ltd</p> <p>Director : Ascendant Private Equity Investment Ltd. 、 Cal-Comp Electronics (USA) Co., Ltd. 、 Cal-Comp Electronics de Mexico Co. S.A. de C.V. 、 Cal-Comp USA (Indiana), Co., Inc. 、 Cal-Comp USA (San Diego), Co., Inc. 、 Castlenet Technology (BVI) Inc. 、 Logistar International Holding Company Limited 、 Shennona Corporation 、 Jipo Investment Inc. 、 HippoScreen Neurotech Corp. 、 Kinpo Group Management Consultant Company 、 Kinpo Electronics (China) Co., Ltd. 、 Cal-Comp Electronics(Thailand) Public Company Limited 、 Cal-Comp Electronics And communications Co., Ltd. 、 Cal-Comp Precision Holding Co., Ltd. 、 iHELPER Inc. 、 Kinpo Electronics, Inc.</p> <p>General Manager : Cal-Comp Technology (Philippines), Inc. 、 Kinpo Electronics (China) Co., Ltd. 、 Kinpo Electronics (China) Co., Ltd. 、 Cal-Comp Optical Electronics (Suzhou) Co., Ltd. 、 Cal-Comp Technology (Suzhou) Co., Ltd. 、 Cal-Comp Electronics and Communications (Suzhou) Co., Ltd.</p>

Name	Name and position held concurrently at other company
Wea Chi-Lin	Chairman : IBF Financial Holdings Co., Ltd Director : Nuvoton Technology Corporation 、 Elan microelectronics corporation Independent Director : Formosa plastics corporation 、 Iventec corporation
Kao Ching-Shang	Chairman : Shanghai Sino Hardware Electronics (Wujiang) Co., Ltd. Director : Power Station Holdings Ltd. 、 Target Gain Corporation. Managing Director : Chongqing Tongliang District Shanghai Sino Hardware Electronics Co., Ltd. 、 Chongqing Kanghua Metal Product Co.,Ltd. Supervisor : Startech Co., Ltd.
Chiu Ping-Ho	Director : Power Station Holdings Ltd. Supervisor : Crownpo Technology Inc. 、 Zigong Art Sharing Co., Ltd. 、 Zigong Smart Learning Co., Ltd.
Hu Shin-Fang	Chairman : Foster Consultants Enterprise Corp.
Wang Ho-Fei	Director : Power Station Holdings Ltd. 、 Shanghai Sino Hardware Electronics (Wujiang) Co., Ltd. General Manager : Shanghai Sino Hardware Electronics (Wujiang) Co., Ltd.
Lin Neng-Pai	Chairman : Taishin Securities Investment Advisory (TSIA) Co., Ltd Independent Director : Wistron NeWeb Corporation 、 Darfon Electronics Corp.
Tsai Lien-Sheng	Independent Director : Abonmax Co., Ltd 、 Yi Shin Textile Industrial Co., Ltd.
Huang Chung- Chiu	Independent Director : Century Wind Power Co., Ltd. 、 UPC Technology Corporation

Ad Hoc Motions

Ad Hoc Motions

Appendices

【 Appendix 1 】

AcBel Polytech Inc. Rules of Procedures for Shareholders' Meeting

- Article 1 Unless otherwise provided by law, shareholders' meeting of the Company shall be held in accordance with these Rules.
- Article 2 Shareholders' meeting shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. Number of attending shares shall be calculated according to attendance book or sign-in cards handed.
- Article 3 Attendance and voting at shareholders' meeting shall be calculated on basis of shares.
- Article 4 The location of shareholders' meeting shall be the Company's location or such other place that is convenient for shareholders to attend and suitable to call shareholders' meeting . The meeting shall not commence earlier than 9 AM or later than 3 PM.
- Article 5 If a shareholders' meeting is convened by the Board of Directors, the chairman of the Board shall be the chairman presiding at the meeting. If the chairman is on leave or for any reason unable to exercise the power of chairman, the vice chairman shall act in the place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the power of the chairman, the chairman shall designate one managing director to act on his behalf. If there is no managing director, the chairman shall designate one director to act as chair. If the chairman has not designated an agent, the one person shall be elected from among managing directors or directors to act on behalf of the chairman.
If the meeting is convened by any person who is entitled to convene the meeting other than the Board, such person shall be the chairman to preside at the meeting.
- Article 6 Attorneys, certified public accountants or other relevant persons appointed by the Company may attend shareholders' meeting. The staff members who take charge of shareholders' meeting shall wear identification certificates or armbands.

- Article 7 The Company shall make an uninterrupted audio or video recording of the proceedings of shareholders' meeting and keep such recording for at least one year.
- Article 8 The chairman shall call the meeting to order at the time scheduled for the meeting, provided, however, when the attending shareholders do 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 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Law.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Law.
- Article 9 The agenda for the shareholders' meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changes without resolution of the shareholders' meeting.
If the shareholders' meeting is convened by any person who is entitled to convene the meeting other than the Board of Directors, the provisions of the Company Law shall apply.
Without resolution, the chairman may not announce adjournment of the meeting before completion of agenda items (including incidental motions) scheduled in the preceding two paragraphs.
After the meeting is adjourned, shareholders may not otherwise elect a chairman to continue the meeting at the original place or another venue; provided, however, if the chairman announces adjournment in violation to these rules of procedure, one person may be elected as the chairman with consent of attending shareholders who represent a majority of votes to continue the meeting.
- Article 10 Before speaking, an attending shareholder shall fill out the speaker's note, specifying therein essential pointes of his speech, shareholder account number (or attendance card number) and

account name. The sequence of speeches shall be determined by the chairman.

An attending shareholder, who has only submitted speaker's slip but does not actually speak, shall be deemed to have not spoken. When contents of the speech does not correspond to the those specified in the speaker's note, contents of actual speech shall prevail.

Without consents of the chairman and speaking shareholder, other shareholders shall not speak or interrupt when a attending shareholder is speaking. The chairman shall stop any violation.

Article 11 Without consent of the chairman, a shareholder may not speak more than twice on the same proposal and a single speech shall not exceed 5 minutes.

If a shareholder speaks in violation to the preceding provision or beyond the scope of agenda item, the chairman may stop his speech.

Article 12 When a juristic person is appointed as a proxy to attend a shareholders' meeting, such juristic person may appoint one representative to attend the meeting.

If a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the appointed representatives may speak on the same proposal.

Article 13 After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 14 If the chairman considers that a proposal has been discussed sufficient to put it to a vote, the chairman may account the discontinuance of discussion and call for a vote.

Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be designated by the chairman; provided that all monitoring personnel shall be shareholders.

The voting results shall be reported on-site at the meeting and shall be made into record.

Article 16 When a meeting is in progress, the chairman may announce a break based on time considerations.

Article 17 Unless otherwise provided by the Company Law and Articles of Incorporation, resolution of a proposal shall be adopted by a

majority of voting rights represented by attending shareholders. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.

- Article 18 If there is an amendment or an alternative to a proposal, the chairman may present the amended or alternative proposal together with the original proposal and determine the sequence of their votes. If one of the proposals has been adopted, the other proposals shall be deemed vetoed and no further voting is required.
- Article 19 The chairman may direct proctors (or security personnel) to assist in maintenance of the order of the meeting. While assisting in maintenance of the order of the meeting on-site, the proctors (or security personnel) shall wear armbands bearing the word "Proctor".
- Article 20 These Rules shall be implemented after being adopted at the shareholders' meeting. The same shall apply to the amendment thereto.
- Article 21 These Rules were formulated on June 24, 1996; 1st amendment was made on October 24, 1997; 2nd amendment was made on June 30, 1999; and 3rd amendment was made on June 25, 2002.

【 Appendix 2 】

AcBel Polytech Inc. Articles of Incorporation (Before Amendment)

Chapter I General Provisions

- Article 1 : This Company, pursuant to the Company Law, is duly incorporated under the full name of AcBel Polytech Inc.
- Article 2 : Business items operated by the Company are as follows:
- 1.CB01020 Office Machines Manufacturing
 - 2.CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
 - 3.CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
 - 4.CC01040 Lighting Facilities Manufacturing
 - 5.CC01060 Wired Communication Equipment and Apparatus Manufacturing
 - 6.CC01070 Telecommunication Equipment and Apparatus Manufacturing
 - 7.CC01080 Electronic Parts and Components Manufacturing
 - 8.CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
 - 9.CC01110 Computers and Computing Peripheral Equipments Manufacturing
 - 10.CC01990 Electrical Machinery, Supplies Manufacturing
 - 11.E601010 Electric Appliance Construction
 - 12.E605010 Computing Equipments Installation Construction
 - 13.EZ05010 Apparatus Installation Construction
 - 14.F113010 Wholesale of Machinery
 - 15.F113020 Wholesale of Household Appliance
 - 16.F113030 Wholesale of Precision Instruments
 - 17.F113050 Wholesale of Computing and Business Machinery Equipment
 - 18.F113070 Wholesale of Telecom Instruments
 - 19.F119010 Wholesale of Electronic Materials
 - 20.F213010 Retail Sale of Household Appliance
 - 21.F213030 Retail sale of Computing and Business Machinery Equipment
 - 22.F213040 Retail Sale of Precision Instruments
 - 23.F213060 Retail Sale of Telecom Instruments

- 24.F213080 Retail Sale of Machinery and Equipment
- 25.F219010 Retail Sale of Electronic Materials
- 26.F401010 International Trade
- 27.F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 28.G801010 Warehousing and Storage
- 29.I301010 Software Design Services
- 30.JZ99990 Other Services Not Elsewhere Classified
- 31.CE01021 Metrological Instruments Manufacturing
- 32.F401181 Metrological Instruments Importing
- 33.JA02051 Metrological Instruments Repairing
- 34.E701010 Telecommunications Construction
- 35.E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
- 36.CC01090 Batteries Manufacturing
- 37.E603090 Illumination Equipments Construction
- 38.IG03010 Energy Technical Services
- 39.JE01010 Rental and Leasing Business
- 40.D101060 Self-usage power generation equipment utilizing renewable energy industry
- 41.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3 : The company may render guarantee services for fellow companies externally in line with business needs.

Article 4 : The Company is headquartered in Taipei City, Taiwan, Republic of China and may have its branch offices duly established in other places inside or outside of Taiwan in accordance with the resolutions adopted in the Board of Directors.

Chapter II Shares

Article 5 : The capital stock of the Company shall be NT\$7,000,000,000 divided into 700,000,000 shares at the par value of NT\$10 per share. The shares shall be issued in lots. The unissued shares are issued by the Board of Directors in line with business needs.
The capital in the preceding paragraph, includes NT\$400,000,000 for issuance of warrant certificate, totally 40,000,000 shares in number at par value NT\$10 per share. The shares shall be issued in lots with the authorization of the Board of Directors in line with business needs.

Article 5-1 : If the subscription price of issue of the Company is lower than the price of employees' warrants certificates which is equal to the close price of ordinary shares at the date of issue, such issue shall be adopted at a Shareholders' Meeting with consents of more than two-thirds votes of attending shareholder who represent a majority of the total issued shares.

If the price of transfer to employees is lower than average price actually bought back by the company, such transfer shall be adopted at the most recent Shareholders' Meeting with consents of more than two-thirds of votes of attending shareholders who represent a majority of the total issued shares.

Article 5-2 : The share warrant of employees, new share purchase right of employees, and the new shares with limited right of employees issued by law and the shares purchased by the Company may be issued or transferred to such targets including the employees of companies where the Company has reinvested over 50% of its shares.

Article 6 : The share certificate of the Company shall be hereof, the registered ones, shall be duly signed and sealed by the director representing the Company and endorsed by the competent authority or its authorized issuing registration agency relevant to the purpose before issuance.

When the Company issues shares, the share certificates may be exempted from printing; however, Centralized Securities Depository Enterprises Organizations should be contacted for their entries.

Article 7 : Shareholders of the Company shall handle share affairs, such as transferring, pledge, voidance in case of loss, succession, presentation as a gift and change in voidance for specimen seals, change in address, pursuant to "Guidelines for Handling Share Affairs of Public Listing Companies" unless otherwise stipulated in the laws and securities regulations.

Chapter III Shareholders' Meeting

Article 8 : The shareholders' meeting hereof is in two categories:

1. A shareholders' meeting will be convened within six months after the closing of a fiscal year, summoned by the Board of Directors.
2. An extraordinary shareholder's meeting may be duly convened whenever necessary.

Article 9 : The chairperson of the shareholders' meeting shall be duly handled according to Article 182-1 of the Company Law.

- Article 10 : In the event that any shareholder is unable to attend a shareholders' meeting for some reason, she/he may submit a signed and sealed Power of Attorney prepared by the Company, stating the scope of authorized power and duly commission a proxy to attend the shareholders' meeting. The matters shall be subject to "Regulations Governing Public Listing Companies in the Use of Power of Attorney" as stipulated by the competent authorities.
- Article 11 : Each shareholder has one voting power for each share, provided, however, no voting right is granted for the items as listed in Article 179 of the Company Law.
- Article 12 : Unless otherwise provided by the Company Law, the quorum necessary for a Shareholders' Meeting shall be the presence of such number of Shareholders representing a majority of the total shares issued, and resolution thereat shall be decisive with a majority of all the Shareholders present.

Chapter IV Directors and functional committees

- Article 13 : There are nine to thirteen directors in the Company. The term of office of the directors shall be three years, whose position is resumable if re-elected for a successive term. Among the directors, number of independent directors may not be less than three in number, and the members of independent directors may not be less than one-fifth of the total number of directors.
- The candidate nomination system for directors shall be adopted. Implementation to the matters concerned are all subject to the related regulations of the Company Law and Securities Exchange Law.
- Total number of shares of the Company held by all directors may not be lower than a certain percentage of total number of outstanding shares. Such percentage of shares shall be determined in accordance with Enforcement Rules of Audit otherwise promulgated by the competent authority.
- The Company may purchase liability insurance for directors, to protect rights and interests of all shareholders and to minimize operational risk of the Company.
- Article 14 : A meeting of Board of Directors shall specify the reason therefore, and a notice thereof shall be given to each director seven days prior to the meeting; however, in the event of emergency, a meeting may be convened from time to time. The notice of convening a meeting of Board of Directors may be given in writing, by email or by fax.

Functions of the Board of Directors are as follows:

1. Proposal of amendment to Articles of Incorporation;
2. Establishment and removal of branches;
3. Approval of budget and review of final accounts;
4. Approval of reinvestment of the Company in other enterprises;
5. Retaining and discharge of certifying CPA for the Company;
6. Appointment and dismissal of managers;
7. Decision and amendment to business guidelines;
8. Proposal of earnings distribution or deficit compensation;
9. Proposal of lien, sale, rent, pledge, mortgage or other disposal of all or significant portion of finance or business of the Company;
10. Approval of endorsement, guarantee, acceptance for other companies;
11. Proposal of important regulations and rules of the Company;
12. Proposal of buyback of shares and issuance of corporate bonds of the Company;
13. Proposal of capital increase or reduction of the Company;
14. Other functions granted by laws and regulations and shareholders' meeting.

Article 15 : The directors form the Board of Directors. The Chairman of the Board of Directors shall be elected from, and by, the directors themselves, with two-thirds of the directors present and with the consent of a majority of the directors present. The Chairman of the Board of Directors shall carry out all affairs of the Company according to Laws and Regulations, resolutions of the Shareholders' Meeting and the Board of Directors.

Article 16 : Resolutions at a meeting of Board of Directors shall, unless otherwise provided in the Company Law, be adopted with the consent of the majority of the directors present at the meeting attended by majority of the directors of the Company.

Article 17 : Operating guidelines and other important matters of the Company shall be resolved by the Board of Directors.
Unless otherwise provided by the Company Act, all meetings of Board of Directors shall be convened and presided by the chairman. If the chairman cannot perform his functions, the chairman shall designate one director to act in his place. If the chairman fails to make such designation, one director shall be elected from among themselves to act on behalf of the chairman.

Article 18 : Directors shall attend the board meeting in person. If a director is

unable to attend a board meeting for any reason, he may issue a power of attorney, specifying scope of authorization, to appoint another director as his proxy to represent him in the meeting. The aforesaid proxy shall be restricted to representing only one director. In case a meeting of a Board of Directors is held via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 19 : For the perfection of board of directors functions and enhancement of management mechanism, the board of directors may establish various functional committees, of which the organizational regulations shall be formulated respectively in accordance with relevant law requirements and regulations and rules of the Company.

Article 20 : The Company shall, in accordance with Article 14-4 of the Securities and Exchange Act, establish audit committee which shall be composed of the entire number of independent directors. The audit committee shall exercise the functions of supervisors as prescribed by the Company Act, Securities & Exchange Act and other regulatory requirements.

Article 21 : Remuneration to directors who perform duties of the Company shall be paid disregarding whether or not the Company operates at a profit. The rate of remunerations to all directors shall be proposed by the remuneration committee based on the level of their participation in the business operation, value of their contribution with reference to the general rates prevalent in the fellow companies, and then be determined by the board of directors.

Chapter V Managers

Article 22 : The Company has a certain number of managers, whom shall be duly appointed, discharged and paid according to Article 29 of the Company Law.

Chapter VI Accounting

Article 23 : The fiscal year of the Company shall be from January 1 to December 31 of each year. The annual final accounting shall be done at the end of the fiscal year.

- Article 24 : The Company shall have the following various documents and books prepared by the Board of Directors and shall submit the same in accordance with legal procedure to the shareholders' annual meeting for ratification.
- (1) Business Report
 - (2) Financial Statement
 - (3) Proposals of profit allocation and loss coverage
- Article 25 : Distribution of dividends and bonuses shall be subject to the percentage of shares held by each shareholder. If the Company has no earnings, dividends and bonuses shall not be distributed.
- Article 26 : Where the Company makes profit in a fiscal year, the sum 2% minimum shall be appropriated for remuneration to employees and 2% maximum shall be appropriated as remuneration to directors. Where the Company has accumulated losses, nevertheless, the amount to make up losses shall be first withheld.
- The term "profit made by the Company in a year" as set forth herein denotes the profit before tax before deduction of remuneration to employees and remuneration to directors.
- The remuneration to employees may be distributed in stocks or in cash and may be distributed to such targets including the employees of companies where the Company has invested outwardly and holds over 50% of its shares.
- Article 26-1 : From the profits as shown through the final annual account, the sum to pay all taxes and make up previous loss, if any, shall be first withheld, then 10% shall be reserved as legal reserve unless the total accumulation of legal reserve is up to the Company's total capital. Then the sum for special reserve which shall be duly appropriated or restored according to laws or requirements by the competent authority. The final balance, if any, added with the initial unappropriated retained earnings, shall be duly distributed after the Board of Directors reserves a certain amount as the actual business operation conditions may justify and proposes the distribution in a manner of issuance of new shares to be resolved by the shareholders' meeting.
- The Company authorizes that the board of directors may, by a resolution adopted by a majority vote of the attending directors who represent two-thirds of directors, distribute all or part of the dividends and bonus, capital reserves or legal earning reserved distributable by the method of payment of cash, and reports it to shareholders' meeting.

Where the Company is amidst the growing phase, with consideration of the need of future capital need and with efforts to satisfy shareholders in their need of inflow capital, from the profits as shown through the final annual account, the sum taken to distribute cash dividend shall not be less than 50% of the aggregate total of the cash dividend and stock dividend to be distributed in the current year.

Chapter VII By-Laws

- Article 27 : The organizational rules and operational regulations of the Company shall be separately enacted by the resolution of the Board of Directors.
- Article 28 : The total amount of investment may not exceed 40% of the paid in capital of the Company.
- Article 29 : Any matters inadequately provided for herein shall be subject to the Company Law and other laws concerned of the Republic of China.
- Article 30 : These Articles shall come into enforcement after the date of being resolved by the shareholders' meeting. The same shall apply to the amendment thereto.
- Article 31 : These Articles were duly formulated on June 23, 1981;
1st amendment was made on July 15, 1981;
2nd amendment was made on January 20, 1983;
3rd amendment was made on August 27, 1983;
4th amendment was made on October 22, 1983;
5th amendment was made on February 24, 1984;
6th amendment was made on March 15, 1984;
7th amendment was made on November 24, 1984;
8th amendment was made on August 24, 1985;
9th amendment was made on July 6, 1987;
10th amendment was made on October 30, 1987;
11th amendment was made on August 18, 1989;
12th amendment was made on November 8, 1989;
13th amendment was made on January 18, 1991;
14th amendment was made on March 30, 1991;
15th amendment was made on November 1, 1992;
16th amendment was made on May 24, 1994;
17th amendment was made on May 15, 1996;
18th amendment was made on June 10, 1996;
19th amendment was made on June 24, 1996;

20th amendment was made on August 16, 1996;
21st amendment was made on October 17, 1996;
22nd amendment was made on June 12, 1997;
23rd amendment was made on October 24, 1997;
24th amendment was made on April 10, 1998;
25th amendment was made on June 2, 1998;
26th amendment was made on June 30, 1999;
27th amendment was made on June 25, 2002;
28th amendment was made on June 18, 2003;
29th amendment was made on April 29, 2004;
30th amendment was made on May 25, 2005;
31st amendment was made on June 21, 2006;
32nd amendment was made on June 13, 2007;
33rd amendment was made on June 25, 2008;
34th amendment was made on June 16, 2009;
35th amendment was made on June 25, 2010;
36th amendment was made on June 22, 2011;
37th amendment was made on June 12, 2012;
38th amendment was made on June 19, 2013;
39th amendment was made on June 19, 2014;
40th amendment was made on June 17, 2015;
41st amendment was made on June 23, 2016;
42nd amendment was made on June 21, 2017;
43rd amendment was made on June 26, 2018; and
44th amendment was made on June 25, 2019.

AcBel Polytech Inc.

Chairman: Hsu, Sheng-Hsiung

【 Appendix 3 】

AcBel Polytech Inc. Procedures for Acquisition or Disposal of Assets (Before Amendment)

- Article 1 Purpose
These Procedures are adopted for the protection of assets and the implementation of public disclosure of information.
Unless otherwise provided by laws and regulations, the Company shall handle the acquisition or disposal of assets in compliance with these Procedures.
- Article 2 Legal basis
These Procedures are adopted in accordance with relevant laws and regulations.
- Article 3 Scope of assets
- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities
 - II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment
 - III. Memberships
 - IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets
 - V. Right-of-use assets
 - VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables)
 - VII. Derivatives
 - VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law
 - IX. Other major assets
- Article 4 Definition of terms
- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of

prices or rates, credit rating or credit index, or other variable; or compound contracts combining the above contracts; or compound contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156-3, paragraph 6 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of the board of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 5 Limit of investments in real property and right-of-use assets thereof and securities for non-business use

The limit of the above said assets acquired by the Company and each subsidiary, respectively, is set as follows:

- I. The aggregate amount of investments in securities and real

property and right-of-use assets thereof for non-business use may not exceed 1.5 times of net value and non-current liabilities of the respective company.

- II. The amount of investment in real property and right-of-use assets thereof for non-business use may not exceed the net value of the respective company.
- III. The aggregate amount of investment in securities may not exceed 1.5 times of net value and non-current liabilities of the respective company.
- IV. The limit of investment in individual securities as follows:
 - (I) investment in individual securities which is expected to be held for one year or longer may not exceed the net value and non-current liabilities of the respective company; however, this limitation on investment in respective individual securities does not apply to the investment in a company in which the Company holds one hundred percent of voting shares of such company.
 - (II) The amount of investment in individual securities which is expected to be held for less than one year may not exceed the net value and non-current liabilities thirty percent of the respective company.

Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party or de facto party of any party to the transaction.

Article 7 With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Any transaction involving major assets or derivatives shall be approved by more than half of all audit committee members and

submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 8 Appraisal and operating procedures for acquisition or disposal of real property, equipment, or right-of-use assets thereof

- I. The means of price determination and the basis of reference
 - (I) In acquiring or disposing of real property, equipment, or right-of-use assets thereof, the implementing unit shall report the investment budget and the additional equipment plan of the department, and shall evaluate and analyze the underlying investment. The feasibility analysis and search as to the status before the investment, motive and purpose of the investment, cost of the investment, expected payback years, and investment benefit analysis shall be conducted to draft the concrete implementation scheme of the investment plan, which shall be submitted to the general manager for approval.
 - (II) Regarding various operational procedures for acquisition, disposal, use, custody and records of real property, equipment, or right-of-use assets thereof, the relevant provisions of "Operation Procedures for Fixed Asset Management" of the Company shall be followed.
- II. Engaging the experts to issue appraisal reports

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

 - (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a

reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Where assets are acquired or disposed of through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

III. Limit and level of authority

- (I) The acquisition or disposal of real property, where its amount is not more than NT\$50 million (inclusive), shall be submitted to the chairman for approval and shall subsequently be submitted to the soonest board meeting

for recordation, and, where its amount is higher than NT\$50 million, shall be further approved by the board meeting before implementation thereof.

- (II) The acquisition or disposal of equipment or right-of-use assets thereof and real property right-of-use assets may be made only after the approval of each level as stated in the “approval authority table” is obtained.

IV. Implementing unit

In acquiring or disposing of real property, equipment, or right-of-use assets thereof, the implementing unit designated by the board or the chairman or the using unit shall be responsible for implementation thereof after approval thereof from the approval authority under the preceding paragraph is obtained.

Article 9 Appraisal and operating procedures for acquisition or disposal of securities

I. The means of price determination and the basis of reference

In acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price:

- (I) In acquiring or disposing of securities that have been listed on an exchange or traded on an OTC market, the transaction price shall be determined by the market price at that time.
- (II) In acquiring or disposing of securities that are neither listed on an exchange nor traded on an OTC market, the transaction price shall be negotiated and determined after taking into consideration the net value per share, profitability, future development potential, market interest rate, bond coupon rate, debtor’s credit, and referring to the transaction price at that time.

II. Obtaining opinions from experts

In acquiring or disposing of securities, if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing

Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations the competent authority.

Where assets are acquired or disposed of through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

III. Limit an level of authority

The acquisition or disposal of securities, where the individual amount is below NT\$30 million (inclusive), shall be approved by the general manager, where the individual amount is more than NT\$ 30 million but not more than NT\$100 million (inclusive), shall be approved by the chairman, where the individual amount is more than NT\$100 million, shall be reported to the board of directors for approval; provided, however, the investment in specific securities approved by the board shall be handled under the authorization of the board.

IV. Implementing unit

After the approval from the approval authority under the preceding paragraph is obtained for the Company's acquisition or disposal of securities, the implementing unit designated by the board or the chairman unit shall be responsible for implementation thereof, and the financial and accounting units shall coordinate in the assistance thereof.

Article 10 Appraisal and operating procedures for related party transactions

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to the process in accordance with the procedure for acquisition of real estate under Article 8, and the relevant resolution procedure adopted and the appraisal of rationality of trading terms appraised according to the following requirements, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion as required. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Subparagraph 8 of Paragraph 1 of Article 15 hereof. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

II. Appraisal and operating procedures

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by the securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been agreed by audit committee and then approved by the board of directors:

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a trading counterparty.
- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraphs (1) and (4) of Paragraph 3 of this Article.
- (IV) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (VIII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Subparagraph 8 of Paragraph 1 of Article 15 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.

Items that have been agreed by the audit committee and approved by the resolution of the board of directors need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use equipment or right-of-use assets thereof, or real property right-of-use assets between the Company and its parent or subsidiaries, or the subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the accumulated transaction amounts are less than NT\$ 300 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The matters for which paragraph 2 requires approved by the audit committee shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of paragraphs 4 and 5 of Article 7 hereof.

III. Appraisal of reasonableness of the transaction cost

(I) In acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been

70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

- (II) Where land and house thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the house may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) Where Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with subparagraph (1) and (2) of Paragraph 3 of this Article, the Company shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) When the results of the Company's appraisal conducted for acquisition of real property or right-of-use assets thereof in accordance with subparagraph (1) and (2) of Paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article Subparagraph (5) of Paragraph 3 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:
 - 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and house according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction

division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

(2) Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or lease practices.

2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets thereof.

(V) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with subparagraphs (1) and (2) of paragraph 3 of this article are uniformly lower than the transaction price, the following steps shall be taken. In addition, when the Company has set aside a special reserve for investments of the Company in a public company

valuated by equity method as required above, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.

1. A special reserve shall be set aside in accordance with paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. Audit committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

(VI) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance requirements relating to appraisal and operation procedure under paragraphs 1 and 2 of this article, and the requirement relating to appraisal of reasonableness of transaction cost under subparagraphs (1), (2) and (3) of Paragraph 3 of this Article do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 4. The acquisition of business-use real property right-of-use assets between the Company and its parent company or subsidiaries, or the subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (VII) For transaction of real property or right-of-use assets thereof with related parties, if there is other evidence indicating that the transaction was not in conformity with arm's length, the Company shall follow the requirements of Subparagraph (5) of Paragraph 3 of this article.

Article 11 Appraisal and operating procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships

- I. Means of determination of price and the basis of reference
In acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, the transaction price shall be negotiated and determined with the transaction counterparty after taking into consideration the possible resulting benefit and fair market value of such assets, and, if necessary, referring to the opinions from experts.
- II. Engaging experts to issue opinions
Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches twenty percent (20%) or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the rationality of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
- III. Limit and level of authority
 - (I) The acquisition or disposal of intangible assets or

memberships, where its transaction amount is more than NT\$20 million, shall be reported to the board for approval, and, where the individual amount is not more than NT\$20 million (inclusive), shall be determined by the chairman as authorized by the board.

(II) Acquisition or disposal of right-of-use assets or intangible assets may be made only after the approval of each level as stated in the "approval authority table" is obtained.

IV. Implementing unit

In acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, the implementing unit designated by the board or the chairman, or the using department shall be responsible for implementation thereof after approval thereof from the approval authority under the preceding paragraph is obtained.

Article 11-1 The calculation of the transaction amounts referred to in the preceding four articles shall be made in accordance with Subparagraph 8 of Paragraph 1 of Article 15 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 12 Appraisal and operation procedures for acquisition or disposal of claims of financial institutions

The Company, as a principle, does not engage in the transaction of acquisition or disposal of claims of financial institutions. However, if the Company desires to engage in the transaction of acquisition or disposal of claims of financial institutions in the future, its appraisal and operational procedures shall be formulated after approval of the board of directors is obtained.

Article 13 Appraisal and operating procedures for acquisition or disposal of derivatives

I. Trading principle and guidelines

(I) Type of transaction

The derivatives engaged by the Company refer to transaction agreements of which values are derived from an asset, interest rate, exchange rate, index, or other interest (e.g. forward contracts, options, futures,

leverage margin, swap, and compound agreements that are combinations of the above products). The term "forward contracts" as used above does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. Matters relating to margin trading in bonds shall be based on these Procedures.

(II) Operation (hedging) strategies

The Company's operation of derivatives is mainly to eliminate the risks of exchange rate and interest rate generated from operating activities, by adopting the conservative and hedging principle, with strategies as follows:

1. For the positions of assets or liabilities held or required in the future by the Company, sectional or selective manner is adopted to conduct the hedging operation, taking into consideration the future market change.
2. The natures of derivatives trading engaged by the Company are divided into two kinds - "hedging" and "trading" depending on their purposes, to which different limits of aggregate contract amount, setting of stop loss point, and accounting principles apply. These two kinds will be cross-used due to change in objective circumstances, in order to hedge the operating financial risk, with a view to lock or reduce the non-operating loss.

(III) Division of Responsibilities

1. Financial department:

- A. Market judgment
- B. Risk position control and confirmation
- C. Implementation of derivatives operation
- D. Trade confirmation and delivery
- E. Trade evaluation report

For contents of the above works, the operation personnel may not act concurrently as the conclusion/confirmation personnel.

2 Accounting department:

- A. Process of the accounting affairs
- B. Public announcement and report of contents relating to the derivatives trading (including trading purpose and non-trading purpose)

engaged by the Company and subsidiaries

3. Auditing department: Regular or irregular auditing operation

4. Approval authority for derivatives:

A. Scope of authorization:

a. Derivatives operation of the Company applies to the extent of the following business items involving exchange rate and interest rate:

1. Sales revenues
2. Expenses for purchase of materials, products and equipment, etc.
3. Long-term and short-term loan
4. Other operating and non-operating transactions

b. The kinds of derivatives conducted by the Company on the financial market mainly include the following:

Item	Forward contract	Option	Financial swap
Exchange rate	Forward foreign exchange contract	Foreign exchange option	1. Currency swap 2. Interest rate/currency swap
Interest rate	Forward interest rate contract	Interest rate option	1. Interest rate swap 2. Interest rate/currency swap

If the operation of derivatives other than the above items is desired, a project shall be submitted to the chairman for approval.

c. If the investment in the specific securities approved by the board is of the embedded derivatives, the investment shall be conducted as authorized by the board.

B. Transaction limit authorized:

Approval personnel	Limit of single transaction	Daily aggregate amount
General manager	US\$ 10 million	US\$ 25 million
Chief finance officer	US\$ 8 million	US\$ 20 million
Head of financial	US\$ 2 million	US\$ 5 million

department		
------------	--	--

If any single transaction amount or daily aggregate amount exceeds the authorized transaction limit, the transaction may be conducted only with approval of the chairman.

(IV) Performance Appraisal

1. Hedging transactions:

A. Gain/loss arising from the difference between carrying cost of exchange rate and derivatives trade engaged by the Company is adopted as the basis for performance evaluation

B. In order to efficiently control and represent the valuation risk of trade, the Company evaluates gain/loss by monthly valuation method.

2. Transactions of trading nature:

Actual gain/loss incurred is adopted as the basis for performance evaluation.

(V) Setting of aggregate contract amount and loss

1. Aggregate contract amount

A. The transaction for hedging foreign exchange risk: The aggregate contract amount at the time of transaction may not exceed the aggregate amount of the position of foreign currency assets and liabilities recognized by the Company and the estimated import and export amount for the coming six months.

B. Transaction for hedging interest rate risk: The aggregate contract amount may not exceed the amount of total liabilities.

C. Transaction for hedging project risk: The aggregate contract amount may not exceed the aggregate budget amount of the project.

2. Setting of loss limit

Loss limit of entire contracts and individual contract is set as follows:

Item	Hedging nature	Trading nature
Loss limit of entire contracts	15% of the aggregate amount of entire hedging contracts	5% of the aggregate amount of entire trading contracts
Loss limit of individual	15% of the amount of individual	5% of the amount of individual trading contract

contract	hedging contract	
----------	------------------	--

Hedging refers to financial hedging, and the term financial hedging refers to the hedging acts taken by an enterprise, while trading in financial instrument, to hedge the exposures of the assets and liabilities held, the firm commitments not recognized, or the trades anticipated and the net investments of foreign operation to the market risk, credit risk, liquidity risk or cash flow risk due to change in interest rate, etc.

II. Risk management measures

(I) Credit risk management:

For trading counterparty, the financial institutions that are reputable, have larger size, and can provide professional information are selected as a principle.

(II) Market risk management:

As loss might be incurred due to the uncertainty of price fluctuation of derivatives, after the position is opened, the setting of stop loss shall be strictly followed depending on its hedging or trading purpose.

(III) Liquidity risk management:

1. Product liquidity: The generality of the traded products on the market should be considered.
2. Cash liquidity: Attention should be paid from time to time to the cash flow of the Company, in order to assure the smooth completion of delivery operation when various transactions expire.

(IV) Operation risk management:

The authorization limit, operating procedures for trading, and entries and control relating the trading records shall be strictly followed.

(V) Legal risk management:

The execution of contract relating to trading shall be made in coordination with the legal affair personnel in advance, in order to hedge subsequent risk.

(VI) Product risk management:

Trading personnel shall have complete and correct professional knowledge of derivatives, and shall ask the bank to make full disclosure in order to avoid the loss resulted from misuse of derivatives.

III. Internal audit system

- (I) Internal auditing personnel shall understand the adequacy of the internal control measures for

- derivatives on a regular basis, and audit the relevant department on its adherence to the guidelines for derivative trading and analyze the trading circles, and prepare audit reports on a monthly basis; and then send such report to the audit committee for review. The audit committee shall be notified in writing immediately upon discovery of any material violation.
- (II) Internal auditing personnel shall report the status of implementation of annual audit plan on the internal auditing operation under the preceding paragraph and the status of improvement of abnormalities to the competent authority within the time limit prescribed by the relevant law.
- IV. Periodical evaluation manner
- (I) Each transaction bank shall be requested to provide detailed pricing and valuation information on unexpired transactions of various products on time.
 - (II) Based on this information, the financial department shall evaluate the positions of trading nature once a week, and shall evaluate the transaction of hedging nature as required for business at least twice a month.
 - (III) The accounting department shall review and confirm the evaluation report.
 - (IV) The evaluation report shall be submitted to the senior executive authorized by the board.
- V. Supervisory management principles of board of directors for engaging in derivatives trading
- (I) The board of directors shall duly conduct the supervisory management in accordance with the following principles:
 - 1. The senior executive designated by the board shall take care of the supervision and control of risk of derivatives trading from time to time.
 - 2. Regularly evaluate whether the derivatives trading performance matches the established operation strategies and whether the amount of risks undertaken is within the acceptable range of the Company.
 - (II) The senior executive authorized by the board shall manage the derivatives trading in the following principles:
 - 1. Regularly evaluate whether risk management measures currently adopted are proper, and

- implemented in compliance with the Procedures.
2. Supervise the status of trading and profit or loss. If any abnormality is found, necessary responsive measure shall be taken and shall be immediately reported to the board of directors. The independent directors shall attend the board meeting and express their opinions.
- (III) When the Company engages in derivatives trading, the relevant personnel shall be authorized to conduct the trading in accordance with these Procedures, and shall subsequently report the trade to the board of directors.
- (IV) For derivatives trading engaged by the Company, a memorandum book shall kept and record in details the type, amount, date of approval of board of directors, and matter to be prudently evaluated under subparagraph (2) of paragraph 4, subparagraphs (1) and (2) of paragraph 5 of this Article.

Article 14 Appraisal and operating procedures for a merger, demerger, acquisition, or transfer of shares

- I. The means of determination of transaction consideration and the basis of reference
When the Company conducts a merger, demerger, acquisition, or transfer of shares, the price shall be negotiated and determined with the counterparty participating in the merger, demerger, acquisition, or transfer of shares, after taking into comprehensive considerations the past and future financial and business status of the participating company, the possible resulting future benefit and the fair manner of market determined price, and referring to the professional opinions from CPA, attorney or securities underwriter.
- II. Engaging experts to give opinions
In conducting a merger, demerger, acquisition, or transfer of shares, the Company shall, prior to convening the board of directors to resolve on the matter, engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a

subsidiary in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

III. Decision-making level

When the Company conducts a merger, demerger, acquisition, or transfer of shares, its resolution shall be adopted in accordance with the Company Act and relevant laws and regulations.

IV. The submission of relevant information and the disclosure of the information if the approval of the shareholders' meeting cannot be obtained

(I) In conducting a merger, demerger, or acquisition, the Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in Paragraph 2 of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

(II) Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

V. Date of convening the board meeting and shareholders' meeting and the acquisition act management

(I) In conducting a merger, demerger, or acquisition, the Company shall convene a board meeting and shareholders meeting on the same day of the meeting of other company participating in the merger,

demerger, or acquisition, to resolve matters relevant to the merger, demerger, or acquisition, unless another law provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent.

- (II) In participating in a transfer of shares, the Company shall convene a board meeting on the same day of the meeting of other company participating in the transfer of shares, unless another law provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent.
- (III) When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference.
 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board meeting.
 3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board meetings.
- (IV) When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs (1) and (2) of the preceding paragraph to the competent authority for recordation.
- (V) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another

company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of subparagraphs (3) and (4).

VI. Confidentiality obligation and avoidance of insider trade

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

VII. The principle of change in the share exchange ratio or acquisition price

When participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities
- (II) An action, such as a disposal of major assets that affects the company's financial operations
- (III) An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
- (IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- (V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- (VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

VIII. Matters to be recorded in the contract

The contract for participation by the Company in a merger,

demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- (I) Handling of breach of contract
 - (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (IV) The manner of handling changes in the number of participating entities or companies.
 - (V) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures
- IX. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- X. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of paragraphs 5, 6 and 9 of this Article.

Article 15 Procedure for public disclosure of information

- I. Items to be publicly announced and reported and standards for public announcement and report
 - (I) Acquisition or disposal of real property or right-of-

use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.

- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (IV) Where equipment or right-of-use assets thereof is acquired for business use, the trading counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (V) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, where the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
- (VI) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is less than NT\$500 million.
- (VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20

percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

1. Trading of domestic government bonds.
2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business.
3. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.

(VIII) The amount of transactions above shall be calculated as follows and the term "within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
3. The cumulative transaction amount of real property or right-of-use assets thereof acquisitions or disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

II. Time limit for public announcement and report

If the acquisition or disposal of assets by the Company includes items to be publicly announced under paragraph 1 of this article and its transaction amount meets the standards for public announcement, it shall be publicly announced and

reported within 2 days commencing immediately from the date of occurrence of the event.

III. Procedures for public announcement and report

- (I) The Company shall publicly announce and report the relevant information at the website designated by the competent authority.
- (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority by the 10th day of each month.
- (III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (IV) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of CPA, attorney, and securities underwriter at the Company, where they shall be retained for 5 years except where another law provides otherwise.
- (V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 days commencing immediately from the date of occurrence of the event:
 - 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - 3. Change to the originally publicly announced and reported information.

IV. Format of public announcement

The format and contents relating to acquisition or disposal of

assets to be publicly announced shall be in compliance with the requirements of the competent authority.

Article 16 Subsidiaries of the Company shall conduct according to the following requirements:

- I. Subsidiaries of the Company shall formulate relevant “Procedures for Acquisition or Disposal of Assets” in accordance with “Regulations Governing the Acquisition or Disposal of Assets by Public Companies”. After being adopted by the board of such subsidiary, the said procedures shall be submitted to the shareholders’ meeting of such subsidiary for approval. The same rule shall apply to the amendment thereto.
- II. If a subsidiary is not a public company, its acquisition or disposal of assets has met the standards for public announcement and report of Chapter 3 of “Regulations Governing the Acquisition or Disposal of Assets by Public Companies”, its parent company shall also make public announcement and report on behalf of such subsidiary.
- III. The paid-in capital or total assets as used in the standards for public announcement and report of the subsidiary shall refer to paid-in capital or total assets of the Company.
- IV. With respect of the requirement of these Procedures for ten percent of total assets, the amount of total assets stated in the entity or individual financial report for the most recent period prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used in the calculation.

In the case of a company whose shares have no par value or a par value other than NT\$10, with respect to the requirement for transaction amounts of twenty percent (20%) of paid-in capital, ten percent (10%) of shareholders’ equity attributable to the parent company shall be used in the calculation.

Article 17 Penalty

Any employee of the Company who conducts acquisition or disposal of assets in violation of this Procedure shall be regularly reported for assessment according to personnel management rules and employee handbook of the Company and shall be punished depending on the severity of violation.

Article 18 Enforcement and amendment

After being agreed by the audit committee and further adopted at

the board meeting, the “Procedure for Acquisition or Disposal of Assets” of the Company shall be submitted to the shareholders’ meeting for approval. The same rule shall apply to the amendment hereto. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the audit committee.

When the “Procedure for Acquisition or Disposal of Assets” is submitted to the board meeting for discussion, the Company shall take into full consideration each independent director's opinions, and record their opinions and reasons for consent or objection in the minutes of the board meeting.

The formulation of or amendment to the procedure for acquisition or disposal of assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, as applied mutatis mutandis by Subparagraph 5 of Paragraph 4 of Article 7.

Article 19 Any matter not provided herein shall be subject to relevant laws and regulations.

Article 20 Supplementary provision

These Procedures were approved by the shareholders’ meeting on June 18, 2003.

The first amendment was made on April 29, 2004.

The second amendment became enforceable after being adopted by resolution of the board meeting on March 21, 2006 and further adopted by resolution of the shareholders’ meeting on June 21, 2006.

The third amendment became enforceable after being adopted by resolution of the board meeting on March 21, 2007 and further adopted by resolution of the shareholders’ meeting on June 13, 2007.

The fourth amendment became enforceable after being adopted by the resolution of board meeting on April 28, 2008 and further adopted by resolution of the shareholders’ meeting on June 25, 2008.

The fifth amendment became enforceable after being adopted by resolution of the board meeting on April 28, 2009 and further adopted by resolution of the shareholders’ meeting on June 16, 2009.

The sixth amendment become enforceable after being adopted by resolution of the board meeting on April 28, 2010 and further adopted by resolution of the shareholders’ meeting on June 25,

2010.

The seventh amendment became enforceable after being adopted by resolution of the board meeting on April 27, 2012 and further adopted by resolution of the shareholders' meeting on June 12, 2012.

The eighth amendment became enforceable after being adopted by resolution of the board meeting on May 7, 2014 and further adopted by resolution of the shareholders' meeting on June 19, 2014.

The ninth amendment became enforceable after being adopted by resolution of the Board meeting on May 5, 2017 and further adopted by resolution of the shareholders' meeting on June 21, 2017.

The tenth amendment became enforceable after being adopted by resolution of the Board meeting on May 11, 2018 and further adopted by resolution of the shareholders' meeting on June 26, 2018.

The eleventh amendment became enforceable after being adopted by resolution of the Board meeting on May 13, 2019 and further adopted by resolution of the shareholders' meeting on June 25, 2019.

The twelfth amendment became enforceable after being adopted by resolution of the Board meeting on May 7, 2020 and further adopted by resolution of the shareholders' meeting on June 24, 2020.

【 Appendix 4 】

AcBel Polytech Inc. Rules of Election of Directors

- Article 1 Unless otherwise provided by the Company Law or Articles of Incorporation of the Company, election of directors of the Company shall be conducted in accordance with these Rules.
- Article 2 Election of directors of the Company shall be conducted at a shareholders' meeting.
- Article 3 The election of directors of the Company adopts single recorded cumulative voting system. Each share shall have voting rights in number equal to directors to be elected, and may be cast for a single candidate or split among multiple candidates.
The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 4 The election of directors shall adopt the candidate nomination system. Directors shall be elected from the list of candidates by shareholders. Combined election shall be conducted for both independent directors and non-independent directors, and the votes in the election shall be separately counted for respective candidates, who receive highest ballots representing the highest numbers of voting right shall be elected sequentially as independent directors and non-independent directors.
When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner; and the chairman shall draw lots on behalf of any person not in attendance.
- Article 5 Spousal relationship or familial relationship within the second degree of kinship may not exist among more than half of the directors.

- Article 6 In preparing ballots, the Board of Directors shall number the ballots according to attendance number and fill out votes therein.
- Article 7 Before the commencement of election, the chairman shall designate a certain number of vote monitoring and counting personnel to perform various relevant duties.
- Article 8 The ballot box for election shall be prepared by the Board of Directors. The ballot box shall be publicly examined by the vote monitoring personnel before casting ballots.
- Article 9 If the candidate is a shareholder, the voter must fill in the account name and account number of the candidate in the column of "candidate"; if the candidate is not a shareholder, the voter shall fill in name and identification card number of the candidate, and then cast the ballot to the ballot box. However, when the candidate is a governmental organization or juristic person shareholder, name of the governmental organization or juristic person shareholder shall be filled in, or both the name of the governmental organization or juristic person shareholder and its representative shall be filled in. When there are multiple representatives, the name of each respective representative shall be filled in.
- Article 10 A ballot is invalid under any of the following circumstances:
1. The ballot is not prepared in accordance with these Rules.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or is not altered by law.
 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
 5. Two or more candidates are filled in same ballot.
 6. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
 7. Any of candidate's account name and shareholder account number (or identity card number) is omitted.

- Article 11 After the casting of ballots is completed, the votes shall be publicly counted under the supervision of vote monitoring personnel. The vote counting results shall be announced by the chairman.
- Article 12 The Board of Directors shall issue a notice of election to the elected directors respectively.
- Article 13 These Rules shall be implemented after being resolved at the shareholders' meeting. The same shall apply to the amendment thereto.
- Article 14 These Rules were formulated on June 24, 1996;
1st amendment was made on October 24, 1997;
2nd amendment was made on June 25, 2002;
3rd amendment was made on June 25, 2008;
4th amendment was made on June 19, 2014;.and
5th amendment was made on June 26, 2018.

【 Appendix 5 】

AcBel Polytech Inc. The Shareholding Status of Directors

Basis date: April 25, 2021

Title	Name	Shares
Chairman	Hsu Sheng-Hsiung (Note)	2,637,966
Director	Hsu Chieh-Li	1,300,000
Director	Kao Ching-Shang (Note)	3,802,222
Director	Kinpo Electronics, Inc.	117,162,063
Director	Wea Chi-Lin	0
Director	Chiu Ping-Ho	480,247
Director	Hu Shih-Fang	15,000
Director	Wan Chien-Kuo (Note)	3,036,607
Independent Director	Hsieh Chi-Chia	263,547
Independent Director	Wang Yu-Chuan	0
Independent Director	Lin Neng-Pai	0
Total		128,697,652

Outstanding shares of the Company as of April 25, 2021 are 516,621,295 shares.

Statutory minimum shares to be held by all directors are 16,531,881 shares. As of April 25, 2021, all directors hold 128,434,105 shares (shares held by independent directors are not counted in calculation of shareholdings of directors.)

The Company has established an Audit Committee; therefore, the supervisors' shareholdings requirement is not applicable.

Note : Shareholdings in this table include shares under trust with discretion reserved.